



AUSTRALIAN INDUSTRIAL REGISTRY

Australian Industrial Registry
Level 35, Nauru House
80 Collins Street
MELBOURNE VIC 3000
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Mr Adrian O'Connell
National Secretary
CPSU, the Community and Public Sector Union
PSU Group
5th floor, PSU House
191-199 Thomas Street
HAYMARKET NSW 2000

Dear Mr O'Connell,

**Re: Financial Reporting Obligations under *Workplace Relations Act 1996*
FR2003/381**

I have received the financial statements of the PSU Group for year ended 30 June 2003.

The following matters concerning the financial reporting requirements of the Act require your further attention:

1. Supply of documents to members and presentation at second meeting

Given that the auditor's report, accounting officer's certificate and committee of management's certificate are all dated 19 January 2004, it would appear that the National Management Committee meeting held on 27 November 2003 was not sufficient for the purposes of subsection 279(6). The meeting may have been sufficient for the purposes of regulation 109(2)(a), i.e. a meeting at which the relevant resolution is passed in relation to the matters to be contained in the committee of management's certificate. Financial statements are then required by subsection 279(6) to be supplied to members and presented to a second meeting. The Act requires that at least 7 clear days elapse between the date documents are supplied to members and the date of the relevant meeting [s279(6)(a)].

Would you please confirm that the documents have been supplied to members in accordance with subsections 279(1) and (3) and presented to a meeting in accordance with subsection 279(6).

2. Summary of auditor's report, accounts and statements

It would appear that a resolution was passed by the National Management Committee to provide members with a summary of the financial statements.

However, a copy of the summary has not been lodged in the Industrial Registry as required by subsection 279(2)(a).

The summary should include a copy of the auditor's report certifying that that the summary is, in the auditor's opinion, a fair and accurate summary of the report, accounts and statements. The summary should also include a statement that the organisation will provide a copy of the auditor's report, accounts and statements free of charge to any member who requests - refer subsection 279(2)(b) and (c).

3. Loans, Grants and Donations

Subsection 269(1) requires an organisation to lodge in the Industrial Registry as soon as practicable after each financial year a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.

Note 5 to the financial statements discloses various grants and donations totalling \$23,195.

Would you please arrange lodgment in the Industrial Registry of a subsection 269(1) statement covering any donation exceeding \$1,000 - such statement should be signed by an elected officer of the organisation and should include information as required by subsection 269(5), in particular information about the purpose of the grant or donation.

4. Prescribed accounts - regulation 107(a)(xiii) - no disclosure of grants or donations in income and expenditure statement

While note 5 to the financial statements discloses various grants and donations totalling \$23,195, these grants and donations have not been specifically cited in the expenditure statement as required by regulation 107(a)(xiii).

Please arrange lodgment of the outstanding information before 16 April 2004.

Please do not hesitate to contact me on (03) 8661 7787 or by email at clency.lapierre@air.gov.au if you wish to discuss the financial reporting requirements.

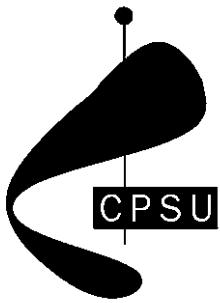
Yours sincerely



Clency Lapierre
Statutory Service Branch

31 March 2004

FR 2003/381



Community and Public Sector Union

27th February 2004

Sylvia Van Riet
Statutory Services Branch
Australian Industrial Registry
Level 35 Nauru House
80 Collins Street
Melbourne VIC 3000

Dear Sylvia,

RE: Lodgement of Financial Documents for year ended 30 June 2003

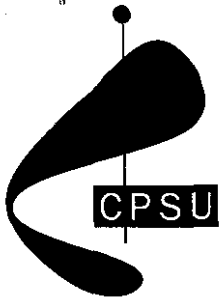
Please find enclosed documents for lodgement for CPSU (PSU Group) for year ended 30 June 2003.

Please contact me directly on 02 8204 6984 or via e-mail should you require any further information.

Regards,

A handwritten signature in black ink, appearing to read "Stephen Thompson".

Stephen Thompson
Assistant Financial Controller
E-mail: stephen.thompson@cpsu.org.au



24th February 2004

Sylvia Van Riet
Statutory Services Branch
Australian Industrial Registry
Level 35 Nauru House
80 Collins Street
Melbourne VIC 3000

Dear Sylvia

RE: Financial Documents for year ended 30 June 2003

In reference to copies of the CPSU (PSU Group) accounts for the year ending 30 June 2003, I hereby certify that the documents are copies of the documents presented to the CPSU (PSU Group) National Management Committee and declared carried on Thursday 27th November 2003.

The National Management Committee resolved:

“The National Management Committee of the Community and Public Sector Union, PSU Group, consider that:

- (i) The attached Accounts are drawn up so as to give a true and fair view of the state of affairs and of the results of the Union for the year ended 30th June 2003
- (ii) Meetings of the National Management Committee and National Council were held during the year ended 30th June 2003 in accordance with the rules of the Union;
- (iii) To the knowledge of all members of the National Management Committee, there have been no instances where records of the Union, that should be made available have been withheld from members; and
- (iv) The union has in relation to the Auditors' reports on the accounts and statements in respect of the immediately preceding financial year, complied with the provisions of Section 279(1) and 279(6) of the Workplace Relations Act 1996”

Yours Faithfully,

Adrian O'Connell
CPSU (PSU Group) National Secretary

**CPSU (PSU GROUP)
NATIONAL MANAGEMENT COMMITTEE**

5/2003

AGENDA

**WEDNESDAY 26 NOVEMBER
THURSDAY 27 NOVEMBER
FRIDAY 28 NOVEMBER
2003**

LEVEL 7, 191-199 THOMAS STREET, SYDNEY

26, 27, 28 November 2003

PART 9. CPSU EFFECTIVENESS AND GOVERNANCE

OUR OBJECTIVE: - TO ENSURE THAT THE CPSU IS STRUCTURED AND MANAGED CONSISTENT WITH OUR GOALS AND THE REQUIREMENTS OF GOOD GOVERNANCE. THAT WE DEVELOP WITHIN THE CPSU THE KNOW-HOW, MOTIVATION AND CAPACITY TO WIN.

In this part we review the management of our people, finances and other assets and ensure allocation according to our priorities. We also consider our operational arrangements and ensure that our organisational processes and procedures, representational structures and rules are relevant and effective.

9.1 IT & IS PROJECT DEVELOPMENT

NMC notes the report of NS Adrian O'Connell and Director of Finance & Operations, Patrick Healey on the IS and IT Project Development and in particular the recommendations in relation to a new membership system.

[NS O'Connell]

9.2 CPSU STAFF MANAGEMENT & DEVELOPMENT PROCESS

NMC notes the report of NS Adrian O'Connell in relation to CPSU personnel management and development processes.

[NS O'Connell]

9.3 CPSU INCOME & EXPENDITURE – 1 JULY 2003 TO 31 OCTOBER 2003

NMC notes the report on Income and Expenditure for the period 1 July 2003 to 31 October 2003.

[Attachment] [NS O'Connell]

9.4 2002/03 ACCOUNTS AUDIT

It is resolved that:

In the opinion of the National Management Committee, the attached Accounts show a true and fair view of the financial affairs of the PSU Group as at 30th June 2003;

CPSU (PSU GROUP)
NATIONAL MANAGEMENT COMMITTEE
5/2003
MINUTES

WEDNESDAY 26 NOVEMBER
THURSDAY 27 NOVEMBER
FRIDAY 28 NOVEMBER
2003

LEVEL 7, 191-199 THOMAS STREET, SYDNEY

26, 27, 28 November 2003

PART 9. CPSU EFFECTIVENESS AND GOVERNANCE CONTINUED...

9.3 CPSU INCOME & EXPENDITURE – 1 JULY 2003 TO 31 OCTOBER 2003

RESOLVED – NS A. O'CONNELL

NMC notes the report on Income and Expenditure for the period 1 July 2003 to 31 October 2003.

9.4 2002/03 ACCOUNTS AUDIT

RESOLVED – NS A. O'CONNELL

It is resolved that:

In the opinion of the National Management Committee, the attached Accounts show a true and fair view of the financial affairs of the PSU Group as at 30th June 2003;

In the opinion of the National Management Committee, meetings of the National Council and National Management Committee were held during the year ended 30th June 2003 in accordance with the rules of the Union;

To the knowledge of all members of the National Management Committee, there have been no instances where records of the Union, that should be made available have been withheld from members.

The PSU Group has in relation to the Auditors Report on the accounts and statements in respect of the immediately preceding financial year, complied with the provisions of Section 279 (1) and 279 (6) of the *Workplace Relations Act 1996*, and

Adrian O'Connell and Margaret Gillespie be authorised to sign the accounts on behalf of the National Management Committee

Further, the National Management Committee approves the attached summary reports to be provided to members in accordance with section 279 (2) of the *Workplace Relations Act 1996*.

CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP

NATIONAL COUNCIL

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

AUDITORS' REPORT

TO THE MEMBERS OF THE CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION

Scope

We have audited the financial report comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements of the CPSU, the Community and Public Sector Union for the year ended 30 June 2003. The Executive Committee of Management is responsible for the financial report. We have conducted an independent audit on this financial report in order to express an opinion on it to the members of the National Executive.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view of the National Executive which is consistent with our understanding of the National Executive's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

We have inspected and audited the accounting records kept by the CPSU, the Community and Public Sector Union in respect of the year ended 30 June 2003 and have received all the information and explanations we required for the purposes of our audit.

In our opinion:


- (i) there were kept by the organisation, in respect of the period, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of expenditure; and
- (ii) the attached accounts and statements, prepared under the historical cost convention, and in accordance with Section 273 of the Workplace Relations Act 1996, and the accounting policies set out in Note 1 to the financial report, are properly drawn up so as to give a true and fair view of:

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- a. the financial affairs of the organisation as at 30 June 2003; and
- b. the income and expenditure, and surplus of the organisation, for the year ended on that date.



M D Nicholaeff
Partner



HAINES NORTON
Chartered Accountants

Signed at Sydney on 19 January 2004

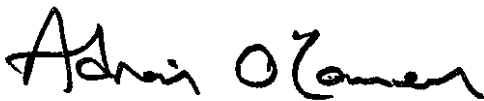
**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

ACCOUNTING OFFICER'S CERTIFICATE

I, Adrian O'Connell, being the Officer responsible for keeping the accounting records of CPSU, the Community and Public Sector Union, PSU Group, National Council, certify that as at 30th June 2003 the number of members of the PSU Group was 61,581.

In my opinion:

- (i) the attached Accounts show a true and fair view of the financial affairs of the Organisation as at 30 June 2003;
- (ii) a record has been kept of all moneys paid by, or collected from, members, and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Organisation;
- (iii) before any expenditure was incurred, approval of the incurring of the expenditure was obtained in accordance with the rules of the Organisation;
- (iv) with regard to funds of the Organisation raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (v) no loans or other financial benefits, other than remuneration in respect of their full-time employment with the organisation, were made to persons holding office in the Organisation; and
- (vi) the register of members of the Organisation was maintained in accordance with the Act.



Adrian O'Connell
National Secretary

Dated at Sydney this 19 day of January, 2004.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

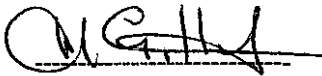
COMMITTEE OF MANAGEMENT STATEMENT

We, Adrian O'Connell and Margaret Gillespie, being two members of the Committee of Management of the Community and Public Sector Union National Council, PSU Group, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:-

- (i) in the opinion of the Committee of Management, the attached Accounts show a true and fair view of the financial affairs of the organisation as at 30th June 2003;
- (ii) in the opinion of the Committee of Management, meetings of the Committee were held during the year ended 30th June 2003 in accordance with the rules of the Organisation;
- (iii) to the knowledge of all members of the Committee, there have been no instances where records of the Organisation, that should be made available have been withheld from members; and
- (iv) the Organisation has in relation to the Auditors' Report on the accounts and statements in respect of the immediately preceding financial year, complied with the provisions of Sec. 279(1) and 279(6) of the Workplace Relations Act 1996.



Adrian O'Connell
National Secretary



Margaret Gillespie
Assistant National Secretary

Dated at Sydney this 19 day of January, 2004.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

**STATEMENT OF FINANCIAL PERFORMANCE
ENDED 30 JUNE 2003**

	Note	2003	2002
		\$	\$
Revenue from Ordinary Activities	3	19,812,469	18,924,967
Depreciation and Amortisation	4	(775,863)	(796,947)
Employee Benefits Expense	4	(11,112,253)	(10,276,022)
Borrowing Costs		(46,321)	(220,810)
Other Expenses from Ordinary Activities		(7,562,841)	(7,597,645)
TOTAL CHANGES IN EQUITY	16	315,191	33,543

To be read in conjunction with the Notes to and forming part of the financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash Assets	6	2,148,652	3,079,956
Receivables	7	96,644	333,534
Other Assets	8	253,021	295,381
TOTAL CURRENT ASSETS		2,498,317	3,708,871
NON CURRENT ASSETS			
Financial Assets	9	-	-
Property, plant and equipment	10	11,870,619	12,905,028
TOTAL NON CURRENT ASSETS		11,870,619	12,905,028
TOTAL ASSETS		14,368,936	16,613,899
CURRENT LIABILITIES			
Payables	11	979,486	1,185,108
Interest Bearing Liabilities	12	217,003	2,213,925
Provisions	13	1,017,643	1,040,701
TOTAL CURRENT LIABILITIES		2,214,132	4,439,734
NON CURRENT LIABILITIES			
Interest Bearing Liabilities	12	109,679	326,682
Provisions	13	1,550,655	1,659,202
TOTAL NON CURRENT LIABILITIES		1,660,334	1,985,884
TOTAL LIABILITIES		3,874,466	6,425,618
NET ASSETS		10,494,470	10,188,281
ACCUMULATED FUNDS			
Reserves	15	2,531,879	12,272,304
General Fund Balance	16	7,962,591	(2,084,023)
TOTAL ACCUMULATED FUNDS		10,494,470	10,188,281

To be read in conjunction with the Notes to and forming part of the financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		19,145,582	18,567,166
Payments to suppliers and employees		(18,481,412)	(18,313,093)
Interest Received		84,183	126,289
Interest and costs of finance paid		(46,321)	(220,810)
Net cash provided by operating activities	17(b)	702,032	159,552
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant & equipment		(281,365)	(988,898)
Receipts for sale of property, plant & equipment		861,954	1,837,487
Net cash provided by/(used in) investing activities		580,589	848,589
CASH FLOWS FROM FINANCING ACTIVITIES			
Funds transferred from branches upon consolidation		-	5,070,869
Repayment of Finance Leases		(213,925)	(4,770,000)
Repayment of borrowings		(2,000,000)	(210,884)
Rental bond received		-	103,487
Net cash (used) in financing activities		(2,213,925)	193,472
Net decrease in cash held		(931,304)	1,201,613
Cash at beginning of year		3,079,956	1,878,343
Cash at end of year	17(a)	2,148,652	3,079,956

To be read in conjunction with the Notes to and forming part of the financial statements.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The financial statements are a general purpose financial report which have been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and the Workplace Relations Act 1996 and the alteration to rules as approved by the Industrial Registrar. The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values, except equitable interest in land and building, which is stated at independent valuation. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material policies adopted by the National Council in the preparation of the financial statements.

(a) Principles of Consolidation

On 19 June 2001, the Deputy Industrial Registrar approved changes to certain rules pertaining to financial management. Those changes included, amongst others, preparation of a single set of financial statements for the PSU Group for the year ended 30 June 2002 and beyond. Resulting from the change, all funds, property and liabilities of the Sections, Branches and Professional Division as at 30 June 2001 were transferred to the National Council. The Statement of Financial Position as at 30 June 2002 recognises all such assets and liabilities.

All inter-branch balances and transactions between the branches and the National Council have been eliminated on consolidation of the financial statements.

(b) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or independent valuation less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of asset are:

CLASS OF FIXED ASSET	DEPRECIATION RATE
Leasehold Improvement	over lease period
Computer System	20%
Office Equipment	20%
Motor Vehicles	20%

All minor purchases of assets (under \$2,000) are considered by the committee as having a useful life relative only to the period of purchase and as such are written off during that period.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES (Continued)

(c) Income Tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-5 of the Income Tax Assessment 1997.

(d) Employee Leave Entitlements

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

(e) Leases

Lease payments for operating leases, where substantially all the risk and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

The National Council complies with AAS17 in respect of finance leases. Finance leases are capitalised; a lease asset and liability equal to the present value of the minimum lease payments, excluding executory costs, are recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised lease assets are amortised on a straight line basis against the income of the accounting periods which are expected to benefit from their use.

(f) Investments

Investments are stated at cost less provision for diminution in value. This represents seed funding to the formerly controlled, CPSU Advantage Limited. Dividend income is brought to account upon receipt basis.

(g) Comparative Information

Where necessary comparative amounts have been re-classified to facilitate preparation of the current year accounts.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR THE REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 the attention of the members is drawn to the provisions of Sub-sections (1), (2) and (3) of Section 274, which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under Sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under Sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

	2003	2002
	\$	\$
Note 3: REVENUE		
Operating Activities		
Subscription Received	18,036,103	17,398,394
Interest Received	84,183	126,289
Management Fee	65,716	102,350
Rental Trading – CPSU Properties	742,354	777,165
Bad Debt Recovery	-	193,000
Sundries	22,159	110,282
	<u>18,950,515</u>	<u>18,707,480</u>
Non- Operating Activities		
Proceeds on Sale of Property, Plant and Equipment	861,954	217,487
	<u>861,954</u>	<u>217,487</u>
Total Revenue	<u><u>19,812,469</u></u>	<u><u>18,924,967</u></u>

Note 4: SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES

a) Expenses

Depreciation and amortisation	775,863	796,947
	<u>775,863</u>	<u>796,947</u>
Remuneration of Auditor		
Audit – Current Year	38,000	45,000
Other Services	10,174	-
	<u>48,174</u>	<u>-</u>
Employee Benefits		
Salaries – Elected Officials	1,241,914	1,599,620
– Employee	7,977,716	7,149,137
Long Service Leave	437,985	279,534
Superannuation	1,315,494	1,170,245
Honoraria and Allowances	7,583	15,512
Other Related Expenses	131,561	61,974
	<u>11,112,253</u>	<u>10,276,022</u>
Total Employee Benefits	11,112,253	10,276,022
	<u>11,112,253</u>	<u>10,276,022</u>
Affiliation Fees	447,231	429,626
	<u>447,231</u>	<u>429,626</u>
Legal and Professional Fees	58,841	158,226
	<u>58,841</u>	<u>158,226</u>
b) Gain on Sale of Property, Plant and Equipment	<u>322,043</u>	<u>74,901</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

	2003	2002
	\$	\$
NOTE 5: GRANTS & DONATIONS		
Included in other expense from ordinary activities are grants and donations:		
Trade Union Committee on Aboriginal Rights	2,627	10,182
Vietnam Public Service Union Project	17,877	23,917
Coalition for Reform of Refugee Policy	-	3,000
The UNSW Foundation	-	10,000
Southern Initiative on Globalisation and Trade Union Rights	-	5,000
UNI Apro Activities Fund	1,000	-
Australian People for Humanitarian Education & Aid Abroad	1,691	-
	23,195	52,099

NOTE 6: CASH

Cash on Hand	4,250	6,837
Cash at Bank	1,693,761	2,169,506
Term Deposits	450,641	903,613
	2,148,652	3,079,956

NOTE 7: RECEIVABLES

Sundry Debtors	96,644	303,534
	96,644	303,534

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

	2003	2002
	\$	\$
NOTE 8: OTHER ASSETS		
Prepayments	228,296	270,656
Security Deposit	24,725	24,725
	253,021	295,381
	253,021	295,381
NOTE 9: FINANCIAL ASSETS		
Seed Funding to CPSU Advantage Limited:		
- At cost	225,000	225,000
- Less Provision for Diminution in Value	(225,000)	(225,000)
	-	-
	-	-
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold land and buildings at independent valuation 1998:		
Thomas Street, Sydney	10,200,000	10,200,000
Woods Street, Darwin	390,000	390,000
Clarence Street, Sydney	-	500,000
	-	11,090,000
Less Accumulated Depreciation	(867,496)	(711,020)
Net Land and Buildings	9,722,504	10,378,980
	9,722,504	10,378,980
Leasehold Improvements		
Bourke Street, Melbourne	337,887	333,038
Less – Equitable – CSIRO Section	(44,240)	(44,240)
	293,647	288,798
Creek Street, Brisbane	39,239	48,238
Hay Street, Perth	139,631	123,828
Brisbane Avenue, Canberra	217,123	280,286
	689,640	741,150
Less Accumulated Depreciation	(186,524)	(158,726)
	503,116	582,424
	503,116	582,424

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

	2003 \$	2002 \$
Freehold Improvements		
Thomas Street	602,902	548,112
Clarence Street	-	14,580
Woods Street	3,525	-
	-----	-----
	606,427	562,692
Less Accumulated Depreciation	(129,548)	(73,202)
	-----	-----
Net Freehold Improvements	476,879	489,490
	-----	-----
Computer System		
At cost	2,880,567	2,766,385
Less Accumulated Depreciation	(2,618,666)	(2,500,965)
	-----	-----
Net Computer System	261,901	265,420
	-----	-----
Office Equipment		
At cost	2,575,874	2,556,078
Less Accumulated Depreciation	(2,198,958)	(2,096,879)
	-----	-----
Net Office Equipment	376,916	459,199
	-----	-----
Leased Office Equipment		
At cost	14,415	121,177
Less Accumulated Depreciation	(8,210)	(99,283)
	-----	-----
	6,205	21,894
	-----	-----
Motor Vehicles		
At cost	193,355	263,672
Less Accumulated Depreciation	(119,297)	(128,229)
	-----	-----
Net Motor Vehicles	74,058	135,443
	-----	-----
Telephone System (Under finance lease)		
Capitalised Value	858,267	858,266
Less Accumulated Amortisation	(457,742)	(286,088)
	-----	-----
Net Telephone System	400,525	572,178
	-----	-----
Information Systems Project		
Capitalised Value	48,515	-
Less Accumulated Amortisation	-	-
	-----	-----
Net Telephone System	48,515	-
	-----	-----
Total Property, Plant and Equipment	<u>11,870,619</u>	<u>12,905,028</u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

	Note	2003 \$	2002 \$
NOTE 11: PAYABLES			
CURRENT			
Accounts Payable and Accruals		509,429	785,220
Deferred Income		-	37,754
GST Payable		302,600	258,647
Legal Cost		56,055	-
Rental Bond		106,567	103,487
Payable to Related Party	18 (a)	4,835	-
		<u>979,486</u>	<u>1,185,108</u>
NOTE 12: INTEREST BEARING LIABILITIES			
CURRENT			
Bills Payable		-	2,000,000
Finance Leases (Note 14(b))		217,003	213,925
		<u>217,003</u>	<u>2,213,925</u>
NON CURRENT			
Finance Leases (Note 14(b))		109,679	326,682
		<u>109,679</u>	<u>326,682</u>
Finance leases are secured by a registered charge over the telephone system.			
NOTE 13: PROVISIONS			
CURRENT			
Employee Entitlements – Annual Leave		1,017,643	1,040,701
NON CURRENT			
Long Service Leave		1,550,655	1,659,202

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

	2003	2002
	\$	\$
NOTE 14: CAPITAL AND LEASING		
a) Operating Lease Commitments		
Payable:		
- not later than 1 year	841,350	762,417
- later than 1 year but not later than 2 years	792,293	789,027
- later than 2 years but not later than 5 years	1,329,102	1,921,033
	2,962,745	3,472,477
	2,962,745	3,472,477
b) Finance Leases		
Payable:		
- not later than 1 year	220,000	220,000
- later than 1 year but not later than 2 years	110,000	220,000
- later than 2 years but not later than 5 years	-	110,000
	330,000	550,000
Less future Charges	(3,318)	(9,414)
	326,682	540,586
	326,682	540,586

NOTE 15: RESERVES

ACOA Asian Reserve (a)	-	15,849
Campaign Reserve (b)	-	210,025
Capital Profits and Asset Revaluation Reserve (c)	2,441,631	10,679,057
Contingency Fund (d)	-	87,367
Death and Benevolent Fund (e)	73,664	82,664
Distress Fund (f)	-	-
Fighting Fund (g)	-	59,810
Industrial Reserve (h)	-	637,683
Reserve Fund (i)	-	323,634
Stand-down Fund (j)	-	9,784
Superannuation Trust Fund	16,584	16,584
Asset Replacement Reserve (k)	-	2,172
Asset Revaluation Reserve (l)	-	147,675
	2,531,879	12,272,304
	2,531,879	12,272,304

Movement during the year:

(a) ACOA Asian Reserve		
Balance brought forward	15,849	15,849
Transfer to General Fund	(15,849)	-
	-	15,849
	-	15,849
(b) Campaign Reserve		
Balance brought forward	210,025	210,025
Transfer to General Fund	(210,025)	-
	-	210,025
	-	210,025

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
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NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

	2003	2002
	\$	\$
(c) Capital Profits & Asset Revaluation Reserve		
Balance brought forward	10,679,057	6,558,509
Transfer from other branches upon consolidation	-	4,120,548
Transfer to General Fund	(8,387,273)	-
Transfer from Asset Replacement & Revaluation Reserve	149,847	-
	-----	-----
Balance Carried Forward	2,441,631	10,679,057
	-----	-----
(d) Contingency Fund		
Balance brought forward	87,367	87,367
Transfer to General Fund	(87,367)	-
	-----	-----
Balance Carried Forward	-	87,367
	-----	-----
(e) Death and Benevolent Fund		
Balance brought forward	82,664	85,164
Payments	(9,000)	(2,500)
	-----	-----
Balance Carried Forward	73,664	82,664
	-----	-----
(f) Distress Fund		
Balance brought forward	-	200
Payments	-	(200)
	-----	-----
Balance Carried Forward	-	-
	-----	-----
(g) Fighting Fund		
Balance brought forward	59,810	59,810
Transfer to General Fund	(59,810)	-
	-----	-----
Balance Carried Forward	-	59,810
	-----	-----
(h) Industrial Reserve		
Balance brought forward	637,683	576,575
Transfer from other branches upon consolidation	-	61,108
Transfer to General Fund	(637,683)	-
	-----	-----
Balance Carried Forward	-	637,683
	-----	-----
(i) Reserve Fund		
Balance brought forward	323,634	209
Transfer from other branches upon consolidation	-	323,425
Transfer to General Fund	(323,634)	-
	-----	-----
Balance Carried Forward	-	323,634
	-----	-----
(j) Stand-down Fund		
Balance brought forward	9,784	9,784
Transfer to General Fund	(9,784)	-
	-----	-----
Balance Carried Forward	-	9,784
	-----	-----

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

	2003 \$	2002 \$
(k) Asset Replacement Reserve		
Balance brought forward	2,172	-
Transfer from other branches upon consolidation	-	2,172
Transfer to General Fund	(2,172)	-
	-	2,172
Balance Carried Forward	-	2,172
(l) Asset Revaluation Reserve		
Balance brought forward	147,675	-
Transfer from other branches upon consolidation	-	147,675
Transfer to General Fund	(147,675)	-
	-	147,675
Balance Carried Forward	-	147,675

NOTE 16: GENERAL FUND

Accumulated (deficit) at the beginning of the financial year	(2,084,023)	(4,954,668)
Net Surplus for the Year	315,191	33,543
Transfer from other branches upon consolidation	-	2,837,102
Transfer from reserves (Note 15)	9,731,423	-
	7,962,591	(2,084,023)
Accumulated surplus/(deficit) at the end of the financial year	7,962,591	(2,084,023)

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

	2003	2002
	\$	\$

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes:

Cash on Hand	4,250	6,837
Cash at Bank	1,693,761	2,169,506
Term Deposits	450,641	903,613
	2,148,652	3,079,956
	2,148,652	3,079,956

(b) Reconciliation of Cash Flow from Operations with Operating Surplus/(Deficit)

Operating surplus	315,191	33,543
Payment from Reserves	(9,002)	(2,700)
Non-cash flow in operating surplus/(deficit):		
Depreciation and amortisation	775,863	796,947
(Gain) on sale of assets	(322,043)	(83,212)
Bad debts recovery	-	(193,000)
Liability taken to income	-	(80,208)
Changes in assets and liabilities		
Decrease in trade debtors	236,890	60,320
Decrease in prepayments	42,360	97,453
(Decrease) in provisions	(131,605)	(412,109)
(Decrease) in trade creditors	(205,622)	(57,482)
	702,032	159,552
Net cash provided by operating activities	702,032	159,552

(c) Non Cash Flow Investing Activities

During the year the entity acquired assets aggregating \$180,060 under finance lease. These acquisitions are not reflected in the statement of cash flows.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

	2003	2002
	\$	\$
NOTE 18: RELATED PARTY INFORMATION		
(a) Payable to Related Party		
CPSU Advantage Limited	4,835	-
	-----	-----
	4,835	-
	=====	=====

(b) CSIRO Members

CPSU, the Community and Public Sector Union, National Council, received all subscriptions paid by members during 2002/2003, other than subscriptions paid by CSIRO Section members.

(c) Remuneration of Elected Officials

Persons holding the position of full-time elected officials at any time during the year of the National Council, or the branches/sections, and the Professional Division:

Adrian O'Connell	Mark Hathaway
Bill Marklew	Matthew Reynolds
Chris Clarke	Michael Tull
Doug Lilly	Pauline Gallagher
Evan Hall	Phillip Marshall
Graeme Thomson	Sandy Ross
Graham Rodda	Shane O'Connell
Jenness Gardner	Simon Cocker
Karen Atherton	Stephen Jones
Kate Coleman	Sue Bowers
Larissa Andelman	Susan Carcary
Loren Retunno	Tanya Edlington
Margaret Gillespie	Wendy Caird
Mark Gepp	

During the year the National Council incurred salary expenses for elected officials of \$1,241,914.

NOTE 19: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The National Council's exposure to interest rate risk as at 30 June 2003 is limited to cash and term deposits of \$2,148,652 which has a fixed weighted average effective interest rate of 4.4%.

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

(c) Net Fair Values

For other assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and notes to and forming part of the accounts.

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

NOTES TO AND FORMING PART OF THE 2003 FINANCIAL STATEMENTS

NOTE 20: CONTINGENT LIABILITIES


	2003	2002
	\$	\$
Guarantee for Security deposits	121,044	121,000
	<u> </u>	<u> </u>

**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

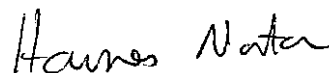
**ADDITIONAL INFORMATION FOR THE BENEFIT OF MEMBERS
ON THE 2003 FINANCIAL ACCOUNTS**

DISCLAIMER

The additional financial data presented in the statement of financial performance is in accordance with the books and records of Community and Public Sector Union, PSU Group, National Council which have been subjected to the auditing procedures applied in our statutory audit of the Union for the year ended 30 June 2003. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.



M D NICHOLAEFF
Partner



HAINES NORTON
Chartered Accountants

Dated at Sydney this 19 day of January 2004.

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**CPSU, THE COMMUNITY AND PUBLIC SECTOR UNION, PSU GROUP
NATIONAL COUNCIL**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003**

	2003	2002
	\$	\$
REVENUE		
Subscription Received	18,036,103	17,398,394
Interest Received	84,183	126,289
Management Fees	65,716	102,350
Rental Income	742,354	842,175
Bad Debt Recovery	-	193,000
Sundries	22,159	94,903
Gain on Sale of Asset	322,043	83,212
	-----	-----
TOTAL REVENUE	19,272,558	18,840,323
	=====	=====
LESS EXPENDITURE		
Salaries and Related Payments		
- Elected Officials	1,241,914	1,599,620
- Fringe Benefits Tax	(290)	6,178
- Honoraria and Allowances	7,583	15,512
- Long Service Leave Provision	437,985	279,534
- Other Salaries	131,851	55,796
- Payroll Tax	630,239	517,702
- Employee Salaries	7,977,716	7,149,137
- Superannuation	1,315,494	1,170,245
- Workers' Compensation Insurance	247,914	128,583
- Other related expenses	270,920	261,585
	-----	-----
Total Salaries and Related Payments	12,261,326	11,183,892
	-----	-----
Affiliation Fees	447,231	370,429
Audit and Accounting Fees	48,174	71,090
Bank Charges	6,078	11,946
Computer Operation and Maintenance	110,771	93,578
Depreciation and Amortisation	775,863	796,947
Furniture and Equipment	23,137	43,758
Interest Expense and line fees	46,321	220,810
Legal and Professional Fees	58,841	158,226
Library Purchases	47,262	54,879
Membership Services	43,980	110,664
Motor Vehicle Expenses	214,860	225,070
Office Operation and Administration	1,068,296	1,285,394
Office Premises and Relocation	733,582	957,554
Postage and Freight	111,407	125,026
Publications (includes printing costs)	534,128	515,867
Representations	1,311,622	1,207,711
Telephones	1,114,488	1,373,939
	-----	-----
	6,696,041	7,622,888
	-----	-----
Total Expenditure	18,957,367	18,806,780
	-----	-----
Operating Surplus for the year	315,191	33,543
	=====	=====

To be read in conjunction with the Notes to and forming part of the 2003 financial statements.