



29 October 2018

Mr Timothy Jacobson
Branch Secretary
Health Services Union, Tasmania Branch

By e-mail: admin@hacsutas.net.au

Dear Mr Jacobson

Health Services Union, Tasmania Branch
Financial Report for the year ended 30 June 2018 - FR2018/99

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the Health Services Union, Tasmania Branch (HSU-TAS). The financial report was lodged with the Registered Organisations Commission (ROC) on 3 October 2018.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2018 report has been filed the following should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report (GPFR)

Notice setting out sections 272(1), (2) & (3)

Subsection 272(5) of the RO Act requires subsection 272(1), (2) and (3) to be set out in the notes to the GPFR. Note 14 to the HSU-TAS GPFR includes this note but has replaced the words reporting unit with Health Services Union Tasmania Branch.

In future, please ensure that this notice is reproduced in the notes exactly as required by the legislation.

Property, plant and equipment at valuation

Australian Accounting Standard *AASB 116 Property, Plant and Equipment* paragraph 77(a) requires the effective date of revaluation for assets stated at revalued amounts. This information has not been provided for land and buildings disclosed at note 6(a) to the HSU-TAS GPFR.

In future, please ensure that this information is disclosed as required by AASB 116.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

Health Services Union, Tasmania Branch

s.268 Fair Work (Registered Organisations Act) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2018

I, Timothy Martin Jacobson, being the Branch Secretary of the Health Services Union, Tasmania Branch, certify:

- That the documents lodged herewith is a copy of the full report for the Health Services Union, Tasmania Branch, for the period ended 30 June 2018 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009* and;
- That the full report was provided to the Members of the reporting unit on 6 August 2018 and;
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 26 September 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to be 'T. Jacobson', written over a faint horizontal line.

Name of prescribed designated officer: Timothy Martin Jacobson

Title of prescribed designated officer: Branch Secretary

Dated: 3.10.18

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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Health Services Union, Tasmania Branch

OPERATING REPORT

For the period ended 30 June 2018

The committee presents its report on the Reporting Unit for the financial year ended 30 June 2018.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

- Representing individual members in grievance disputes with employers. The Branch's Member Contact Centre, HACSUassist continued to support hundreds of members with the provision of information and representation with grievances and disputes with their employer. The level of activity in this area was consistent with the previous year's activity.
- Representing groups of members at various workplaces regarding disputes with employers. The HACSU Organising teams in the South and North/North-West of the State worked with groups on members at worksites concerning issues with their employer.
- Negotiating Collective Bargaining Agreements resulting in increased wages and conditions for members covered by those Agreements. Agreements were renegotiated as they expired and new agreements were entered into. The number of members covered by Collective Bargaining Agreements was at approximately the same level as the previous year.
- Providing certain classes of members with professional indemnity and legal benefits insurance. The number of claims made against these policies was consistent with the previous year.
- Providing members with access to cheap affordable holidays in the Union's holiday homes as well as discounted entertainment and shopping. The number of members accessing the holiday homes slightly increased from the previous year.
- Providing Union Delegates and Worksite Committee members with training and education to enable them to better represent members in the workplace. The level of training was at about the same level as last year.

Significant changes in financial affairs

The net assets of the Branch increased by \$267,396 during the financial year.

INCOME

Total income was up by \$233,140 on the previous financial year.

Membership subscriptions increased by \$115,940 compared to the previous financial year which results from an increase in membership dues and an increase in membership numbers.

Other revenue was up by \$99,204, this was primarily associated with a surplus payment from the National Office, increase in discount card sales, an increase in sponsorship and an increase in national office reimbursement income.

Movie ticket income decreased by \$25,849 as a result of a reduction in demand.

The Holiday homes had an increase in occupancy in the Unions St Helens and Southport resulting in an increase in income of \$5093, however this is offset by a reduction of occupancy in the Unions Sandy Bay holiday home due to a flooding event late in the 2017-2018 financial year. This is expected to effect income in that home in the 2018-2019 financial year due to refurbishment/repairs.

EXPENSES

Overall expenditure of the branch increased by \$172,738.

Capitation fees increased by \$5,135 on the previous year due to an increase in capitation rates.

Affiliation fees were up \$17,360 on the previous year due to an increase in affiliation fees to the Australian Council of Trade Unions and ALP Affiliation fees increased by \$13,110 due to a levy imposed on the Branch.

A summary of the main movement in areas of operating expenditure were:

- Legal costs have decreased by \$91,695 largely due to the settlement an application by the ANMF to vary its eligibility rules in the Fair Work Commission.
- Expenditure on Discount Card purchases increased by \$40,429 due to a further increase in popularity and demand. Movie ticket expenses reduced by \$24,289 because of a reduction in demand.
- Inform costs are down by \$11,676 primarily resulting from the move from print journals (membership magazine) to electronic journals.
- Postage costs are down by \$9,929 as a result of electronic distribution of outward correspondence and publications from hard copy mail outs.
- Communications costs are down by \$11,240 which results from a significant reduction of costs associated with mobile phones and internet provision.
- Donations increased by \$20,000 associated with donations to election campaigns.
- Repairs and maintenance increased by \$ 51,877 due to concreting of the main car park at the Unions Hobart Office.
- Wages increased by \$117,648 associated with the employment of extra staff and wages increases to staff.

Right of members to resign

Section 174 of Fair Work (Registered Organisations) Act 2009 states that a member of the Union may resign from membership by written notice addressed and delivered to the State Secretary giving two weeks' notice.

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

No Officers or employees were superannuation fund trustee(s) or directors of a company that is a superannuation fund trustee, including an exempt public sector superannuation fund during the financial year.

Number of members

The number of persons that were members of the union at 30 June 2018 was 7,617.

Number of employees

As at 30 June 2018, the number of full-time equivalent persons, excluding casuals, who were employees of the Union, was 25.

Names of Committee of Management members and period positions held during the financial year

The following persons were members of the Committee of Management of the reporting unit during the 2017/2018 Financial Year.

Judy Richmond	Branch President	1 Jul 2017 to 30 Jun 2018
Tim Jacobson	Branch Secretary	1 Jul 2017 to 30 Jun 2018
Robbie Moore	Assistant Branch Secretary	1 Jul 2017 to 30 Jun 2018
Chris Webb	Senior Vice President	1 Jul 2017 to 30 Jun 2018
Pru Peschar	Junior Vice President	1 Jul 2017 to 30 Jun 2018
Leigh Gorringe	Branch Trustee	1 Jul 2017 to 30 Jun 2018
Peter Moore	Branch Trustee	1 Jul 2017 to 30 Jun 2018
Andrew Challis	COM Member	1 Jul 2017 to 30 Jun 2018
Christine Hansson	COM Member	1 Jul 2017 to 30 Jun 2018
Carolyn Shearer	COM Member	1 Jul 2017 to 30 Jun 2018
Mike Coombs	COM Member	1 Jul 2017 to 30 Jun 2018
Pam Brock	COM Member	1 Jul 2017 to 30 Jun 2018
Marlene McHenry	COM Member	1 Jul 2017 to 30 Jun 2018
Audrey Prosser	COM Member	1 Jul 2017 to 7 Sep 2017
Melissa Saltmarsh	COM Member	14 Sep 2017 to 30 Jun 2018
David Thomas	COM Member	1 Jul 2017 to 30 Jun 2018

Name of prescribed designated officer:

Timothy Martin Jacobson

Title of prescribed designated officer:

Branch Secretary

Signature:

A handwritten signature in black ink, appearing to read 'T. M. Jacobson', with a small flourish at the end.

Dated:

25 July 2018

Health Services Union, Tasmania Branch

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30 June 2018

On the 25th of July 2018 the Branch Committee of Management of the Health Services Union, Tasmania Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2018:

The Branch Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009) the RO Act;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPRF relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.

A handwritten signature in black ink, appearing to read 'T. Martin Jacobson', with a small dot at the end.

Name of prescribed designated officer:

Timothy Martin Jacobson

Title of prescribed designated officer:

Branch Secretary

Dated: 25 July 2018

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended *30 June 2018*.

Categories of expenditures	NOTE	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees		2,400,677	2,283,029
Advertising		696	1,541
Operating costs		1,494,856	1,390,214
Donations to political parties		20,000	-
Legal costs		2,836	94,531

Signature of designated officer:



Name and title of designated officer:

Timothy Martin Jacobson
Branch Secretary

Dated:

25/07/2018

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
Revenue			
Membership subscriptions		3,756,475	3,640,535
Capitation fees	3(a)	-	-
Levies	3(b)	-	-
Interest	3(c)	29,891	27,000
Rental revenue	3(d)	36,247	36,399
Grants & donations	3(e)	-	-
Other revenue	3(g)	777,052	677,848
Total revenue		4,599,665	4,381,782
Other income			
Net gains/(losses) from sale of assets	3(f), 4(j)	(854)	(16,111)
Total other income		(854)	(16,111)
Total income		4,598,811	4,365,671
Expenses			
Employee expenses	4(a)	2,400,677	2,283,029
Capitation fees	4(b)	180,503	175,368
Affiliation fees	4(c)	135,076	117,716
Administration expenses	4(d)	416,691	374,683
Grants & donations	4(e)	20,000	-
Depreciation, amortisation & impairment	4(f), 4(i)	97,467	97,819
Finance costs	4(g)	-	-
Legal costs	4(h)	2,836	94,531
Audit fees	13	14,700	14,250
Other expenses	4(k)	1,063,465	1,001,281
Total expenses		4,331,415	4,158,677
Profit/(loss) for the year		267,396	206,994
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Gain on revaluation of land & buildings		-	-
Total comprehensive income for the year		267,396	206,994

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
ASSETS			
Current assets			
Cash & cash equivalents	5(a)	2,064,718	1,815,948
Trade & other receivables	5(b)	1,333	5,459
Other current assets	5(c)	268,437	174,621
Total current assets		2,334,488	1,996,028
Non-current assets			
Land & buildings	6(a)	2,160,905	2,160,905
Plant & equipment	6(b)	86,395	103,634
Furniture & fittings	6(c)	21,591	22,236
Motor vehicles	6(d)	185,947	185,642
Intangibles	6(e)	36,564	39,599
Total non-current assets		2,491,402	2,512,016
TOTAL ASSETS		4,825,890	4,508,044
LIABILITIES			
Current liabilities			
Trade payables	7(a)	-	-
Other payables	7(b)	163,884	170,389
Employee provisions	8(a)	303,286	305,937
Total current liabilities		467,170	476,326
Non-current liabilities			
Employee provisions	8(a)	164,609	105,003
Other non-current liabilities	9	-	-
Total non-current liabilities		164,609	105,003
TOTAL LIABILITIES		631,779	581,329
NET ASSETS		4,194,111	3,926,715
EQUITY			
Asset revaluation reserve	10	518,222	518,222
Retained earnings/(accumulated deficit)	10	3,675,889	3,408,493
TOTAL EQUITY		4,194,111	3,926,715

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
Balance as at 1 July 2016		3,201,499	518,222	3,719,721
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		206,994	-	206,994
Other comprehensive income for the year		-	-	-
Transfers (to)/from reserves		-	-	-
Transfers from retained earnings		-	-	-
Closing balance as at 30 June 2017		3,408,493	518,222	3,926,715
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		267,396	-	267,396
Other comprehensive income for the year		-	-	-
Transfers (to)/from reserves		-	-	-
Transfers from retained earnings		-	-	-
Closing balance as at 30 June 2018	10	3,675,889	518,222	4,194,111

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Membership subscriptions		4,157,217	4,053,975
Receipts from other reporting units/controlled entity(s)	11(b)	80,376	12,521
Interest received		29,891	27,000
Other		732,921	660,647
Cash paid			
Employees		(2,460,003)	(2,389,321)
Suppliers		(2,033,421)	(1,767,386)
Payments to other reporting units/controlled entity(s)	11(b)	(180,503)	(175,368)
Net cash from/(used in) operating activities	11(a)	<u>326,478</u>	<u>422,068</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant & equipment		23,816	25,001
Proceeds from sale of land & buildings		-	-
Other		-	-
Cash paid			
Purchase of plant & equipment		(101,524)	(158,657)
Purchase of land & buildings		-	-
Other		-	-
Net cash from/(used in) investing activities		<u>(77,708)</u>	<u>(133,656)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed entity		-	-
Other		-	-
Cash paid			
Repayment of borrowings		-	-
Other		-	-
Net cash from/(used in) investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		<u>248,770</u>	<u>288,412</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,815,948</u>	<u>1,527,536</u>
Cash and cash equivalents at the end of the reporting period	5(a)	<u>2,064,718</u>	<u>1,815,948</u>

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

1. Accounting Policies

(a) Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, Health Services Union (Tasmania Branch) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

(b) Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Significant Accounting Judgements and Estimates

There are no accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(d) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards, which have been adopted for the first time this financial year:

AASB 10 Consolidated Financial Statements redefines the concept of control. AASB 10 replaces the consolidation requirements of SIC-12 Consolidation—Special Purpose Entities and AASB 127 Consolidated and Separate Financial Statements and is effective for not-for-profit entities with annual periods beginning on or after 1 January 2014. This Standard did not have an impact on Health Services Union (Tasmania Branch).

AASB 11 Joint Arrangements sets out a new framework for the accounting for joint ventures, including removal of the option to use proportionate consolidation. This Standard did not have an impact on Health Services Union (Tasmania Branch).

AASB 12 Disclosures of Interests in Other Entities is a disclosure standard that includes all of the disclosure requirements for subsidiaries, joint arrangements, associates and consolidated and unconsolidated structured entities. As a result of adopting this Standard, additional disclosures on the Health Services Union (Tasmania Branch) associates have been included in Note 12.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Health Services Union (Tasmania Branch) are nil.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

1. Accounting Policies (cont.)

(e) Investment in associates

An associate is an entity over which the Health Services Union (Tasmania Branch) has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations.' Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the Health Services Union (Tasmania Branch) discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

(f) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(g) Government grants

Government grants are not recognised until there is reasonable assurance that the Health Services Union (Tasmania Branch) will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Health Services Union (Tasmania Branch) recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Health Services Union (Tasmania Branch) should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Health Services Union (Tasmania Branch) with no future related costs are recognised in profit or loss in the period in which they become receivable.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

1. Accounting Policies (cont.)

(h) Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

(i) Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and record as a revenue and/or expense in the year to which it relates.

(j) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

(k) Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

(l) Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(m) Financial instruments

Financial assets and financial liabilities are recognised when the union becomes a party to the contractual provisions of the

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

1. Accounting Policies (cont.)

(n) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

(n) Financial assets (cont.)

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

1. Accounting Policies (cont.)

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(n) Financial assets (cont.)

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(o) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(p) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

1. Accounting Policies (cont.)

(q) Land, Buildings, Plant & Equipment

Asset Recognition Threshold

Purchases of land, buildings, Plant & Equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land & Buildings

Following initial recognition at cost, Land & Buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, Plant & Equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2018	2017
Land & Buildings	Not depreciated	Not depreciated
Plant & Equipment	0 to 5 years	0 to 5 years
Furniture & Fittings	0 to 5 years	0 to 5 years
Motor Vehicles	5 to 8 years	5 to 8 years

Derecognition

An item of land, buildings, Plant & Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, Plant & Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

(r) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(s) Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The useful life of Health Services Union (Tasmania Branch) intangible assets are:

	2018	2017
Intangibles	3 to 10 years	3 to 10 years

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

1. Accounting Policies (cont.)

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

(t) Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(u) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(v) Taxation

Health Services Union (Tasmania Branch) is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

(w) Fair value measurement

The union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

1. Accounting Policies (cont.)

(w) Fair value measurement (cont.)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best

The union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(x) Going concern

Health Services Union (Tasmania Branch) is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Health Services Union (Tasmania Branch) has not agreed to provide financial support to any other reporting unit to ensure they can continue on a going concern basis.

2. Events after the reporting period

There were no events that occurred after 30 June 2018, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Health Services Union (Tasmania Branch).

	2018	2017
	\$	\$
3. Revenues		
(a) Capitation fees		
Capitation fees	-	-
Total capitation fees	-	-
(b) Levies		
Levies	-	-
Total levies	-	-
(c) Interest		
Bank accounts and deposits	29,891	27,000
Total interest	29,891	27,000

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

	2018 \$	2017 \$
3. Revenues (cont.)		
(d) Rental revenue		
Properties	36,247	36,399
Total rent received	36,247	36,399
(e) Grants & donations		
Grants	-	-
Donations	-	-
Total grants & donations	-	-
(f) Net gain on sale from assets		
Plant & Equipment	-	-
Total net gain on sale of assets	-	-
(g) Other revenue		
Management fees	35,618	30,555
Movie ticket sales	86,796	112,645
Discount card sales	550,098	509,628
Merchandise - promotional	500	777
Sundry:		
National Office reimbursement - wages	3,506	-
National Office reimbursement	8,315	3,775
National Exec reimbursement	8,229	7,346
Worker's compensation reimbursement	-	-
Sponsorship and advertising income	9,864	3,500
National Office Surplus payment	62,432	-
Other	11,694	9,622
Total Revenue	777,052	677,848
4. Expenses		
(a) Employee expenses		
Holders of office:		
Wages and salaries	254,516	236,397
Superannuation	38,918	53,810
Leave and other entitlements	6,368	(6,195)
Separation and redundancies	-	-
Other employee expenses	2,988	3,750
Subtotal employee expenses - holders of office	302,791	287,762

**HEALTH SERVICES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

	2018	2017
	\$	\$
4. Expenses (cont.)		
(a) Employee expenses (cont.)		
Employees other than office holders:		
Wages and salaries	1,694,788	1,667,422
Superannuation	341,727	295,942
Leave and other entitlements	50,587	17,134
Separation and redundancies	-	-
Other employee expenses	10,785	14,769
Subtotal employee expenses - employees other than holders of office	2,097,886	1,995,267
Total employee expense	2,400,677	2,283,029
(b) Capitation fees		
National Office	180,503	175,368
Total capitation fees	180,503	175,368
(c) Affiliation fees		
ALP	40,236	27,125
Unions Tasmania	45,189	44,858
TasCOSS	841	818
ACTU	48,810	44,915
Total affiliation fees	135,076	117,716
(d) Administration expenses		
Consideration to employers for payroll deductions	1,783	1,958
Compulsory levies	-	-
Fees/allowances - meeting and conferences	1,504	551
Conference and meeting expenses	78,458	76,532
Contractors/consultants	-	4,355
Property expenses	156,715	100,994
Office expenses	49,256	61,013
Information communications technology	128,975	129,280
Total administration expenses	416,691	374,683
(e) Grants & donations		
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	20,000	-
Total grants or donations	20,000	-

**HEALTH SERVICES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

	2018 \$	2017 \$
4. Expenses (cont.)		
(f) Depreciation & amortisation		
Depreciation:		
Land & buildings	(352)	-
Plant & equipment	30,170	30,170
Office furniture	4,741	4,741
Motor vehicles	54,116	54,116
Total depreciation	88,675	89,027
Amortisation:		
Information systems	8,792	8,792
Total amortisation	8,792	8,792
Total depreciation & amortisation	97,467	97,819
(g) Finance costs		
Overdrafts/loans	-	-
Total finance costs	-	-
(h) Legal costs		
Litigation	-	-
Other legal matters	2,836	94,531
Total legal costs	2,836	94,531
(i) Write-down & impairment of assets		
Asset write-downs and impairments of:		
Land & buildings	-	-
Plant & equipment	-	-
Intangible assets	-	-
Other	-	-
Total write down and impairment of assets	-	-
(j) Net losses from sale of assets		
Land & buildings	-	-
Plant & equipment	-	-
Motor vehicles	854	16,111
Intangibles	-	-
Total net losses from asset sales	854	16,111
(k) Other expenses		
Insurances	80,008	75,134
INFORM member magazine	-	11,676
Staff training	15,551	18,512
Delegate training	2,161	2,342
Movie ticket purchases	88,473	112,762
Discount card purchases	550,195	509,766
Other expenses	327,077	271,089
Penalties (via RO Act or RO Regulations)	-	-
Total other expenses	1,063,465	1,001,281

**HEALTH SERVICES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

	2018 \$	2017 \$
5. Current Assets		
(a) Cash & cash equivalents		
Cash at bank	117,901	235,905
Cash on hand	500	500
Deposits at call	1,946,317	1,579,543
Total cash and cash equivalents	<u>2,064,718</u>	<u>1,815,948</u>
(b) Trade & other receivables		
Receivables from other reporting unit(s):		
HSU National Office	-	3,257
Total receivables from other reporting unit(s)	<u>-</u>	<u>3,257</u>
less provision for doubtful debts		
HSU National Office	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Net receivable from other reporting units	<u>-</u>	<u>3,257</u>
Other receivables:		
GST receivable from the Australian Taxation Office	-	-
Membership fees in arrears	771	79
Other trade receivables	562	2,123
Total other receivables	<u>1,333</u>	<u>2,202</u>
Total trade and other receivables (net)	<u>1,333</u>	<u>5,459</u>
(c) Other current assets		
Inventory (movie tickets and discount cards)	138,820	168,126
Prepayments	129,617	6,495
Total other current assets	<u>268,437</u>	<u>174,621</u>
6. Non-current Assets		
(a) Land & Buildings		
Land & Buildings:		
Fair value	2,160,905	2,160,905
Accumulated depreciation	-	-
Total Land & Buildings	<u>2,160,905</u>	<u>2,160,905</u>
Reconciliation of the opening and closing balances of land & buildings:		
Balance at beginning of year:	2,160,905	2,160,905
Additions	-	-
Revaluations	-	-
Disposals	-	-
Depreciation expense	-	-
Profit/(Loss) on disposal	-	-
Balance at end of year	<u>2,160,905</u>	<u>2,160,905</u>

**HEALTH SERVICES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
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	2018 \$	2017 \$
6. Non-current Assets (cont.)		
(b) Plant & Equipment		
Plant & Equipment:		
At cost	568,915	675,143
Accumulated depreciation	<u>(482,520)</u>	<u>(571,509)</u>
Total Plant & Equipment	<u>86,395</u>	<u>103,634</u>
Reconciliation of the opening and closing balances of plant & equipment:		
Balance at beginning of year:	103,634	85,366
Additions	14,152	48,438
Disposals	(182)	-
Depreciation expense	(31,209)	(30,170)
Profit/(Loss) on disposal	-	-
Balance at end of year	<u>86,395</u>	<u>103,634</u>
(c) Furniture & Fittings		
Furniture & Fittings		
At cost	140,948	139,291
Accumulated depreciation	<u>(119,357)</u>	<u>(117,055)</u>
Total furniture & fittings	<u>21,591</u>	<u>22,236</u>
Reconciliation of the opening and closing balances of furniture & fittings:		
Balance at beginning of year:	22,236	27,110
Additions	3,229	-
Disposals	-	-
Depreciation expense	(3,874)	(4,741)
Profit/(Loss) on disposal	-	(133)
Balance at end of year	<u>21,591</u>	<u>22,236</u>
(d) Motor vehicles		
Motor Vehicles		
At cost	318,431	387,983
Accumulated depreciation	<u>(132,484)</u>	<u>(202,341)</u>
Total motor vehicles	<u>185,947</u>	<u>185,642</u>
Reconciliation of the opening and closing balances of motor vehicles:		
Balance at beginning of year:	185,642	176,402
Additions	77,799	63,356
Disposals	(23,636)	-
Depreciation expense	(53,858)	(54,116)
Profit/(Loss) on disposal	-	-
Balance at end of year	<u>185,947</u>	<u>185,642</u>

**HEALTH SERVICES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

	2018 \$	2017 \$
6. Non-current Assets (cont.)		
(e) Intangibles		
Computer software at cost:		
Internally developed	-	-
Purchased	186,238	201,537
Accumulated amortisation	(149,674)	(161,938)
Total intangibles	36,564	39,599
Reconciliation of the opening and closing balances of intangibles:		
Balance at beginning of year:	39,599	42,507
Additions	6,345	5,884
Disposals	-	-
Depreciation expense	(9,380)	(8,792)
Profit/(Loss) on disposal	-	-
Balance at end of year	36,564	39,599
7. Current liabilities		
(a) Trade payables		
Trade creditors and accruals	-	-
Subtotal trade creditors	-	-
Payables to other reporting unit(s)		
HSU National Office	-	-
Subtotal payables to other reporting unit(s)	-	-
Total trade creditors	-	-
(b) Other payables		
Wages and salaries	45,034	41,688
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	66,537	73,888
Other	52,313	54,813
Total other payables	163,884	170,389
Total other payables are expected to be settled in:		
No more than 12 months	163,884	170,389
More than 12 months	-	-
Total other payables	163,884	170,389

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

	2018 \$	2017 \$	
8. Provisions			
(a) Employee provisions			
Office holders:			
Annual leave	62,417	63,138	
Long service leave	42,079	34,989	
Separation and redundancies	-	-	
Other	-	-	
Subtotal employee provision - office holders	104,496	98,128	
Employees other than office holders:			
Annual leave	157,716	142,100	
Long service leave	205,683	170,713	
Separation and redundancies	-	-	
Other	-	-	
Subtotal employee provision - other than office holders	363,399	312,812	
Total employee provisions	467,895	410,940	
(b) Employee provisions due			
Current	303,286	305,937	
Non-current	164,609	105,003	
Total employee provisions	467,895	410,940	
	Annual leave	Long- service leave	Total
Movement in the carrying amount of provisions			
Opening balance	205,238	196,755	410,940
Additional provisions made in the period	195,142	51,007	246,149
Amounts used during the period	(180,247)	-	(180,247)
Unused amounts reversed during the period	-	-	-
Closing balance	220,133	247,762	476,842
9. Non-current Liabilities			
Other non-current liabilities			
Other	-	-	
Total other non-current liabilities	-	-	
10. Equity			
Retained earnings			
Balance at start of year	3,408,493	3,201,499	
Profit for the year	267,396	206,994	
Balance at the end of the year	3,675,889	3,408,493	
Asset revaluation reserve			
Balance at start of year	518,222	518,222	
Increases to the revaluation reserve	-	-	
Decreases to the revaluation reserve	-	-	
Balance at end of year	518,222	518,222	
Total equity	4,194,111	3,926,715	

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

	2018	2017
	\$	\$
11. Cash Flow		
(a) Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:		
Cash and cash equivalents as per:		
Cash flow statement	2,064,718	1,815,948
Balance sheet	2,064,718	1,815,948
Difference	-	-
 Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	267,396	206,994
Adjustments for non cash items:		
Depreciation/amortisation	97,467	97,820
(Gain)/loss on disposal of assets	854	16,111
Changes in assets/liabilities:		
(Increase)/decrease in net receivables	4,127	8,844
(Increase)/decrease in prepayments/inventory	(93,815)	67,125
Increase/(decrease) in net supplier payables	(6,507)	14,507
Increase/(decrease) in employee provisions	56,956	10,667
Net cash from (used by) operating activities	326,478	422,068
 (b) Cash flow information - other reporting units		
Cash inflows		
National Office reimbursement - wages	8,229	7,346
National Office reimbursement	1,400	1,400
National Exec reimbursement	8,316	3,776
National Office Surplus payment	62,432	-
Other	-	-
Total cash inflows - other reporting units	80,377	12,522
 Cash outflows		
National Office - capitation fees	180,503	175,368
Other	-	-
Total cash outflows - other reporting units	180,503	175,368

12. Related Party Disclosures

(a) Related party transactions for the reporting period:

71 Elphin Road Pty Ltd

The union entered into the following transactions with 71 Elphin Road Pty Ltd of which Timothy Jacobson and Christopher Webb are the sole directors and shareholders. These committee members are involved in this company for the benefit of the union and its members.

	2018	2017
	\$	\$
Management fees are received from 71 Elphin Road Pty Ltd for management of rental properties.	35,618	30,525
Expenses of these properties are offset against income of those properties.	26,228	28,133

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

12. Related Party Disclosures (cont.)

(b) Key management personnel remuneration for the reporting period

	Timothy Jacobson	Robert Moore	Judy Richmond	Christopher Webb	Total
2018 Financial Year					
Short-term employee benefits:					
Salary (including leave entitlements taken)	139,317	109,378	-	5,821	254,516
Annual leave accrued	(3,776)	2,547	-	507	(721)
Performance bonus	-	-	-	-	-
Other employee expenses	1,531	577	-	880	2,988
Total short-term employee benefits	137,072	112,502	-	7,209	256,783
Post-employment benefits:					
Superannuation	21,499	16,705	-	714	38,918
Total post-employment benefits	21,499	16,705	-	714	38,918
Other long-term benefits:					
Long service leave	3,576	3,348	-	165	7,089
Total other long-term benefits	3,576	3,348	-	165	7,089
Termination benefits	-	-	-	-	-
Total benefits	162,147	132,555	-	8,088	302,791
Non-cash benefits					
Private use of motor vehicle	12,240	3,089	-	-	15,329
Total non-cash benefits	12,240	3,089	-	-	15,329
2017 Financial Year					
Short-term employee benefits:					
Salary (including leave entitlements taken)	124,509	106,242	-	5,646	236,397
Annual leave accrued	(3,734)	189	-	896	(2,649)
Performance bonus	-	-	-	-	-
Other employee expenses	600	-	2,550	600	3,750
Total short-term employee benefits	121,375	106,431	2,550	7,143	237,498
Post-employment benefits:					
Superannuation	28,775	23,796	-	1,239	53,810
Total post-employment benefits	28,775	23,796	-	1,239	53,810
Other long-term benefits:					
Long service leave	(2,688)	(1,150)	-	291	(3,546)
Total other long-term benefits	(2,688)	(1,150)	-	291	(3,546)
Termination benefits	-	-	-	-	-
Total benefits	147,462	129,077	2,550	8,673	287,762
Non-cash benefits					
Private use of motor vehicle	13,938	3,361	-	-	17,299
Total non-cash benefits	13,938	3,361	-	-	17,299

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

	2018	2017
	\$	\$
12. Related Party Disclosures (cont.)		
(c) Transactions with key management personnel and their close family members		
Loans to/(from) key management personnel	-	-
 Remuneration of close family members of key management personnel		
The wife of Timothy Jacobson, Tammy Munro, is employed by the Health Services Union Tasmania Branch as a Lead Organiser. Timothy Jacobson was not involved in the employment of Tammy Munro.		
Tammy Munro		
Salary (including leave entitlements taken)	108,334	103,402
Superannuation	16,332	15,835
Total employee benefits	124,665	119,237
Amounts are included within the totals for 'Employees other than office holders' in Note 4(a)		

13. Auditor remuneration

Value of the services provided		
Financial statement audit services	14,000	13,000
Other services	700	1,250
Total remuneration of auditors	14,700	14,250

14. Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272 which reads as follows:

Information to be provided to members or the Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the Health Services Union Tasmania Branch for specified prescribed information in relation to the Health Services Union Tasmania Branch 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 Health Services Union Tasmania Branch.
- (3) Health Services Union Tasmania Branch must comply with an application made under subsection (1).

**HEALTH SERVICES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

15. Financial instruments

The union's financial instruments consist entirely of deposits with banks, receivables and payables. The totals for each category of financial instruments, as detailed in the accounting policies to these financial statements, are as follows:

	2018 \$	2017 \$
Financial assets		
Cash and cash equivalents	2,064,718	1,815,948
Accounts receivable and other debtors	1,333	5,459
Total financial assets	2,066,051	1,821,407
 Financial liabilities		
Accounts payable and other payables	163,884	170,389
Total financial liabilities	163,884	170,389

Financial risk management policies

The committee is responsible for, among other issues, monitoring and managing financial risk exposures of the union branch. The committee monitors the union's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held monthly and minuted by the committee of management.

The committee's overall risk management strategy seeks to ensure that the union branch meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific financial risk exposures and management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the union is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the union.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the association securing accounts receivable and other debtors.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality.

The association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

15. Financial instruments (cont.)

(b) Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid dues.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The association does not hold directly any derivative financial liabilities.

	Within 1 Year	1 to 5 Years	Over 5 Years	Total
Financial liability due for payment				
Trade and other payable (excluding annual leave)	163,884	-	-	163,884
Total contractual outflows	163,884	-	-	163,884
Total expected outflows	163,884	-	-	163,884
Financial assets - cash flows realisable				
Cash on hand	2,064,718	-	-	2,064,718
Accounts receivable and other debtors	1,333	-	-	1,333
Total anticipated inflows	2,066,051	-	-	2,066,051
Net (outflow)/inflow on financial instruments	1,902,167	-	-	1,902,167

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

(c) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The union has very little exposure to Market Risks; all financial assets and liabilities are expected to be settled at their disclosed values within the next 12 months.

Fair value estimates

All financial assets and financial liabilities as presented in the statement of financial position at their fair value.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

16. Fair Value Measurements

The union measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land & buildings

The union does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis

(a) Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The association selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- Market approach: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- Income approach: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- Cost approach: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered

The following tables provide the fair values of the association's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2018**

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2018				
Recurring fair value measurements				
Land & buildings	-	2,160,905	-	2,160,905
Total assets recognised at fair value	-	2,160,905	-	2,160,905
2017				
Recurring fair value measurements				
Land & buildings	-	2,160,905	-	2,160,905
Total assets recognised at fair value	-	2,160,905	-	2,160,905

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2017: no transfers)

(b) Disclosed fair value measurements

There has been no changes in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

17. Nil Activities under Reporting Guidelines

During the reporting period, no transactions in relation to any of the following items required to be reported occurred:

- (a) No acquisition of an asset or a liability during the financial year as a result of:
 - a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit forms part) was the amalgamated organisation; or
 - b) a restructure of the branches of the organisation; or
 - c) a determination by the General Manager of the Fair Work Commission under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
 - d) a revocation by the General Manager of the Fair Work Commission under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1),
- (b) No revenue derived from undertaking recovery of wages activity.
- (c) No balances for the following items must be disclosed:
 - a) each fund or account operating:
 - i. in respect of compulsory levies raised or voluntary contributions collected; or
 - ii. that is required by the rules of the organisation including the rules of a branch of the organisation;
 - b) in respect of any transfers to and/or withdrawals from any fund or account mentioned in a) above:
 - i. the name of the fund, account or controlled entity;
 - ii. the amount transferred or withdrawn;
 - c) where monies from a fund or account mentioned in a) above have been invested in any asset(s):
 - i. the name of the fund or account from which the monies were invested; and
 - ii. the value of those asset(s); and
 - d) the balance of the general fund.
- (d) No other entity has administered the financial affairs of the reporting unit.
- (e) No payment has been made to former related party of the reporting unit.



Independent Audit Report to the Members of Health Services Union Tasmania Branch

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Health Services Union Tasmania Branch (the Reporting Unit), which comprises the statement of financial position as at 30th June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30th June 2018, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement..

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Health Services Union Tasmania Branch as at 30th June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going

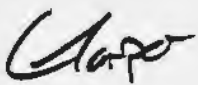
concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act, A Registered Company Auditor, a member of Institute of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

**CAMERONS
ACCOUNTANTS & ADVISORS**



**GREGORY HARPER
PRINCIPAL**

Date: 24th August 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2018/132