



C.E.P.U. - COMMUNICATIONS DIVISION

TELECOMMUNICATIONS AND SERVICES BRANCH (S.A. / N.T.)

2006 / 2007

FINANCIAL STATEMENTS

AND AUDITORS' REPORT

FULL FINANCIAL REPORT

John Lee
BRANCH SECRETARY.

8th August, 2007.

FINANCIAL STATEMENTS

OF THE

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY,
INFORMATION, POSTAL, PLUMBING & ALLIED SERVICES
UNION OF AUSTRALIA.**

- COMMUNICATIONS DIVISION -

TELECOMMUNICATIONS & SERVICES BRANCH - S.A./N.T.

ABN: 36 425 294 277

For the Year Ended 31st March, 2007.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA (CEPU)**

COMMUNICATIONS DIVISION

TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)

ABN: 36 425 294 277

BRANCH COMMITTEE OF MANAGEMENT OPERATING REPORT

This Operating Report records the activities of the Branch Committee of Management for the TELECOMMUNICATIONS AND SERVICES BRANCH (SOUTH AUSTRALIAN / NORTHERN TERRITORY) of the CEPU Communications Division for the financial year ended 31st March, 2007; the results of those activities; plus any significant changes in the nature of those activities during the year.

1. PRINCIPAL ACTIVITIES OF THE BRANCH COMMITTEE OF MANAGEMENT :

The Principal activities of the Branch Committee of Management during the preceding year fell into the following categories:-

- Implementation of National, Divisional and Branch decisions;
- Industrial support, including representation of individual members grievances, advice on legal and legislative matters, initiating Union elections as provided for in the Rules of the Union, within the scope of any statutory or legal obligations;
- The administration of Awards, the certification of Industrial Agreements, and the variation of Awards;
- The administration of the Branch Membership;
- The administration of the Branch's financial affairs
- Monthly Newsletters and other communications to members, the media, and the broader community.

2. RIGHT OF MEMBERS TO RESIGN :

All Branch members have the right to resign from the Union in accordance with **Rule 32** of the Communications Division Rules (**and Section 174 of the Workplace Relations Act**), namely by providing written notice addressed and delivered to the Branch Secretary via Post, Facsimile, e-Mail, or in person.

3. DIRECTORSHIPS OF SUPERANNUATION FUNDS :

Except for Mr. Gerard Kandelaars, who holds a position of Board Member on the Telstra Superannuation Scheme, to the best of our knowledge and belief, no other Officer of the Branch is, by virtue of their Office on the Branch Committee of Management of the Telecommunications and Services Branch (SA / NT),

- i) A Trustee of a superannuation entity or exempt public sector superannuation scheme;
- ii) A Director of a company that is a Trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- iii) Where a criterion for the Office of a Trustee or Director is that the Office is an Officer of a registered organization.

4. MEMBERSHIP OF THE BRANCH :

As at the 31st March, 2007, the membership of the Telecommunications and Services Branch (SA / NT) was 724.

5. EMPLOYEES OF THE BRANCH :

As at the 31st March, 2007, the Telecommunications and Services Branch (SA / NT) employed :-

Two (2) Full Time Employees
One (1) Part Time Employee
One (1) Casual Employee.

6. BRANCH COMMITTEE OF MANAGEMENT :

As at 31st March, 2007, the following persons were members of the Telecommunications and Services Branch (SA / NT), Branch Committee of Management :-

John William LEE	Branch Secretary	01/04/2006 - 31/03/2007
Gerard Anthony KANDELAARS	Branch President	01/04/2006 - 31/03/2007
Steven John COTTON	Branch Vice President	01/04/2006 - 31/03/2007
Helen Joyce MACMULLEN	Branch Vice President	01/04/2006 - 31/03/2007
Gary John GILSON	Committee of Management Member	01/04/2006 - 31/03/2007
Gregory Richard DOMEIKA	Committee of Management Member	01/04/2006 - 31/03/2007
Anthony Raymond MOSS	Committee of Management Member	01/04/2006 - 31/03/2007
Michael Robert GILES	Committee of Management Member	01/04/2006 - 31/03/2007

Signed in accordance with the resolution of the Telecommunications & Services Branch (SA / NT) Committee of Management meeting of 12th September, 2007.

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John Lee
BRANCH SECRETARY.

12th September, 2007.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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COMMUNICATIONS DIVISION

TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)

ABN: 36 425 294 277

BRANCH COMMITTEE OF MANAGEMENT CERTIFICATE

I, **Gerard Anthony KANDELAARS** and **Helen Joyce MACMULLEN**, being Members of the Committee of Management of the Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, (CEPU), Communications Division, Telecommunications & Services Branch (SA / NT), declare on behalf of the Committee that :-

- (a) The Financial Statements and Notes comply with the Accounting and Reporting Standards as applicable in Australia;
- (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 Branch for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the Branch will be able to pay its debts as 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 Branch Committee were held in accordance with the rules of the organisation including the rules of the Branch; and
 - (ii) The financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch; and
 - (iii) The financial records of the Branch have been kept and maintained in accordance with **RAO Schedule** and the **RAO Regulations**; and
 - (iv) The financial records of the reporting units 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 from 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 financial records made by the Commission under **Section 273** of the **RAO Schedule**.

Signed in accordance with the resolution of the Telecommunications and Services Branch (SA / NT) Committee of Management meeting of 8th August, 2007.

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Gerard Anthony KANDELAARS

12th September, 2007.

ADELAIDE, SOUTH AUSTRALIA.

.....

Helen Joyce MACMULLEN

12th September, 2007.

ADELAIDE, SOUTH AUSTRALIA.

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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COMMUNICATIONS DIVISION
TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)
ABN: 36 425 294 277

BALANCE SHEET AS AT 31ST MARCH, 2007.

	NOTE	31 March, 2007.	31 March, 2006.
		\$	\$
CURRENT ASSETS.			
Cash	3	27,892	48,364
Receivables	4	<u>4,318</u>	<u>7,101</u>
<u>TOTAL CURRENT ASSETS :</u>		<u>32,210</u>	<u>55,464</u>
NON - CURRENT ASSETS.			
Investments	5	228,692	251,686
Property, Plant & Equipment	6	<u>722,451</u>	<u>699,009</u>
<u>TOTAL NON - CURRENT ASSETS :</u>		<u>951,143</u>	<u>950,695</u>
<u>TOTAL ASSETS :</u>		<u>983,353</u>	<u>1,006,159</u>
CURRENT LIABILITIES.			
Payables	7	52,460	39,040
Provisions	8	<u>40,800</u>	<u>49,000</u>
<u>TOTAL CURRENT LIABILITIES :</u>		<u>93,260</u>	<u>88,040</u>
<u>TOTAL LIABILITIES :</u>		<u>93,260</u>	<u>88,040</u>
<u>NET ASSETS :</u>		<u>\$ 890,093</u>	<u>\$ 918,119</u>

COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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COMMUNICATIONS DIVISION

TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)

ABN: 36 425 294 277

BALANCE SHEET AS AT 31ST MARCH, 2007. (CONTINUED)

	NOTE	31 March, 2007.	31 March, 2006.
		\$	\$
ACCUMULATED FUNDS.			
Asset Revaluation Reserve	9	167,443	167,443
General Fund		475,491	503,517
Special Fund		<u>247,159</u>	<u>247,159</u>
<u>TOTAL ACCUMULATED FUNDS :</u>		<u>\$ 890,093</u>	<u>\$ 918,119</u>

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COMMUNICATIONS DIVISION

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ABN: 36 425 294 277

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED
31ST MARCH, 2007.

GENERAL FUND.	General Fund.	Special Fund.	Asset Revaluation Reserve.
Opening Balance	503,517	247,159	167,443
Surplus (Deficit)	(28,025)	-----	-----
<u>CLOSING BALANCE 31/03/2007:</u>	<u>\$ 475,491</u>	<u>\$ 247,159</u>	<u>\$ 167,443</u>

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COMMUNICATIONS DIVISION

TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)

ABN: 36 425 294 277

INCOME STATEMENT FOR YEAR ENDED 31ST MARCH, 2007.

	NOTE	31 March, 2007.	31 March, 2006.
		\$	\$
Revenues from Ordinary Activities		275,116	295,731
Other Income		70,137	65,541
Affiliation Fees		(6,193)	(8,368)
Audit Fees		(3,340)	(3,110)
Commission & Debt Collection		(1,915)	(1,658)
Depreciation Expenses		(14,707)	(3,668)
Employee Benefit Expenses	10	(199,619)	(180,924)
Payroll Tax		(11,619)	(9,263)
Insurance		(7,642)	(4,232)
Light and Power		(7,867)	(7,788)
Organising Expenses		(1,667)	(20,000)
National Office Capitation Fees		(58,878)	(67,635)
Rates & Taxes		(10,680)	(8,663)
Renovations to building		-----	(21,425)
Telephone		(10,017)	(7,539)
Other Expenses from Ordinary Activities		<u>(39,134)</u>	<u>(49,046)</u>
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO MEMBERS :		<u>(\$ 28,025)</u>	<u>(\$ 32,097)</u>

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COMMUNICATIONS DIVISION
TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)
ABN: 36 425 294 277

STATEMENT OF CASH FLOWS FOR YEAR ENDED 31ST MARCH, 2007.

	NOTE	31 March, 2007.	31 March, 2006.
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITES.			
Receipts from Members		267,684	304,895
Other Operating Receipts		59,523	43,305
Payments to Suppliers and Employees		(345,921)	(375,192)
Interest Received		<u>13,397</u>	<u>15,135</u>
NET CASH PROVIDED BY OPERATING ACTIVITES :	2(b)	<u>(\$ 5,315)</u>	<u>(\$ 11,857)</u>
 CASH FLOWS FROM INVESTING ACTIVITES.			
Fixed Asset Purchases		(38,149)	(5,999)
Proceeds on Sale of Fixed Assets		<u>-----</u>	<u>-----</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITES :		<u>(\$ 38,149)</u>	<u>(\$ 5,999)</u>
 CASH FLOWS FROM FINANCING ACTIVITES.			
Cash from Special Fund		35,890	16,974
Cash to Special Fund		<u>(11,806)</u>	<u>-----</u>
NET CASH USED IN FINANCING ACTIVITES :		<u>\$ 24,084</u>	<u>\$ 16,974</u>
 NET (DECREASE) IN CASH HELD.			
Cash at the Beginning of the Financial Year		<u>(19,382)</u> 69,863	<u>(882)</u> 70,745
CASH AT THE END OF THE FINANCIAL YEAR :	2(a)	<u>\$ 50,481</u>	<u>\$ 69,863</u>

TO BE READ IN CONJUNCTION WITH THE AUDIT REPORT AND NOTES TO ACCOUNTS.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA (CEPU)**
COMMUNICATIONS DIVISION
TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)
ABN: 36 425 294 277

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR YEAR ENDED 31ST MARCH, 2007.**

NOTE 1.1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES.

This Financial Report is a General Purpose Financial Report that has been prepared in accordance with ***Financial Accounting and Reporting Standards*** applicable in Australia, and the requirements of the ***Workplace Relations Act - 1996*** as amended.

Excepting for contributions received in advance, this Financial Report has been prepared on an accruals basis and is based on historical costs, modified by the revaluation of selected non-current assets.

The following is a summary of the material accounting policies adopted by the Branch in the preparation of this Financial Report. The accounting policies have been consistently applied unless otherwise stated.

(a) **Income Tax.**

The Branch is exempt from Income Tax under ***Section 50-15*** of the ***Income Tax Assessment Act - 1997***.

(b) **Plant and Equipment.**

Motor Vehicles and Plant & Equipment are carried at cost or fair value, less accumulated depreciation and impairment losses.

(c) **Contributions.**

Excepting for contributions received in advance, contributions are accounted for on a cash basis.

(d) **Employee Benefitss.**

Provision for Employee Benefits in the form of Long Service Leave, Accrued Annual Leave, etc., have been made for the accrued entitlements of all Employees on the basis of their Terms of Employment.

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COMMUNICATIONS DIVISION
TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)
ABN: 36 425 294 277

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR YEAR ENDED 31ST MARCH, 2007. (CONTINUED)**

NOTE 1.2 INFORMATION TO BE PROVIDED TO MEMBERS OF REGISTRAR.

In accordance with the requirements of the *Workplace Relations Act - 1996* the attention of members is drawn to the provisions of **Sub-Section (1), (2) and (3)** of **Section 272**, which read 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 **Sub-Section (1)**.

NOTE 2 CASH FLOW INFORMATION - GENERAL FUND.

	31/03/2007	31/03/2006
(a) CASH ON HAND AT END OF THE YEAR AS BELOW :		
Petty Cash.	600	600
A.C.C.U. Bank Accounts.	35,625	44,819
Commonwealth Bank Accounts.	<u>14,256</u>	<u>24,444</u>
	<u>\$ 50,481</u>	<u>\$ 69,863</u>
 (b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH DEFICIT :		
Operating Deficit.	(28,025)	(32,097)
Depreciation and Gain on Sale.	14,707	3,668
Adjustment on Scrapping.	-----	-----
	<u>(13,318)</u>	<u>(28,429)</u>

TO BE READ IN CONJUNCTION WITH THE AUDIT REPORT AND NOTES TO ACCOUNTS.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
POSTAL, PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA (CEPU)
COMMUNICATIONS DIVISION
TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)
ABN: 36 425 294 277**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR YEAR ENDED 31ST MARCH, 2007. (CONTINUED)**

	31/03/2007	31/03/2006
(c) CHANGES IN ASSETS & LIABILITIES :		
Decrease in accounts Receivable.	2,783	(7,101)
Increase in Creditors & Accruals.	20,852	7,009
Decrease in Employee Provisions.	(8,200)	7,500
(Decrease) in Subs in Advance.	(7,432)	9,164
CASH FLOWS FROM OPERATIONS :	<u>(\$ 5,315)</u>	<u>(\$ 11,857)</u>
 NOTE 3 <u>CASH.</u>		
Commonwealth Bank - Cheque Account.	4,033	14,595
Commonwealth Bank - Members Relief Account.	10,223	9,849
A.C.C.U. - General Account.	13,036	23,320
Petty Cash.	600	600
	<u>\$ 27,892</u>	<u>\$ 48,364</u>
 NOTE 4 <u>RECEIVABLES.</u>		
Rent Receivable.	\$ 4,318	\$ 7,101
	<u>\$ 4,318</u>	<u>\$ 7,101</u>
 NOTE 5 <u>INVESTMENTS.</u>		
Shares in A.C.C.U.	2	2
A.C.C.U. - L.S.L. Account.	22,589	21,499
A.C.C.U. - Special Fund Account.	206,101	230,185
	<u>\$ 228,692</u>	<u>\$ 251,686</u>

TO BE READ IN CONJUNCTION WITH THE AUDIT REPORT AND NOTES TO ACCOUNTS.

**COMMUNICATIONS, ELECTRICAL, ELECTRONIC, ENERGY, INFORMATION,
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COMMUNICATIONS DIVISION
TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)
ABN: 36 425 294 277**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR YEAR ENDED 31ST MARCH, 2007. (CONTINUED)**

NOTE 6 PROPERTY, PLANT AND EQUIPMENT.

(a) Land & Buildings.

At 31/03/2005, the Land and Buildings are in the name of the "Australian Telecommunications Employees Association / Australian Telephone & Phonogram Officers Association". For financial reporting purposes, they are shown in the accounts of the T & S Branch (SA / NT).

	31/03/2007	31/03/2006
Land and Buildings.		
At Independent Valuation (NOTE 6 (c))	\$ 685,000	\$ 685,000
Less Accumulated Depreciation.	\$ 6,468	-----
	<u>\$ 678,532</u>	<u>\$ 685,000</u>

(b) Property, Plant & Equipment.

(i) General Fund - Office Furniture & Equipment.

At Cost.	\$ 80,870	\$ 80,970
Accumulated Depreciation.	<u>(\$ 70,462)</u>	<u>(\$ 66,961)</u>
	<u>\$ 10,508</u>	<u>\$ 14,009</u>

(ii) Special Fund - Motor Vehicle.

At Cost.	\$ 38,149	-----
Accumulated Depreciation.	<u>(\$ 4,738)</u>	-----
	<u>\$ 33,411</u>	-----
	<u>\$ 43,919</u>	<u>\$ 14,009</u>
	<u>\$ 722,451</u>	<u>\$ 699,009</u>

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COMMUNICATIONS DIVISION
TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)
ABN: 36 425 294 277**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR YEAR ENDED 31ST MARCH, 2007. (CONTINUED)**

(c) Land and Building Valuation.

- The purpose of the valuation was for a market value assessment for internal purposes.
- The amount of the valuation was \$ 1,370,000 held as 1 undivided second part, ie. \$ 685,000.
- The date of the valuation was 06/04/2005.
- The independent Valuer was J. Richardson of Fudali Waterhouse PRD.

NOTE 7 CREDITORS AND BORROWINGS.

	31/03/2007	31/03/2006
Unsecured Liabilities :		
Trade Creditors and Accruals.	31,574	15,047
Payroll Liabilitie.	9,331	5,332
GST Liabilities.	1,325	1,850
CEPU Divisional Office.	2,920	2,069
Contributions In Advance.	7,310	14,742
	<u>\$ 52,460</u>	<u>\$ 39,040</u>

NOTE 8 PROVISIONS.

	31/03/2007	31/03/2006
Provision for Annual Leave.	5,300	17,000
Provision for Long Service Leave.	<u>35,500</u>	<u>32,000</u>
	<u>\$ 40,800</u>	<u>\$ 49,000</u>

NOTE 9 RESERVES.

	31/03/2007	31/03/2006
Asset Revaluation Reserve. (Revaluation of Freehold Land & Buildings)	<u>\$ 167,443</u>	<u>\$ 167,443</u>

TO BE READ IN CONJUNCTION WITH THE AUDIT REPORT AND NOTES TO ACCOUNTS.

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COMMUNICATIONS DIVISION
TELECOMMUNICATIONS & SERVICES BRANCH (S.A. / N.T.)
ABN: 36 425 294 277

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR YEAR ENDED 31ST MARCH, 2007. (CONTINUED)**

NOTE 10 EMPLOYEE BENEFIT EXPENSES.

	31/03/2007	31/03/2006
(a) Salaries and Wages.		
Officials.	\$ 71,016	\$ 82,884
Other Staff.	\$ 74,644	\$ 50,735
 (b) Superannuation.		
Officials.	\$ 52,454	\$ 22,942
Other Staff.	\$ 9,704	\$ 16,863
 (c) Fringe Benefits.		
Officials.	\$ 8,490	-----
Other Staff.	-----	-----

NOTE 11 SEGMENT REPORTING.

The Branch operates as a Trade Union and provides employee support to members in South Australia and Northern Territory.

NOTE 12 EVENTS SUBSEQUENT TO BALANCE DATE.

From 1st April, 2007, the Communications Division, Telecommunications & Services Branch (SA/NT) merged with the Postal & Telecommunications Branch (SA/NT) to form the CEPU - Communications Division Branch (SA/NT).

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS.

REPORT ON THE FINANCIAL REPORT.

We have audited the accompanying Financial Report of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia (CEPU); CEPU - Communications Division; Telecommunications & Services Branch (SA/NT), which comprises the balance sheet as at 31st March, 2007, and the Income Statement; Statement of Changes in Equity; and Cash Flow Statement for the year ended on that date, a summary of Significant Accounting Policies and other Explanatory Notes and the Branch Committee of Management Certificate.

BRANCH COMMITTEE'S RESPONSIBILITY FOR THE FINANCIAL REPORT.

The Branch Committee of Management is responsible for the preparation and fair presentation of the Financial Report in accordance with *Australian Accounting Standards* (including the *Australian Accounting Interpretations*) and the *Workplace Relations Act - 1996*. 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.

AUDIT 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 Branch Committee of Management, as well as evaluating the overall presentation of the Financial Report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE.

In conducting our audit, we have complied with the independence requirements. We confirm that the independence declaration required and provided to the Branch Committee of Management on 12th September, 2007, would be in the same terms if provided to the Branch Committee of Management as at the date of this auditor's report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS. (CONT.)

AUDIT OPINION.

In our opinion the financial report of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing, Allied Services Union of Australia (CEPU), Communications Division - Telecommunications & Services Branch (SA/NT) :-

- gives a true and fair view of the financial position as at 31st March, 2007, and of the performance for the year ended on that date; and
- complies with the *Australian Accounting Standards* (including the *Australian Accounting Interpretations*) applicable in Australia.

The Financial Report also complies with the *Workplace Relations Act - 1996*.

J. H. DOYLE & CO.

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C. WELLINGTON,
REGISTERED AUDITOR FCPA.

ADELAIDE. 12th September, 2007.

