

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP
SOUTH AUSTRALIAN BRANCH**

Scope

The Financial report and Councillors' responsibility

The financial report of The Community and Public Sector Union/SPSF Group South Australian Branch ("the Branch") comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes, and the certificate by the Branch Council for the financial year ended 30 June 2005.

The Branch's Councillors are responsible for the financial report in accordance with Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Branch. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. We performed procedures to assess whether in all material respects, the financial report presents fairly in accordance with the RAO Schedule, Australia Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Branch's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Councillor

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements of the RAO Schedule.

KPMG

KPMG

Antoine

IK Footer

Partner & Registered

Company Auditor

Date at Adelaide this

1st day of August 2005.

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COMMITMENT BY MANAGEMENT

I, JAN MCMAHON being the officer responsible for THE COMMUNITY AND PUBLIC SECTOR UNION \ SPSF GROUP SOUTH AUSTRALIAN BRANCH, certify that as at 30 June, 2005 the number of members of the Branch was 15,189, and do state on behalf of the Council, and in accordance with a resolution passed by the Council on the 1st August 2005, that:-

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts : and when they become due and payable; and
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with Schedule 1B of the Workplace Relations Act 1996 (the Registration and Accountability of Organisations (RAO) Schedule) and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of the financial records made by the Commission under section 273 of the RAO Schedule.

Dated at Adelaide this 1st day of August 2005.



JAN MCMAHON
BRANCH SECRETARY

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE, 2005

	2005	2004
	\$	\$
Membership contributions	233,122	225,711
Other contributions	-	-
Interest received	<u>579</u>	<u>536</u>
Total Revenue	<u>233,701</u>	<u>226,247</u>
Audit fees	2,250	2,000
Affiliation Fees ACTU	32,124	31,495
Bank charges and stamp duty	5	17
Bank debits tax	75	68
EDP costs	6,102	8,928
Financial institutions dut	-	-
Legal fees	-	-
National Campaign Costs	-	1,081
Staff salaries paid	15,515	13,889
Staff salaries recovered	(15,515)	(13,889)
Capitation fee paid to Federal Office	<u>189,548</u>	<u>183,522</u>
Total expenditure	<u>230,104</u>	<u>227,111</u>
Net surplus/(deficit) for year	5	<u><u>(864)</u></u>

The accompanying notes form part of these accounts

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	2005 \$	2004 \$
Current Assets			
Cash at Bank		81,850	117,965
Accounts receivable		<u>44,812</u>	<u>4,469</u>
Total Assets		<u>126,662</u>	<u>122,434</u>
Current Liabilities			
Creditors and borrowings		<u>3,085</u>	<u>2,454</u>
Total Liabilities		<u>3,085</u>	<u>2,454</u>
Net Assets		<u>123,577</u>	<u>119,980</u>
Members Funds			
General Fund	5	<u>123,577</u>	<u>119,980</u>

The accompanying notes form part of these accounts

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
Cash flows from operating activities			
Receipts from members and associated body		233,133	270,508
Receipts from others		-	-
Interest received		579	536
Payments to associated bodies		(268,120)	(270,072)
Payments to suppliers		<u>(1,707)</u>	<u>(2,012)</u>
Net cash (used in) / provided by operating activities	3	<u>(36,115)</u>	<u>(1,040)</u>
Increase(decrease) in cash held		(36,115)	(1,040)
Cash at beginning of financial year		<u>117,965</u>	<u>119,005</u>
Cash at end of financial year	4	<u><u>81,850</u></u>	<u><u>117,965</u></u>

The accompanying notes form part of these accounts

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SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- (a) The financial report is a general purpose financial report which has been prepared in accordance with the Accounting Standards, Urgent Issues Group Consensus Views, the Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule) and other requirements of the law.

It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values.

The accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

- (b) Trade debtors are usually settled within 30 to 60 days, and are carried at amounts due. The collectibility of debts is assessed at balance date.
- (c) Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the organisation. Trade accounts payable are usually settled within 30 days.
- (d) Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.
- Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cashflows are included in the statement of cashflows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cashflows.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of Schedule 1B of the Workplace Relations Act 1996 , the attention of members is drawn to the provisions of subsections (1), (2), (3) of Section 272, which reads as follows:-

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (

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FOR THE YEAR ENDED 30 JUNE, 2005

	2005	2004
	\$	\$
3. Reconciliation of net cash provided by operating activities with operating surplus		
Operating surplus/(deficit)	3,597	(864)
(Increase)/Decrease in accounts receivable		
Current	(40,343)	104
Increase/(decrease) in creditors & borrowings		
Current	<u>631</u>	<u>(280)</u>
Net cash provided by/(used in) operating activities	<u><u>(36,115)</u></u>	<u><u>(1,040)</u></u>
4. Reconciliation of cash		
Cash at bank	<u>81,850</u>	<u>117,965</u>
5. General fund		
General Fund at beginning of year	119,980	120,844
Net surplus/(deficit) attributable to members	<u>3,597</u>	<u>(864)</u>
General fund at end of year	<u><u>123,577</u></u>	<u><u>119,980</u></u>

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NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE, 2005

6. RELATED PARTY DISCLOSURES

(a) Councillors

The names of each person holding the position of councillor during the financial year are listed below. The persons listed held the position for the whole year unless otherwise stated.

Beck	Andrew	
Bell-Corkin	Patricia	from 28/02/05
Bryant	Lynn	
Callaghan	Stephen	
Di Pardo	Sonia	
Gale	Jeanette	
Griffiths	Michael	
Hall	Christopher	
Hadaway	Jeffrey	
Henderson	Sharon	
Hewish	Peter	
Hindmarch	Janice	
Howell	Bernadette	
Hughes	Lesley	
Jarrett	Christine	from 1/07/04 - 15/02/05
Kitchin	Neville	
Lee	Jenny	
Martin	Bev	
Martin	Jo-anne	
McMahon	Jan	
Oxlad	Lindsay	
Rankine	Di	
Reilly	Peter	
Rust	Stephen	
Stevenson	Gerry	from 1/07/04 - 28/02/05
Townsend	Malcolm	
Warner	Margaret	
Weber	Linda	
Williams	Wendy	
Wilkinson	Marissa	
Wilson	Rosanne	

(b) Councillors' remuneration

No amounts were paid to councillors during the financial year.

7. Impact of adopting Australian equivalents to International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005, the Branch must comply with Australian equivalents to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with the Australian accounting standards and other financial reporting requirements (Australian GAAP) applicable for reporting periods ended 30 June 2005.

Transition management

The Branch has established a formal implementation project to assess the impact of transition to AIFRS and to achieve compliance with AIFRS reporting for the financial year commencing 1 July 2005.

The Branch is expected to be in a position to fully comply with the requirements of AIFRS for the 30 June 2006 financial year.