

**PART B**

**Financial Statements  
of the  
SAS Trustee Corporation Division  
of the Government Service of NSW**



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### SAS Trustee Corporation Division of the Government Service of NSW

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the SAS Trustee Corporation Division of the Government Service of NSW (the STC Division), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

#### *Auditor's Opinion*

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the STC Division as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

#### *Chief Executive Officer's Responsibility for the Financial Report*

The Chief Executive Officer of the STC Division 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 PF&A Act. 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*

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the STC Division,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

### *Independence*

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



A Oyetunji  
Director, Financial Audit Services

26 September 2007  
SYDNEY

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**ABN 31 683 571 255**

**Statement by Chief Executive Officer**  
for the year ended 30 June 2007

Pursuant to Section 41C(1B) and (1C) of the *Public Finance and Audit Act 1983* I declare that in my opinion:

1. the financial statements present a true and fair view of the financial position of the SAS Trustee Corporation Division of the Government Service of NSW at 30 June 2007 and transactions for the period then ended, and
2. the financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005* and the Treasurer's Directions.

Further, I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed at Sydney this 18<sup>th</sup> day of September 2007.



**Don McLean**  
*Chief Executive Officer*

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Income Statement**

for the year ended 30 June 2007

		<b>2007</b>	2006
		<b>\$'000</b>	\$'000
	NOTE		
<b>Revenue from Continuing Operations</b>			
Personnel Services		<b>1,926</b>	546
<b>Expenses from Continuing Operations</b>			
Salaries		<b>1,874</b>	548
Defined contribution superannuation		<b>(512)</b>	42
Defined benefit superannuation		<b>156</b>	(135)
Annual and long service leave		<b>230</b>	36
Other Payroll Related		<b>178</b>	55
<b>Total Expenses</b>		<b>1,926</b>	546
<b>Operating Result for the Year/Period</b>	2	<b>-</b>	-

*The accompanying notes form an integral part of the above Income Statement.*

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Balance Sheet**  
as at 30 June 2007

		<b>2007</b>	2006
		<b>\$'000</b>	\$'000
	NOTE		
<b>Current Assets</b>			
Receivables	3	<b>819</b>	1,707
Total Current Assets		<b>819</b>	1,707
<b>Total Assets</b>		<b>819</b>	1,707
<b>Current Liabilities</b>			
Payables	4	-	-
Provisions	5	<b>672</b>	1,403
Total Current Liabilities		<b>672</b>	1,403
<b>Non-Current Liabilities</b>			
Provisions	5	<b>147</b>	304
Total Non-Current Liabilities		<b>147</b>	304
<b>Total Liabilities</b>		<b>819</b>	1,707
<b>Net Assets</b>		-	-
<b>Total Equity</b>		-	-

*The accompanying notes form an integral part of the above Balance Sheet.*

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Cash Flows Statement**

for the year ended 30 June 2007

		<b>2007</b>	2006
		<b>\$'000</b>	\$'000
	NOTE	<b>Inflows/ (Outflows)</b>	Inflows/ (Outflows)
		<hr/>	<hr/>
<b>Cash Flows from Operating Activities</b>			
Receipts		1,926	546
Interest Received			
Payments to Suppliers and Employees		<b>(1,926)</b>	<b>(546)</b>
Net Operating Cash Flows	9 (b)	<hr/>	<hr/>
		-	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		-	-
Cash & Cash Equivalents at the Beginning of the Financial Year/Period		-	-
<b>Cash &amp; Cash Equivalents at the End of the Financial Year/Period</b>	9 (a)	<hr/>	<hr/>
		-	-

*The accompanying notes form an integral part of the above Cash Flow Statement.*

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Statement of Recognised Income and Expense**  
for the year ended 30 June 2007

		<b>2007</b>	2006
		<b>\$'000</b>	\$'000
	NOTE		
<b>Net Income recognised directly in equity</b>		-	-
Result for Year/Period	2	-	-
<b>Total recognised income and expense</b>		-	-
<b>Effect of change in accounting policies</b>		-	-

*The accompanying notes form an integral part of the above Statement of Recognised Income and Expense.*

## SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW

### Notes to the financial statements

for the year ended 30 June 2007

#### 1. STATEMENT OF ACCOUNTING POLICIES

##### A. Reporting entity

The SAS Trustee Corporation Division of the Government Service of NSW is a Division of the Government Service, established pursuant to Part 2 of Schedule 1 to the *Public Sector Employment and Management Act 2002*. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in NSW Australia and its office is at Level 17, 83 Clarence Street, Sydney.

The objective of the SAS Trustee Corporation Division of the Government Service of NSW is to provide personnel services to the SAS Trustee Corporation (STC).

The SAS Trustee Corporation Division of the Government Service of NSW commenced operations on 17 March 2006 when it assumed responsibility for the employees and employee-related liabilities of the SAS Trustee Corporation. The assumed liabilities were recognised on 17 March 2006 together with an offsetting receivable representing the related funding due from the former employer.

The financial report was authorised for issue by the Chief Executive Officer of STC on 18 September 2007. The report will not be amended and reissued as it has been audited.

##### B. Basis for preparation

This is a general purpose financial report in accordance with the requirements of Australian Accounting Standards, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005* and specific directions issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial report does not take into account changing money values or current valuations. However, certain provisions are measured at fair value (see note 1 G).

The accrual basis of accounting has been adopted in the preparation of the financial report, except for cash flow information.

Management's judgements, key assumptions and estimates are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

##### C. Comparative information

Where there have been changes in presentation in the current financial year, the comparative figures for the previous year have been adjusted to conform to these changes. Because the entity began operations on 17 March 2006, amounts in the Income Statement, Cash Flow Statement and Statement of Recognised Income and Expense are not directly comparable.

## SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW

### Notes to the financial statements

for the year ended 30 June 2007

#### 1. STATEMENT OF ACCOUNTING POLICIES (Continued)

##### D. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

##### E. Receivables

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

A receivable is measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less any allowance for doubtful debts. A short-term receivable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

If there is objective evidence at period end that a receivable may not be collectable, its carrying amount is reduced by means of an allowance for doubtful debts and the resulting loss is recognised in the income statement. Receivables are monitored during the period and bad debts written off against the allowance when they are determined to be irrecoverable. Any other loss or gain arising when a receivable is derecognised is also recognised in the income statement.

##### F. Payables

Payables include accrued wages, salaries and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

A short-term payable with no stated interest rate is measured at historical cost as the effect of discounting is immaterial.

##### G. Employee benefit provisions and expenses

Provisions are made for liabilities of uncertain amount or uncertain timing of settlement.

Employee benefit provisions represent expected amounts payable in the future in respect of unused entitlements accumulated as at the reporting date. Liabilities associated with, but that are not, employee benefits (such as payroll tax) are recognised separately.

Superannuation and leave liabilities are recognised as expenses and provision when the obligations arise, which is usually through the rendering of service by employees.

## SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW

### Notes to the financial statements

for the year ended 30 June 2007

#### 1 STATEMENT OF ACCOUNTING POLICIES (Continued)

##### G. Employee benefit provision and expenses (Continued)

Long-term annual leave (i.e. that is not expected to be taken within twelve months) is measured at present value using a discount rate equal to the market yield of government bonds.

Superannuation and long service leave provisions are actuarially assessed prior to each reporting date and are measured at the present value of expected future payments.

All other employee benefit liabilities (i.e. for benefits falling due wholly within twelve months after reporting date) are assessed by management and are measured at the undiscounted amount of expected future payments.

The amount recognised for superannuation and long service leave provisions is the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value at that date of any plan assets out of which the obligations are to be settled directly.

The amount recognised in the income statement for superannuation and long service leave is the net total of current service cost, interest cost, the expected return on plan assets and actuarial gains and losses. Actuarial gains or losses are recognised as income or expense in the year they occur.

##### H. Accounting standards issued but not yet effective

The following accounting standards issued but not yet effective have not been applied –

- AASB 7 – *Financial Instruments Disclosures* (potentially more substantial risk related disclosures relating to credit, liquidity and market risk). AASB 7 will be implemented for the year ending 30 June 2008 and will include comparative information for the year ended 30 June 2007.
- AASB 101 – *Presentation of Financial Statements* as issued in October 2006 will be implemented for the year ending 30 June 2008.

#### 2. RESULT

The SAS Trustee Corporation Division of the Government Service of NSW did not make any payments to consultants in the year ended 30 June 2007 or the period ended 30 June 2006.

The audit fee for the entity of \$3,300 (2006 \$3,300) is met by STC. The auditor provided no other services other than the audit of this financial report.

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Notes to the financial statements**  
for the year ended 30 June 2007

**3. RECEIVABLES**

	<b>2007</b>	2006
	<b>\$'000</b>	\$'000
<b>Current</b>		
Amounts Receivable – STC	541	1,599
Superannuation (refer Note 7)	<b>278</b>	108
	<b>819</b>	1,707

**4. PAYABLES**

	<b>2007</b>	2006
	<b>\$'000</b>	\$'000
<b>Current</b>		
Amount Payable - STC	-	-
Other Payables	-	-
	-	-

**5. PROVISIONS**

	<b>2007</b>	2006
	<b>\$'000</b>	\$'000
<b>Current</b>		
Employee Benefits	672	784
Superannuation (refer Note 7)	-	619
	<b>672</b>	1,403
<b>Non-current</b>		
Employee Benefits	<b>147</b>	304
	<b>147</b>	304

## SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW

### Notes to the financial statements

for the year ended 30 June 2007

#### 6. EXECUTIVES' REMUNERATION

	2007 \$'000	2006 \$'000
Income received or due and receivable during the period 1 July to 30 June by executive officers of the SAS Trustee Corporation Division of the Government Service of NSW whose income is \$100,000 or more.	<b>1,703</b>	1,645

The number of executive officers whose income is \$100,000 or more are shown below in their relevant income bands:

	2007 Number	2006 Number
Remuneration (including superannuation contributions) of:		
\$110,000 - \$119,999	-	1
\$120,000 - \$129,999	1	3
\$130,000 - \$139,999	-	1
\$140,000 - \$149,999	2	-
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	1
\$180,000 - \$189,999	2	1
\$210,000 - \$219,999	1	-
\$240,000 - \$249,999	1	1
\$250,000 - \$259,999	-	1
\$270,000 - \$279,999	1	-
	<b>9</b>	10

#### 7. SUPERANNUATION

The SAS Trustee Corporation Division of the Government Service of NSW participates in the following closed defined benefit superannuation schemes for some of its staff –

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)

The following information has been prepared by the scheme actuary.

From 1 July 2005 to 17 March 2006 the superannuation liability rested with STC. On 17 March 2006 it was transferred to the SAS Trustee Corporation Division of the Government Service of NSW. The transfer amount was actuarially determined.

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Notes to the financial statements**

for the year ended 30 June 2007

**7. SUPERANNUATION (Continued)**

*Reconciliation of the present value of the defined benefit obligation:*

<b>As at 30 June 2007</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>
<i>Present value of partly funded defined benefit obligation at beginning of year</i>	<b>720</b>	<b>231</b>	<b>5,077</b>
Current service cost	<b>30</b>	<b>13</b>	<b>18</b>
Interest cost	<b>41</b>	<b>13</b>	<b>294</b>
Contributions by fund participants	<b>15</b>	<b>-</b>	<b>46</b>
Actuarial (gains)/losses	<b>44</b>	<b>46</b>	<b>(855)</b>
Benefits paid	<b>(32)</b>	<b>(55)</b>	<b>386</b>
Past service cost	<b>-</b>	<b>-</b>	<b>-</b>
Curtailments	<b>-</b>	<b>-</b>	<b>-</b>
Settlements	<b>-</b>	<b>-</b>	<b>-</b>
Exchange rate changes	<b>-</b>	<b>-</b>	<b>-</b>
<i>Present value of partly funded defined benefit obligation at end of year</i>	<b>818</b>	<b>248</b>	<b>4,966</b>

<b>As at 30 June 2006</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>
<i>Present value of partly funded defined benefit obligation at beginning of year</i>	<b>-</b>	<b>-</b>	<b>-</b>
Current service cost	<b>9</b>	<b>4</b>	<b>17</b>
Interest cost	<b>11</b>	<b>4</b>	<b>76</b>
Contributions by fund participants	<b>4</b>	<b>-</b>	<b>17</b>
Actuarial (gains)/losses	<b>2</b>	<b>(2)</b>	<b>(13)</b>
Benefits paid	<b>(5)</b>	<b>(16)</b>	<b>2</b>
Past service cost	<b>-</b>	<b>-</b>	<b>-</b>
Curtailments	<b>-</b>	<b>-</b>	<b>-</b>
Settlements	<b>-</b>	<b>-</b>	<b>-</b>
Exchange rate changes	<b>-</b>	<b>-</b>	<b>-</b>
Transferred I on 17 March 2006	<b>699</b>	<b>241</b>	<b>4,978</b>
<i>Present value of partly funded defined benefit obligation at end of year</i>	<b>720</b>	<b>231</b>	<b>5,077</b>

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Notes to the financial statements**

for the year ended 30 June 2007

**7. SUPERANNUATION (Continued)**

*Reconciliation of the fair value of fund assets:*

<b>As at 30 June 2007</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>
<i>Fair value of fund assets at beginning of the year</i>	<b>801</b>	<b>258</b>	<b>4,458</b>
Expected return on fund assets	<b>59</b>	<b>19</b>	<b>335</b>
Actuarial gains/(losses)	<b>85</b>	<b>19</b>	<b>650</b>
Employer contributions	<b>31</b>	<b>14</b>	<b>84</b>
Contributions by fund participants	<b>15</b>	<b>-</b>	<b>46</b>
Benefits paid	<b>(32)</b>	<b>(54)</b>	<b>385</b>
Settlements	<b>-</b>	<b>-</b>	<b>-</b>
Business combinations	<b>-</b>	<b>-</b>	<b>-</b>
Exchange rate changes	<b>-</b>	<b>-</b>	<b>-</b>
<i>Fair value of fund assets at end of the year</i>	<b>959</b>	<b>256</b>	<b>5,958</b>

<b>As at 30 June 2006</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>
<i>Fair value of fund assets at beginning of the year</i>	<b>-</b>	<b>-</b>	<b>-</b>
Expected return on fund assets	<b>14</b>	<b>5</b>	<b>82</b>
Actuarial gains/(losses)	<b>22</b>	<b>5</b>	<b>77</b>
Employer contributions	<b>12</b>	<b>4</b>	<b>23</b>
Contributions by fund participants	<b>4</b>	<b>-</b>	<b>17</b>
Benefits paid	<b>(5)</b>	<b>(16)</b>	<b>3</b>
Settlements	<b>-</b>	<b>-</b>	<b>-</b>
Business combinations	<b>-</b>	<b>-</b>	<b>-</b>
Exchange rate changes	<b>-</b>	<b>-</b>	<b>-</b>
Transfer in on 17 March 2006	<b>754</b>	<b>260</b>	<b>4,256</b>
<i>Fair value of fund assets at end of the year</i>	<b>801</b>	<b>258</b>	<b>4,458</b>

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Notes to the financial statements**

for the year ended 30 June 2007

**7. SUPERANNUATION (Continued)**

*Reconciliation of the assets and liabilities recognised in the Balance Sheet.*

<b>As at 30 June 2007</b>	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Present value of funded defined benefit obligations at end of the year	<b>818</b>	<b>248</b>	<b>4,966</b>
Fair value of fund assets at end of the year	<b>(959)</b>	<b>(256)</b>	<b>(5,958)</b>
	<b>(141)</b>	<b>(8)</b>	<b>(992)</b>
Unrecognised past service cost	-	-	-
Unrecognised gain/(loss)	-	-	-
Adjustment for limitation on net asset	<b>107</b>	<b>6</b>	<b>750</b>
<i>Net liability/(asset) recognised in Balance Sheet at end of the year</i>	<b>(34)</b>	<b>(2)</b>	<b>(242)</b>
<b>As at 30 June 2006</b>	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Present value of funded defined benefit obligations at end of the year	720	231	5,077
Fair value of fund assets at end of the year	(801)	(258)	(4,458)
	(81)	(27)	619
Unrecognised past service cost	-	-	-
Unrecognised gain/(loss)	-	-	-
Adjustment for limitation on net asset	-	-	-
<i>Net liability/(asset) recognised in Balance Sheet at end of the year</i>	(81)	(27)	619

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Notes to the financial statements**  
for the year ended 30 June 2007

**7. SUPERANNUATION (Continued)**

*Components recognised in Income Statement:*

	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 30 June 2007</b>			
Current Service Cost	30	13	18
Interest cost	40	13	293
Expected return on fund assets (net of expenses)	(59)	(19)	(334)
Actuarial losses/(gains) recognised in year	(41)	27	(1,504)
Change in surplus in excess of recovery available from scheme	-	-	-
Past service cost	-	-	-
Movement in adjustment for limitation on net asset	107	6	750
Curtailments or settlement (gain)/loss	-	-	-
Expense/(income) recognised	<b>77</b>	<b>40</b>	<b>(777)</b>
	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 30 June 2006</b>			
Current Service Cost	9	4	17
Interest cost	11	4	77
Expected return on fund assets (net of expenses)	(14)	(5)	(82)
Actuarial losses/(gains) recognised in year	(20)	(7)	(91)
Change in surplus in excess of recovery available from scheme	-	-	-
Past service cost	-	-	-
Movement in adjustment for limitation on net asset	-	-	-
Curtailments or settlement (gain)/loss	-	-	-
Expense/(income) recognised	<b>(14)</b>	<b>(4)</b>	<b>(79)</b>

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Notes to the financial statements**

for the year ended 30 June 2007

**7. SUPERANNUATION (Continued)**

*Amounts recognised in the Statement of Recognised Income and Expense:*

<b>As at 30 June 2007</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>
Actuarial (gains)/losses	-	-	-
Adjustment for limit on net asset	-	-	-
<b>As at 30 June 2006</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>
Actuarial (gains)/losses	-	-	-
Adjustment for limit on net asset	-	-	-

*Cumulative amount recognised in the Statement of Recognised Income and Expense:*

<b>As at 30 June 2007</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>
As at 30 June 2006	-	-	-

*The percentage of fund assets invested in each asset class at the balance sheet date:*

	<b>2007</b>	<b>2006</b>
Australian equities	34%	37%
Overseas equities	26%	28%
Australian fixed interest securities	7%	10%
Overseas fixed interest securities	6%	7%
Property	10%	9%
Cash	10%	5%
Other	7%	4%

*Expected rate of return on assets:*

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment taxes and investment fees

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Notes to the financial statements**  
for the year ended 30 June 2007

**7. SUPERANNUATION (Continued)**

*Actual return on fund assets:*

As at 30 June 2007	SASS \$'000	SANCS \$'000	SSS \$'000
Actual return on fund assets	116	38	655

As at 30 June 2006	SASS \$'000	SANCS \$'000	SSS \$'000
Actual return on fund assets	29	11	177

*Valuation method and principal actuarial assumptions at the balance sheet date:*

*(a) Valuation Method*

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

*(b) Economic Assumptions*

	2007	2006
Salary increase rate (2008 : 3.5% thereafter)	4.0%	4.0%
Rate of CPI increase	2.5%	2.5%
Expected rate of return on assets backing current pension liabilities	7.6%	7.6%
Expected rate of return on assets backing other liabilities	7.6%	7.6%
Discount rate	6.4%	5.9%

*Valuation method and principal actuarial assumptions at the balance sheet date:*

*(c) Demographic Assumptions*

Demographic assumptions reflect those adopted by the scheme actuary in its triennial review of the schemes.

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Notes to the financial statements**  
for the year ended 30 June 2007

**7. SUPERANNUATION (Continued)**

*Historical Information:*

<b>As at 30 June 2007</b>	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Present value of defined benefit obligation	818	248	4,966
Fair value of fund assets	(959)	(256)	(5,958)
(Surplus)/Deficit in fund	(141)	(8)	(992)
Experience adjustments – fund liabilities	44	46	(854)
Experience adjustments – fund assets	(85)	(19)	(650)

<b>As at 30 June 2006</b>	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Present value of defined benefit obligation	720	231	5,077
Fair value of fund assets	(801)	(258)	(4,458)
(Surplus)/Deficit in fund	(81)	(27)	619
Experience adjustments – fund liabilities	1	(2)	(13)
Experience adjustments – fund assets	(22)	(5)	(77)

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Notes to the financial statements**  
for the year ended 30 June 2007

**7. SUPERANNUATION (Continued)**

*Expected contributions:*

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>
<b>Expected contributions for year to 30 June 2007</b>	<b>29</b>	<b>13</b>	<b>74</b>
Expected contributions for year to 30 June 2006	20	11	67

*Funding arrangements for employer contributions – surplus/deficit*

The following is a summary of the 30 June financial position of the schemes calculated in accordance with AAS25- *Financial Reporting by Superannuation Plans*.

<b>30 June 2007</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>
Accrued benefits	<b>809</b>	<b>246</b>	<b>4,491</b>
Net market value of fund assets	<b>(959)</b>	<b>(256)</b>	<b>(5,958)</b>
<i>Net (surplus)/deficit</i>	<b>(150)</b>	<b>(10)</b>	<b>(1,467)</b>

<b>30 June 2006</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>
Accrued benefits	696	223	4,296
Net market value of fund assets	(801)	(258)	(4,458)
<i>Net (surplus)/deficit</i>	(105)	(35)	(162)

## SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW

### Notes to the financial statements

for the year ended 30 June 2007

#### 7. SUPERANNUATION (Continued)

*Funding arrangements for employer contributions – Recommended contribution rates:*

As at 30 June 2007	SASS	SANCS	SSS
	Multiple of member contributions	% member salaries	Multiple of member contributions
	1.9	2.5	1.6
As at 30 June 2006	SASS	SANCS	SSS
	Multiple of member contributions	% member salaries	Multiple of member contributions
	1.9	2.5	1.6

*Funding arrangements for employer contributions – Funding Method:*

The method used to determine employer contribution recommendations at the last actuarial review was the *Aggregate Funding* method. The method adopted affects the timing of the cost to the employer.

Under the *Aggregate Funding* method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

*Funding arrangements for employer contributions – Economic Assumptions:*

Weighted average assumptions –

	2006 and following
Expected rate of return on fund assets backing current pension liabilities	7.7%
Expected rate of return on fund assets backing other liabilities	7.0%
Expected salary increase rate	4.0%
Expected rate of CPI increase	2.5%

*Funding arrangements for employer contributions – Nature of asset/liability:*

If a surplus exists in the Economic Entity's interest in the fund, the Economic Entity may be able to take advantage of it in the form of a reduction in required contribution rate. The Statutory Corporation (STC) in its capacity as the schemes' trustee and NSW Treasury must approve such a reduction.

If a deficiency exists the SAS Trustee Corporation Division of the Government Service of NSW is responsible for any difference between its share of scheme assets and the defined benefit obligation.

**SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

**Notes to the financial statements**

for the year ended 30 June 2007

**8. RELATED PARTY INFORMATION**

<b>Transactions entered into during the period with Parent Entity</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Staff services provided at cost to STC		
• Revenue	<b>1,926</b>	546
• Expenses	<b>(1,926)</b>	(546)

The SAS Trustee Corporation Division of the Government Service of NSW receives the following services from STC at no charge –

- administration support
- accounting support
- payment of external audit fees.

**9. CASH FLOW INFORMATION**

<b>(a) Reconciliation of Cash</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at Bank	-	-

The SAS Trustee Corporation Division of the Government Service of NSW does not have a bank account. All transactions are transacted through the bank account of STC.

The SAS Trustee Corporation Division of the Government Service of NSW does not have any credit standby arrangements or loan facilities.

<b>(b) Reconciliation of Net Result to Net Cash Used in Operating Activities</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
	<b>Inflows/ (Outflows)</b>	<b>Inflows/ (Outflows)</b>
<b>Net Result after income tax</b>		
Changes in Assets and Liabilities		
(Increase)/Decrease in Assets		
Prepayments	-	-
Receivables	<b>888</b>	1,707
Increase/(Decrease) in Liabilities		
Payables	-	-
Provisions	<b>888</b>	1,707
<b>Net Cash From/(Used) in Operating Activities</b>	<b>-</b>	<b>-</b>

## **SAS TRUSTEE CORPORATION DIVISION OF THE GOVERNMENT SERVICE OF NSW**

### **Notes to the financial statements**

for the year ended 30 June 2007

#### **10. SEGMENT REPORTING**

The SAS Trustee Corporation Division of the Government Service of NSW operates to provide staff to STC. It operates solely in New South Wales. All revenue, expenses, assets and liabilities are as shown in the Income Statement and Balance Sheet.

#### **11. COMMITMENTS FOR EXPENDITURE**

There are no commitments for expenditure at 30 June 2007 or at 30 June 2006.

#### **12. CONTINGENT LIABILITIES**

There are no contingent liabilities at 30 June 2007 or at 30 June 2006.

**End of Audited Financial Report**