

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP
SOUTH AUSTRALIAN BRANCH

**Independent auditor's report to the members of The Community and Public Sector Union / SPSF Group
South Australia Branch**

Report on the financial report

We have audited the accompanying financial report of the Community and Public Sector Union/SPSF Group South Australia Branch ("the Branch"), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expense and statement of cash flows for the year ended at that date, a summary of significant accounting policies and other explanatory notes 1 to 7 and the certificate by the Branch Council set out on pages 4 to 13.

Councillor's responsibility for the financial report

The Branch's Councillors are responsible for the preparation of the financial report in accordance with Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the RAO Schedule and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Branch's financial position and of its performance. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion the general purpose financial report of the Community and Public Sector Union / SPSF Group South Australia Branch is presented fairly in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements of the RAO Schedule.



KPMG



IK Footer
Partner & Registered
Company Auditor
Fellow of the Institute of
Chartered Accountants
in Australia

Dated at Adelaide this 15th day of August 2008.

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
Revenue - membership contributions	254,360	257,122
Financial income - interest received	588	563
Total Revenue	<u>254,948</u>	<u>257,685</u>
Audit fees	3,500	3,000
Affiliation Fees ACTU	39,535	38,574
Bank charges and stamp duty	54	54
Bank debits tax	-	-
Consultants' Fees	-	1,500
EDP costs	4,740	4,033
Staff salaries paid	17,452	16,703
Staff salaries recovered	(17,452)	(16,703)
Capitation fee paid to Federal Office	206,937	210,095
Total expenditure	<u>254,766</u>	<u>257,256</u>
Profit for year	5	429

The above Income Statement should be read in conjunction with the accompanying notes set out on pages 6 to 11.

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

BALANCE SHEET

AS AT 30 JUNE 2008

		2008	2007
		\$	\$
Current Assets			
Cash and cash equivalents	4	122,118	119,557
Trade and other receivable		<u>6,291</u>	<u>8,430</u>
Total Assets		<u>128,409</u>	<u>127,987</u>
Current Liabilities			
Trade and other payables		<u>4,177</u>	<u>3,937</u>
Total Liabilities		<u>4,177</u>	<u>3,937</u>
Net Assets		<u>124,232</u>	<u>124,050</u>
Equity			
Retained earnings	5	<u>124,232</u>	<u>124,050</u>
Total equity attributable to equity holders		<u>124,232</u>	<u>124,050</u>

STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Profit for the period	182	429
Total recognised income and expense for the period	<u>182</u>	<u>429</u>
Attributable to:		
Equity holder	<u>182</u>	<u>429</u>

There are no other movements in equity arising from transactions with owners.

The above Balance Sheet and Statement of Recognised Income and Expense should be read in conjunction with the accompanying notes set out on pages 6 to 11.

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		\$	\$
Cash flows from operating activities			
Receipts from members and associated body		256,831	254,713
Interest received		588	563
Payments to associated bodies		(251,544)	(253,732)
Payments to suppliers		<u>(3,314)</u>	<u>(2,010)</u>
Net cash from/(used in) operating activities	3	<u>2,561</u>	<u>(466)</u>
Increase/(decrease) in cash and cash equivalents		2,561	(466)
Cash and cash equivalents at beginning of financial year		<u>119,557</u>	<u>120,023</u>
Cash and cash equivalents at end of financial year	4	<u><u>122,118</u></u>	<u><u>119,557</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 6 to 11.

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

2. Information to be provided to members or Registrar

In accordance with the requirements of Schedule 1 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 (1)

	2008	2007
	\$	\$
3. Reconciliation of net cash provided by operating activities with operating profit		
Profit for the year	182	429
(Increase)/Decrease in accounts receivable	2,138	(1,886)
Increase/(Decrease) in creditors & borrowings	<u>241</u>	<u>991</u>
Net cash from/(used in) operating activities	<u>2,561</u>	<u>(466)</u>
4. Cash and cash equivalents		
Cash at bank	<u>122,118</u>	<u>119,557</u>
5. Retained earnings		
Balance at beginning of year	124,050	123,621
Profit for the year	<u>182</u>	<u>429</u>
Balance at end of year	<u>124,232</u>	<u>124,050</u>

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

6. Financial risk management

Overview

The Branch has exposure to the following risks from use of financial instruments:

- .credit risk
- .liquidity risk
- .market risk

This note presents information about the Branch exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report. The Council has overall responsibility for risk management and oversight of the Branch's investments. Management policy has been established to identify and analyse the risk faced by the Branch, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Credit Risk

Credit risk is the risk of financial loss to the Branch if a customer fails to meet payment obligations, and arises principally from the Branch's receivables from customers.

Trade receivables

The Branch's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Branch's only customer is The Public Service Association of SA.

Investments

The Branch limits its exposure to credit risk by only investing in a Cheque Account with a regulated Financial Institution.

Liquidity Risk

Liquidity risk is the risk that the Branch will not be able to meet its financial obligations as they fall due.

The Branch's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Branch's reputation. The Branch has no borrowings or overdraft facilities in place and is always in a position to meet expected operational expenses, including the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market Risk

Market risk is the risk that changes in interest rates will affect the Branch's income or the value of financial instruments.

Interest Rate Risk

The Branch adopts a policy of ensuring that investments are for fixed term with a fixed interest rate for that chosen term.

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

6 Financial instruments

Financial Instruments Credit Risk

The carrying amount of the Branch's financial assets represents the maximum credit exposure.

The Branch's maximum exposure to credit risk at the reporting date was;

		Carrying amount	
		2008	2007
	Note	\$	\$
Cash and cash equivalents	4	122,118	119,557
Trade and other receivables		6,291	8,430
		<u>128,409</u>	<u>127,987</u>

The Branch's maximum exposure to credit risk at the reporting date was \$128,409 (2007: \$127,987)

The Branch's maximum exposure to credit risk for trade receivables at the reporting by geographic region was ;

	Carrying amount	
	2008	2007
	\$	\$
Australia	6,291	8,430

The Branch's only customer is the Public Service Association of SA.

None of the Branch's receivables are past due (2007: nil). The ageing of the groups trade receivables at the reporting date was:

	Gross 2008	Impairment 2008	Gross 2007	Impairment 2007
	\$	\$	\$	\$
Not past due	6,291	-	8,430	-
Past due 0-30 days	-	-	-	-
Past due 31-120 days	-	-	-	-
Past due 121 to one year	-	-	-	-
	<u>6,291</u>		<u>8,430</u>	

No impairment loss was recognised in current year (2007: nil).

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

Liquidity Risk

The following are the contracted maturities of financial liabilities of the Branch:

	Carrying amount \$	6 mths or less \$
30 June 2008		
Trade and other payables	4,177	4,177
	<u>4,177</u>	<u>4,177</u>

Trade creditor payments are made as per creditors payment terms.

	Carrying amount \$	6 mths or less \$
30 June 2007		
Trade and other payables	3,937	3,937
	<u>3,937</u>	<u>3,937</u>

Interest rate risk

Profile

At reporting date the interest rate profile of the Branch interest bearing instruments was:

	Note	Carrying amount 2008 \$	2007 \$
Interest Bearing Instruments			
Financial assets	4	122,118	119,557
		<u>122,118</u>	<u>119,557</u>

Cash flow sensitivity analysis for interest bearing instruments

A change of 100 basis points (ie 1%) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

The analysis is performed on the same basis for 2007.

	Profit or Loss		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
30 June 2008				
Interest Bearing Instruments	(168)	168	(168)	168
Cash flow sensitivity	<u>(168)</u>	<u>168</u>	<u>(168)</u>	<u>168</u>
30 June 2007				
Interest Bearing Instruments	(160)	160	(160)	160
Cash flow sensitivity	<u>(160)</u>	<u>160</u>	<u>(160)</u>	<u>160</u>

Fair Values

Fair values versus carrying amounts

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Note	30 June 2008		30 June 2007	
		Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Cash & cash equivalents	4	122,118	122,118	119,557	119,557
Trade receivables		6,291	6,291	8,430	8,430
Trade and other payables		(4,177)	(4,177)	(3,936)	(3,936)
		<u>124,232</u>	<u>124,232</u>	<u>124,051</u>	<u>124,051</u>

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

7. 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.

Angelakis	Anna	from 13/05/08
Beck	Andrew	
Bell-Corkin	Patricia	
Burford	Lesley	
Callaghan	Stephen	
Di Pardo	Sonia	
Griffiths	Michael	
Hall	Christopher	
Hadaway	Jeffrey	from 01/07/07-13/05/08
Henderson	Sharon	
Hewish	Peter	
Hodge	Maxwell	from 01/08/07
Houghton	Chris	from 13/05/08
Howell	Bernadette	from 01/07/07-11/09/07
Hughes	Lesley	
Kitchin	Neville	
Kirkham	John	from 01/07/07-13/05/08
Martin	Jo-anne	
McKay	Mike	
McComb	James	from 01/07/07-13/05/08
McMahon	Jan	
Millison	Linda	
Naumov	Dianne	
Owen	John	
Oxlad	Lindsay	
Prakash	Sharon	from 17/09/07
Rankine	Di	
Reilly	Peter	
Sharrad	David	from 13/05/08
Smith	Vicky	from 13/05/08
Stitt	Robyn	
Townsend	Malcolm	
Warner	Margaret	
Warren	Graham	from 01/07/07-13/05/08
Weber	Linda	from 01/07/07-01/08/07
Williams	Wendy	
Wilson	Rosanne	

(b) Councillors' remuneration

No amounts were paid to councillors during the financial year.

CPSU (SPSF GROUP) SA BRANCH

OPERATING REPORT

S254 of Schedule 1 Workplace Relations Act 1996

I, Jan McMahon being the Branch Secretary of the CPSU/ (SPSF Group) – SA Branch state;

- (a) Principal activities during the year were of an Industrial nature including campaigning for improved wages and conditions. Activities are reviewed throughout the year, with no change deemed necessary to the nature of activities.
- (b) Financial affairs. No significant changes.
- (c) Resignation procedure.

A member may resign from membership in accordance with Rule 8 by notice in writing to the Branch Secretary, 122 Pirie St. Adelaide SA 5000.

In accordance with S.174 of the Workplace Relations Act two weeks notice shall apply for resignation, other than where the member leaves the industry in which case no notice period is required.

(d) Superannuation Trustees;

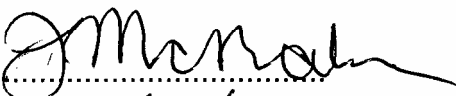
- Jan McMahon, Branch Secretary – Superannuation Funds Management Corporation, State Superannuation Board
- Lindsay Oxlad, President – Statewide Superannuation Trust

(e) Number of members, 14,903

(f) Number of employees, 47

(g) Persons who have been a member of the Committee of Management of the reporting unit at any time during the reporting period, and the period of which they held the position (Attached).

JAN McMAHON
BRANCH SECRETARY

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Date:

1/8/2008

THE COMMUNITY AND PUBLIC SECTOR UNION / SPSF GROUP

SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

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Hewish	Peter	
Hodge	Maxwell	from 01/08/07
Houghton	Chris	from 13/05/08
Howell	Bernadette	from 01/07/07-11/09/07
Hughes	Lesley	
Kitchin	Neville	
Kirkham	John	from 01/07/07-13/05/08
Martin	Jo-anne	
McKay	Mike	
McComb	James	from 01/07/07-13/05/08
McMahon	Jan	
Millison	Linda	
Naumov	Dianne	
Owen	John	
Oxlad	Lindsay	
Prakash	Sharon	from 17/09/07
Rankine	Di	
Reilly	Peter	
Sharrad	David	from 13/05/08
Smith	Vicky	from 13/05/08
Stitt	Robyn	
Townsend	Malcolm	
Warner	Margaret	
Warren	Graham	from 01/07/07-13/05/08
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Williams	Wendy	
Wilson	Rosanne	

(b) Councillors' remuneration

No amounts were paid to councillors during the financial year.