

**NATIONAL UNION OF PUBLIC SERVICE AND ALLIED
WORKERS (CONSOLIDATED)**

Reg. no: LR2/6/2/723

ANNUAL FINANCIAL STATEMENTS

31 MARCH 2009



Greying & Van Der Merwe

Chartered Accountants (SA)
Registered Accountants & Auditors

**NATIONAL UNION OF PUBLIC SERVICE AND ALLIED WORKERS
(CONSOLIDATED)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2009**

NATIONAL EXECUTIVE COUNCIL AND ADMINISTRATION

Union registration number:

LR2/6/2/723

National Executive Council:

Mr. E. Mfingwana (President)
Mr. S.W.A. Memela (National Treasurer)
Mr. L.L.B. Xhamela (Eastern Cape Secretary)
Ms. M.E. Moswatsi (Gauteng Secretary)
Mr. S.V. Gumbi (KZN Treasurer)
Mr. A.L. Ramakumba (Limpopo Secretary)
Mr. K.I. Mokaila (North-West Secretary)

Mr. T.A. Mtshali (Deputy President)
Mr. S. Mataitsane (General Secretary)
Ms. G. Ntissa (Eastern Cape Chairperson)
Mr. A.N. Ndamane (KZN Chairperson)
Mr. L.I. Ngobeni (Limpopo Chairperson)
Mr. F.P. Funani (North-West Chairperson)
Mr. P. Twala (Western Cape – Chairperson)

Registered Address:

814 Church Street
Eastwood
Pretoria
0083

Auditors:

Greyling & Van Der Merwe

Bankers:

First National Bank Limited
Standard Bank Limited
ABSA Bank Limited
Investec Bank Limited
Nedbank Limited
Mercantile Bank Limited

COMPOSITION OF THE FINANCIAL STATEMENTS

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The annual financial statements, which appear on pages 2 to 12, were approved and signed by the National Executive Council on 22 August 2009.


National Treasurer


President

**Greyling & Van Der Merwe**

Chartered Accountants (SA)
Registered Accountants & Auditors

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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE NATIONAL UNION OF PUBLIC SERVICE AND ALLIED WORKERS
(CONSOLIDATED)**

We have audited the annual financial statements set out on pages 2 to 12 for the year ended 31 March 2009. These financial statements are the responsibility of the Union's National Executive Council. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Qualification

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Audit opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the company at 31 March 2009 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice and in the manner required by the Union's Constitution and the Labour Relations Act, 1995 (Act No. 66 of 1995).

Greyling vd Merwe
Registered Accountants and Auditors /
Chartered Accountants (SA)
22 August 2008

**NATIONAL UNION OF PUBLIC SERVICE AND ALLIED WORKERS
(CONSOLIDATED)
REPORT OF THE REGIONAL EXECUTIVE COUNCIL FOR THE YEAR
ENDED 31 MARCH 2009**

The National Executive Council presents its annual report, which forms part of the audited financial statements of the union for the year ended 31 March 2009.

1. Nature of business

The main activity of the union is to protect and promote the interest of workers in public and private service in and around the country.

2. Review of financial results

The financial position and results of operations of the union for the year under review are reflected in the attached financial statements.

3. Material events after year end

The National Executive Council is not aware of any material fact or circumstance which took place prior to the accounting date or between the accounting date and publication of this report, which would adversely influence the assessment of the Union's financial state or the results of its operations.

4. Auditors

Greyling & Van Der Merwe will continue in office in accordance with union's constitution.

5. Going Concern

The annual financial statements have been prepared on the going concern basis on the assumption that such support will continue to be forthcoming.

**NATIONAL UNION OF PUBLIC SERVICE AND ALLIED WORKERS
(CONSOLIDATED)
BALANCE SHEET AT 31 MARCH 2009**

	NOTES	2009 R.	2008 R.
ASSETS			
Non-current assets		5,378,618	5,288,470
Property, plant and equipment	2	2,592,950	2,575,297
Investments	3	2,785,668	2,713,173
Current assets		3,567,907	2,816,012
Trade and other receivables	4	598,324	555,261
Cash and bank	5	2,969,583	2,260,751
Total assets		<u>8,946,525</u>	<u>8,104,482</u>
RESERVES AND LIABILITIES			
Reserves		8,174,253	7,670,044
Accumulated surplus		8,174,253	7,670,044
Current liabilities		772,272	434,438
Trade and other payables	6	772,272	434,438
Total reserves and liabilities		<u>8,946,525</u>	<u>8,104,482</u>

**NATIONAL UNION OF PUBLIC SERVICE AND ALLIED WORKERS
(CONSOLIDATED)
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2009**

NOTES

		2009 R.	2008 R.
REVENUE	7	12,955,931	11,760,785
Other income	8	298,354	362,004
Commission received		253,851	336,352
Sundry Income		44,503	25,651
Gross income		<u>13,254,285</u>	<u>12,122,789</u>
EXPENSES		(13,124,057)	(10,899,321)
Administrative expenses		(9,815,570)	(8,142,970)
Staff Costs		(3,308,487)	(2,756,351)
Surplus from operations	9	<u>130,228</u>	<u>1,223,468</u>
Net finance Income	10	373,981	351,187
Net surplus for the year		<u><u>504,209</u></u>	<u><u>1,574,654</u></u>

**NATIONAL UNION OF PUBLIC SERVICE AND ALLIED WORKERS
(CONSOLIDATED)
STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED
31 MARCH 2009**

	Accumulated surplus
Balance at 1 April 2007	6,095,390
Net surplus for the year	1,574,654
Balance at 31 March 2008	<u>7,670,044</u>
Net surplus for the year	504,209
Balance at 31 March 2009	<u><u>8,174,253</u></u>

**NATIONAL UNION OF PUBLIC SERVICE AND ALLIED WORKERS
(CONSOLIDATED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009**

	NOTES	2009 R.	2008 R.
Cash flows from operating activities			
Operating surplus for the year		504,209	1,574,654
Adjusted for:			
Depreciation		85,862	61,264
Net finance income		(373,981)	(351,187)
Cash surplus before working capital changes		216,090	1,284,731
Movements in working capital		294,771	(349,443)
Increase in accounts payable		337,834	(326,306)
Increase in accounts receivable		(43,063)	(23,137)
Cash inflow from operations		510,861	935,288
Interest received		373,981	351,187
Cash generated from operating activities		884,842	1,286,475
Cash flows from investing activities			
<i>Acquired to maintain operations</i>			
Additions for fixed assets		(103,515)	(2,529,543)
Increase in investments		(72,495)	(73,847)
Cash utilized in investing activities		(176,010)	(2,603,390)
Increase in cash and cash equivalents		708,832	(1,316,915)
Cash and cash equivalents at beginning of year	5	2,260,751	3,577,666
Cash and cash equivalents at end of year	5	2,969,583	2,260,751

**NATIONAL UNION OF PUBLIC SERVICE AND ALLIED WORKERS
(CONSOLIDATED)
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2009**

1. Basis of preparation

The annual financial statement are prepared on the historical cost basis. These annual financial statements comply with South African Statements of Generally Accepted Accounting Practice. The following are the principal accounting policies used by the union, which are consistent with those of the previous year.

1.1 Property, plant and equipment

Property, plant and equipment are included at cost. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use

Depreciation is recorded by a charge to income computed on a straight-line basis so as to write off the cost of the assets over their expected useful lives. The expected useful lives are as follows:

Cell phones	2 years
Computer equipment	3 years
Computer software	2 years
Furniture and fittings	5 years
Office equipment	5 years

1.2 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts.

1.3 Revenue recognition

Revenue is recognized upon receipt of the region's allocation of membership subscriptions received from the union members.

Investment income is recognized on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when such income will accrue to the Union

1.4 Trade Payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

1.5 Investments

Investments are carried at their respective fair values

2. Property, plant and equipment

2009

	Land and buildings	Computer Equipment	Cellular phones	Office equipment	Furniture & fittings	Computer software	Total
Carrying value - beginning of year	2,472,523	44,725	2,982	17,581	33,503	- 3,983	2,575,297
Additions	12,200	21,700	10,799	10,072	48,744	- -	103,515
Depreciation	-	(34,907)	(6,579)	(18,125)	(23,554)	- (2,697)	(85,862)
Carrying value - end of year	2,484,723	31,518	7,202	9,528	58,693	- 1,286	2,592,950
Gross carrying value	2,484,723	437,789	47,290	104,300	348,133	- 116,224	1,053,736
Accumulated depreciation	-	(406,272)	(40,088)	(84,701)	(299,509)	- (114,939)	(945,509)
Accumulated depreciation beginning of year	-	371,365	33,509	66,576	275,955	112,242	859,647
Depreciation - income statement	-	34,907	6,579	18,125	23,554	2,697	85,862

2008

	Land and buildings	Computer Equipment	Cellular phones	Office equipment	Furniture & fittings	Computer software	Total
Carrying value - beginning of year	-	58,547	3	7,684	33,429	- 7,355	107,018
Additions	2,472,523	20,449	5,500	16,725	10,069	- 4,277	2,529,543
Depreciation	-	(34,271)	(2,521)	(6,828)	(9,995)	- (7,649)	(61,264)
Carrying value - end of year	2,472,523	44,725	2,982	17,581	33,503	- 3,983	2,575,297
Gross carrying value	2,472,523	416,089	36,491	94,228	299,389	- 116,224	962,421
Accumulated depreciation	-	(371,365)	(33,509)	(66,576)	(275,955)	- (112,242)	(859,647)
Accumulated depreciation beginning of year	-	337,094	30,988	59,748	265,960	104,593	798,383
Depreciation - income statement	-	34,271	2,521	6,828	9,995	7,649	61,264

3. Investments

	2009 R.	2008 R.
First National Bank - Notice Deposit	677,631	786,158
Mercantile Lisbon Bank - Notice Deposit	1,880,255	1,881,842
Standard Bank	27,782	25,173
Listed shares	200,000	200,000
	<u>2,785,668</u>	<u>2,713,173</u>

4. Trade and other Receivables

Deposits	8,495	29,767
Staff loans	27,324	7,950
PSCBC	546,566	517,544
Sundry receivables	15,939	-
	<u>598,324</u>	<u>555,261</u>

5. Cash and cash equivalents

For the purpose of the cash flow statement the year-end cash and cash equivalents comprise the following:

	2009 R.	2008 R.
ABSA Bank	402,832	364,787
FNB accounts	2,354,408	1,871,370
Nedbank	3,657	3,657
Provisional Account	1,942	1,292
Staff Utility Account	204,735	17,637
	<u>2,969,583</u>	<u>2,260,751</u>

6. Trade and other payables

Accruals	100,725	44,471
Leave Accrual	408,327	311,059
Trade Payables	263,220	78,908
	<u>772,272</u>	<u>434,438</u>

7. Revenue

Membership Fees	<u>12,955,931</u>	<u>11,760,785</u>
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8. Other Income

Commission	253,851	336,352
Sundry income	44,503	25,651
	<u>298,354</u>	<u>362,004</u>

9. Net surplus for the year

Net surplus for the year is stated after taking into account:

Income		
Interest received	373,981	351,187
Commission	253,851	336,352
Expenses		
Operating lease - Premises	408,989	487,909
Operating lease - Equipment Rental	166,959	145,902
Audit fees	28,551	266,349
Depreciation	103,515	61,264

10. Net finance income

Interest received	<u>393,981</u>	<u>351,187</u>
	<u>393,981</u>	<u>351,187</u>

11. Taxation

The Union is exempt from tax in terms of section 10(1)(cb) of the Income Tax Act.

12. Related Party Transactions

The National Union of Public Service and Allied Workers is a Registered Trade Union and has its Head Office in Pretoria. The Union operates from 6 regional offices namely Gauteng, Eastern Cape, Kwa-Zulu Natal, Western Cape, Limpopo and North West. It also has an Agency Shop. Transactions that occur between these parties are regarded as related party transactions.

Included in balance Sheet

	2009 R.	2008 R.
Inter Company Loans		
Agency Shop		
Balance at Beginning of year	-	(191,766)
Amount Granted	345,108	191,766
Balance at end of year	<u>345,108</u>	<u>-</u>

Accounts payable

Eastern cape	19,598	12,848
Gauteng	7,500	24,949
Kwazulu Natal	11,250	157,229
Mpumalanga	3,750	23,619
Northwest	(6,472)	9,057
Western cape	7,500	51,308

Included in Income Statement

Gauteng	450,257	385,801
Grants distributed	335,497	347,801
Provincial congress	39,760	-
Provincial organizer's S & T Distributed	75,000	38,000
Eastern Cape	187,173	150,826
Grants Distributed	103,576	112,826
Provincial congress	27,348	-
Provincial Organizer's S & T Distributed	56,250	38,000
Limpopo	324,797	300,739
Grants Distributed	261,897	260,739
Provincial congress	25,400	-
Provincial Organizer's S & T Distributed	37,500	40,000
North West	186,473	163,250
Grants Distributed	122,666	137,250
Provincial congress	26,307	-
Provincial Organizer's S & T Distributed	37,500	26,000

Western Cape	423,644	312,782
Grants Distributed	294,714	284,782
National congress	53,930	-
Provincial Organizer's S & T Distributed	75,000	28,000

Kwazulu Natal	1,136,364	997,006
Grants Distributed	882,326	865,006
National congress	13,800	-
Provincial congress	87,738	-
Provincial Organizer's S & T Distributed	152,500	132,000

Remuneration of key personnel

S Mataitsane - General Secretary	236,800	225,490
Basic salary	217,600	206,290
Car allowance	18,000	18,000
Computer allowance	1,200	1,200

Remuneration of key personnel

S Mataitsane - General Secretary	236,800	225,490
Basic salary	217,600	206,290
Car allowance	18,000	18,000
Computer allowance	1,200	1,200