



7 November 2014

Andrew Lillicrap
Assistant Secretary/Treasurer
Health Services Union (NSW Branch)
Level 2, 109 Pitt Street
Sydney NSW 2000

via e-mail: andrew.lillicrap@hsu.asn.au

Dear Mr Lillicrap

**Health Services Union - NSW Branch
Financial Report for the year ended 30 June 2013 - FR2013/320**

I acknowledge receipt of the financial report for the year ended 31 March 2014 for the Health Services Union, New South Wales branch. The amended financial report was lodged with the Fair Work Commission (FWC) on 5 September 2014.

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

Changes to the reporting guidelines and model financial statement

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the FWC website. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the FWC website:
<https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>



HSU NSW BRANCH
ABN 93 728 534 595

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CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2013

I, Andrew Lillicrap being the Assistant Secretary-Treasurer of the Health Services Union NSW branch certify:

- that the documents lodged herewith are copies of the full report for the period ended 30 June 2013 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 20 November 2013; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 6 December 2013 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Andrew Lillicrap

Name of prescribed designated officer:

Andrew Lillicrap

Title of prescribed designated officer:

Assistant Secretary/Treasurer

Dated:

6/12/13

Health Services Union NSW Branch

ABN: 93 728 534 595

Financial Statements

For the Period Ended 30 June 2013

Health Services Union NSW Branch

ABN: 93 728 534 595

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For the Period Ended 30 June 2013

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Operating Report

30 June 2013

The committee presents its report on Health Services Union NSW Branch for the financial period ended 30 June 2013.

1. General information

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

The principal activity of Health Services Union NSW Branch during the financial period was that of a registered trade union. No significant change occurred in the nature of those activities during the period.

Significant Change

The following significant change in the structure of the entity did occur during the financial period:

There were a number of allegations reported in the public media against the former General Secretary, Michael Williamson. These matters were subject to a police investigation which has now been finalised post 30 June 2013. The Union co-operated with the police investigation. As a result of the seriousness of the claims being made against Mr Williamson (which he has subsequently pleaded guilty to) and other senior officials, the Minister for Employment and Workplace Relations, Bill Shorten, made an application to the Federal Court for the appointment of an Administrator to HSUeast and HSU East Branch. On 8 June 2012, the Federal Court appointed an interim Administrator, the Honourable Michael Moore, until such further orders of the Court. Subsequent to 30 June 2013, the police investigation was finalised and Michael Williamson was formally charged and pleaded guilty to the offences. Mr Williamson is currently awaiting sentencing as at the date of this report.

On 21 June 2012, the Federal Court appointed the Honourable Michael Moore as Administrator of HSUeast and HSU East Branch. The key appointment of the Administrator was to demerge HSUeast and the HSU East Branch. The Federal Court judgement gave the Administrator full powers to engage employees and consultants, together with governing the use of Union funds. The Administration period ended on 30 November 2012, after both the demerger (finalised on 21 August 2012) and election of officials were completed.

On 21 August 2012, the Administrator entered into a Deed Poll to facilitate the demerger of these two entities back to the structure that existed as at 24 May 2010. The orders of the Federal Court stated specifically in Clause 18:

"On the Amendment Date, the Administrator shall apportion and distribute the assets and liabilities of the NSW Union and the HSU East Branch to the NSW Union and the demerged Branches having regard to:

18.1 the proportion of assets and liabilities that each Branch contributed to the HSU Branch at the Merger Date;

18.2 the proportion of assets and liabilities that each Branch contributed to the NSW Union;

18.3 the respective number of members of each Branch;

18.4 the income and expenses of the HSU East Branch and the NSW Union since the Merger Date; and

18.5 what the Administrator considers is fair just and appropriate in the circumstances."

An assessment was performed on the contribution of each of the 3 Branches to the HSU East Branch and the HSUeast (State Union) on the merger date of 24 May 2010. A review was performed by the Administrator to ensure that allocations of assets and liabilities were appropriate given consideration of the right and title of assets, the assignment of the responsibility of liabilities and to ensure that the new demerged entities were economically viable. Cash flow forecasts were prepared by management to assist in the demerger and determine the requirements to allow the demerged entities to be able to be economically viable and self-sustaining. On 21 August 2012, the HSU East Branch and HSUeast were demerged in accordance with the Deed Poll. As a result of the demerger process that occurred on 21 August 2012, Health Services Union NSW

Health Services Union NSW Branch

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Operating Report

30 June 2013

1. General information continued

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

Branch is no longer a part of HSUeast and HSU East Branch and is a separate operating entity from 22 August 2012.

(a) Right of members to resign

Subject to the rules of the organisation and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the rights to resign from membership of the organisation by written notice addressed to and delivered to the secretary of the organisation.

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

There were no officers or employees that were a superannuation fund trustee or a director of a company that is a superannuation fund trustee.

(c) Number of members

The number of persons that were at the end of the period recorded in the register of members of Section 230 of Fair Work (Registered Organisations) Act 2009 and who were taken to be members of the registered organisation under Section 244 of the Fair Work (Registered Organisations) Act 2009 was 29,545.

(d) Number of employees

The number of persons who were at the end of the financial period employees of the organisation including both full and part-time employees measure on a full-time equivalent basis was nil.

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

The following is a list of the elected officers of the Health Services Union NSW Branch for the period 22 August 2012 to 30 June 2013:

| | |
|---|---------------------|
| Branch President | Mark Sterrey |
| Branch Senior Vice President | Margaret Pike |
| Branch Junior Vice President | Leanne Burns |
| Branch Secretary | Gerard Hayes |
| Branch Assistant Secretary - Treasurer | Andrew Lillicrap |
| Branch Committee Member | Warren Boon |
| Branch Committee Member | Bruce Cornwell |
| Branch Committee Member | Amanda Dowsley |
| Branch Committee Member and Branch Counsellor | Sharalyn Haynes |
| Branch Committee Member and Branch Counsellor | Genevieve Partridge |
| Audit and Compliance Committee Member and Branch Counsellor | Steven Fraser |
| Audit and Compliance Committee Member and Branch Counsellor | Linden Martin |
| Audit and Compliance Committee Member and Branch Counsellor | Patricia Reid |
| Audit and Compliance Committee Member and Branch Counsellor | Alan Wilcock |
| Branch Council Member | Claire Charles |
| Branch Council Member | John Chester |

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Operating Report

30 June 2013

1. General information continued

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

| | |
|-----------------------|-------------------|
| Branch Council Member | Raymond Dunn |
| Branch Council Member | Suzanne Davis |
| Branch Council Member | Barry Harris |
| Branch Council Member | Ronald Henderson |
| Branch Council Member | Kevin Hicks |
| Branch Council Member | John Holgate |
| Branch Council Member | Peter Iffland |
| Branch Council Member | Sharon Joseph |
| Branch Council Member | Colin Lee |
| Branch Council Member | Wayne Lloyd |
| Branch Council Member | Peter Mitchell |
| Branch Council Member | Deborah Neumann |
| Branch Council Member | Shirley O' Reilly |
| Branch Council Member | Gillian Reilly |
| Branch Council Member | Leanne Snow |
| Branch Council Member | Darriea Turley |
| Branch Council Member | Lindy Twyford |

Officers & employees who are directors of a company or a member of a board

| Name of officer | Name of the company or board | Position held | Principal activities of the company or board | Whether position held because nominated for by the reporting unit or by peak council |
|-----------------|---|-----------------------|--|--|
| Mark Sterrey | Health Services Union NSW | President | The Health Services Union is an organisation registered under the NSW Industrial Relations Act 1996 whose purpose is to protect and advance the interests of union members by lawful means. (Note 1) | No |
| | RPA Sports & Social Club | Chairman | Support staff. | No |
| Margaret Pike | Health Services Union NSW | Senior Vice President | See Note 1. | No |
| Leanne Burns | Health Services Union NSW | Junior Vice President | See Note 1. | No |
| | Sterilisation Research Advisory Council | Treasurer | Research into sterilisation. | No |

Health Services Union NSW Branch

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Operating Report

30 June 2013

1. General information continued

Officers & employees who are directors of a company or a member of a board continued

| Name of officer | Name of the company or board | Position held | Principal activities of the company or board | Whether position held because nominated for by the reporting unit or by peak council |
|------------------|----------------------------------|------------------------------------|--|--|
| Gerard Hayes | Unions NSW Executive Committee | Executive Member | The Unions NSW executive is the committee that reflects the peak body and contributes to forming the agenda for Unions NSW activity and processes. | Yes |
| | Health Services Union NSW | Secretary | See Note 1. | No |
| | Our HSU Incorporated Association | President | Our HSU Inc. is an incorporated association whose objects include furthering the interests of health workers and the election of offices of the Health Services Union NSW and HSU New South Wales Branch (Note 2). | No |
| Andrew Lillicrap | Health Services Union NSW | Assistant Secretary / Treasurer | See Note 1. | No |
| | Our HSU Incorporated Association | Vice President | See Note 2. | No |
| Warren Boon | Health Services Union NSW | Ordinary member of Union Committee | See Note 1. | No |
| Bruce Cornwell | Health Services Union NSW | Ordinary member of Union Committee | See Note 1. | No |
| Amanda Dowsley | Health Services Union NSW | Ordinary member of Union Committee | See Note 1. | No |
| Sharalyn Haynes | Health Services Union NSW | Ordinary member of Union Committee | See Note 1. | No |

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Operating Report

30 June 2013

1. General information continued

Officers & employees who are directors of a company or a member of a board continued

| Name of officer | Name of the company or board | Position held | Principal activities of the company or board | Whether position held because nominated for by the reporting unit or by peak council |
|---------------------|------------------------------|---------------------------------------|--|--|
| Genevieve Partridge | Health Services Union NSW | Ordinary member of Union Committee | See Note 1. | No |
| Steven Fraser | Health Services Union NSW | Member of Audit and Finance Committee | See Note 1. | No |
| Linden Martin | Health Services Union NSW | Member of Audit and Finance Committee | See Note 1. | No |
| Patricia Reid | Health Services Union NSW | Member of Audit and Finance Committee | See Note 1. | No |
| Alan Wilcock | Health Services Union NSW | Member of Audit and Finance Committee | See Note 1. | No |
| Claire Charles | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| John Chester | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Raymond Dunn | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Suzanne Davis | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Barry Harris | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Ronald Henderson | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Kevin Hicks | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| John Holgate | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Peter Iffland | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Sharon Joseph | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Colin Lee | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Wayne Lloyd | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Peter Mitchell | Health Services Union NSW | Member of Union Council | See Note 1. | No |

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Operating Report

30 June 2013

1. General information continued

Officers & employees who are directors of a company or a member of a board continued

| Name of officer | Name of the company or board | Position held | Principal activities of the company or board | Whether position held because nominated for by the reporting unit or by peak council |
|-----------------|--|---------------------------------|---|--|
| Deborah Neumann | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| | Australian Kelpie Club of NSW Inc. | President | Takes care of the breed. | No |
| | Chinese Crested Club of NSW | Vice President & Show Secretary | To step in and assist the President when required. | No |
| | Cattle, Kelpie, Border Collie & German Shepherd Dog Club of NSW Inc. | Show Secretary | Organise the running of the breed shows twice a year. | No |
| Shirley O'Riley | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Gillian Reilly | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Leanne Snow | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Darriea Turley | Health Services Union NSW | Member of Union Council | See Note 1. | No |
| Lindy Twyford | Health Services Union NSW | Member of Union Council | See Note 1. | No |

| Name of employee | Name of the company or board | Position held | Principal activities of the company or board | Whether position held because nominated for by the reporting unit or by peak council |
|------------------|----------------------------------|------------------|--|--|
| Adam Hall | Our HSU Incorporated Association | Trustee | See Note 2. | No |
| Andrew Gorman | Our HSU Incorporated Association | Committee Member | See Note 2. | No |
| Ben Chapman | Our HSU Incorporated Association | Committee Member | See Note 2. | No |
| | ALP Branch – Stanmore | President | Australian Labor Party | No |

Operating Report

30 June 2013

1. General information continued

Officers & employees who are directors of a company or a member of a board continued

| Name of employee | Name of the company or board | Position held | Principal activities of the company or board | Whether position held because nominated for by the reporting unit or by peak council |
|--------------------|--|-------------------------|--|--|
| Brendan Roberts | Our HSU Incorporated Association | Committee Member | See Note 2. | No |
| David Lipman | Body Corporate – 109 Pitt Street Sydney NSW 2000 | Secretary | Involved in the maintenance and future direction of the building | Yes |
| | Body Corporate – 370 Pitt Street Sydney NSW 2000 | Chairman | Involved in the maintenance and future direction of the building | Yes |
| | Community Services & Health ITAB | Executive Board Member | Building quality VET and industry partnerships for Workforce Development | Yes |
| Fran Johnston | Our HSU Incorporated Association | Committee Member | See Note 2. | No |
| Glenn Tyrrell | Heter Pty Ltd | Owner/Managing Director | Medical careers advice – not operating | No |
| Jodie Cowdrey | Our HSU Incorporated Association | Secretary | See Note 2. | No |
| Michael Kearns | Our HSU Incorporated Association | Committee Member | See Note 2. | No |
| Randall Millington | Our HSU Incorporated Association | Public Officer | See Note 2. | No |
| Stuart Miller | S&J Distribution Pty Ltd | Director | Not operating. | No |
| Tim Thorburn | Our HSU Incorporated Association | Committee Member | See Note 2. | No |
| Angela McDonald | Strata Plan 83565 | Treasurer | Involved in the maintenance and future direction of the building | No |

Health Services Union NSW Branch

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Operating Report

30 June 2013

Designated officer:

Andrew Hillier

Branch Assistant Secretary - Treasurer

Dated 14/11/13

Health Services Union NSW Branch

Committee of Management Statement

On the 19 November 2013 the Committee of Management of Health Services Union NSW Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the period ended 30 June 2013:

The 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 the reporting guidelines of the General Manager;
- (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 period 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 GPFR 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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
- (f) in relation to the recovery of wages activity:
 - (i) the financial report on the recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

Health Services Union NSW Branch

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

Signature of designated officer: Andrew Lillcrap

Name and title of designated officer: Andrew Lillcrap - Assistant Secretary/Treasurer

Dated: 19/11/13

Health Services Union NSW Branch

ABN: 93 728 534 595

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Independent Audit Report to the members of Health Services Union NSW Branch

Report on the Financial Report

We have audited the accompanying financial report of Health Services Union NSW Branch, which comprises the statement of financial position as at 30 June 2013, the recovery of wages activity and statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 22 August 2012 to 30 June 2013, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Council's, Secretary's and Assistant Secretary's Responsibility for the Financial Report

The Council, Secretary and Assistant Secretary of the Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Council, Secretary and Assistant Secretary 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 Union's preparation of the financial report that gives a true and fair view 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 Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, Secretary and Assistant Secretary, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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Independent member of Nexia International



Health Services Union NSW Branch

ABN: 93 728 534 595

Independent Audit Report to the members of Health Services Union NSW Branch

Opinion

In our opinion:

In our opinion the financial report of Health Services Union NSW Branch is in accordance with the Fair Work (Registered Organisations) Act 2009, including:

- (a) giving a true and fair view of the Union's financial position as at 30 June 2013 and of its performance for the period 22 August 2012 to 30 June 2013;
- (b) complying with Australian Accounting Standards and
- (c) the use of the going concern assumption in relation to the preparation of the Financial Report is appropriate.



Robert Mayberry

Partner

Registered Company Auditor 185903

Fellow of the Institute of Chartered Accountants in Australia 20369

Holder of a current Certificate of Public Practice



Nexia Court & Co

Chartered Accountants

Sydney

Dated: 9/12/2013

Health Services Union NSW Branch

ABN: 93 728 534 595

Statement of Profit and Loss and Other Comprehensive Income For the Period Ended 30 June 2013

| | | 22 August 2012 to 30 June 2013 |
|--|------|--------------------------------------|
| | Note | \$ |
| Membership subscription | | 182,533 |
| Capitation fees | 3(a) | - |
| Levies | 3(b) | - |
| Interest | 3(c) | 137 |
| Donations/grants | 3(d) | - |
| Dividends | | 58 |
| Total revenue | | 182,728 |
| Employee expenses | 4(a) | - |
| Capitation fees | 4(b) | (7,535) |
| Affiliation fees | 4(c) | (2,356) |
| Administration expenses | 4(d) | (6,246) |
| Rent and outgoings | | (14,061) |
| Service fees | | (85,000) |
| Other expenses | 4(g) | (22,535) |
| Audit fees | 10 | (16,500) |
| Finance costs | 4(h) | (5,665) |
| Profit for the period | | 22,830 |
| Other comprehensive income | | |
| Other comprehensive income | | - |
| Total comprehensive income for the period | | 22,830 |

The accompanying notes form part of these financial statements.

Health Services Union NSW Branch

ABN: 93 728 534 595

Statement of Financial Position

As at 30 June 2013

| | 2013 |
|----------------------------------|---------------|
| | \$ |
| ASSETS | |
| CURRENT ASSETS | |
| Cash and cash equivalents | 5 24,614 |
| Trade and other receivables | 6 4,482 |
| TOTAL CURRENT ASSETS | <u>29,096</u> |
| NON-CURRENT ASSETS | |
| Financial assets | 7 711 |
| TOTAL NON-CURRENT ASSETS | <u>711</u> |
| TOTAL ASSETS | <u>29,807</u> |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Other payables | 8 19,110 |
| TOTAL CURRENT LIABILITIES | <u>19,110</u> |
| NON-CURRENT LIABILITIES | |
| TOTAL LIABILITIES | <u>19,110</u> |
| NET ASSETS | <u>10,697</u> |
| EQUITY | |
| Retained earnings | 11 10,697 |
| TOTAL EQUITY | <u>10,697</u> |

The accompanying notes form part of these financial statements.

Health Services Union NSW Branch

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Statement of Changes in Equity

For the Period Ended 30 June 2013

2013

| | Retained Earnings | Total Retained Earnings |
|----------------------------------|----------------------|-------------------------------|
| | \$ | \$ |
| Balance at 22 August 2012 | - | - |
| Profit for the period | 22,830 | 22,830 |
| Distribution from demerger | (12,133) | (12,133) |
| Balance at 30 June 2013 | <u>10,697</u> | <u>10,697</u> |

The accompanying notes form part of these financial statements.

Health Services Union NSW Branch

ABN: 93 728 534 595

Statement of Cash Flows

For the Period Ended 30 June 2013

| | 22 August 2012 to 30 June 2013 |
|---|--------------------------------------|
| Note | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from customers | 195,856 |
| Payments to suppliers and employees | (63,981) |
| Interest received | 195 |
| Interest paid | (5,667) |
| Receipt from other reporting units | 12(c) - |
| Payments to other reporting units | 12(d) (101,789) |
| Net cash provided by (used in) operating activities | 12 <u>24,614</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Net increase in cash and cash equivalents held | <u>24,614</u> |
| Cash and cash equivalents at end of the period | 5 <u><u>24,614</u></u> |

The accompanying notes form part of these financial statements.

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Recovery of Wages Activity

For the Period Ended 30 June 2013

| | 22 August 2012 to 30 June 2013 \$ |
|---|--|
| Cash assets in respect of recovered money at beginning of year | - |
| Receipts | |
| Amounts recovered from employers in respect of wages etc. | - |
| Interest received on recovered money | - |
| Total receipts | - |
| Payments | |
| Deductions of amounts due in respect of membership for: | |
| 12 months or less | - |
| Greater than 12 months | - |
| Deductions of donations or other contributions to accounts or funds of: | |
| The reporting unit: | |
| name of account | - |
| name of fund | - |
| Name of other reporting unit of the organisation: | |
| name of account | - |
| name of fund | - |
| Name of other entity: | |
| name of account | - |
| name of fund | - |
| Deductions of fees or reimbursement of expenses | - |
| Payments to workers in respect of recovered money | - |
| Total payments | - |
| Cash asset's in respect of recovered money at end of year | - |
| Number of workers to which the monies recovered relates | - |
| Aggregate payables to workers attributable to recovered monies but not yet distributed | |
| Payable balance | - |
| Number of workers the payable relates to | - |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Period Ended 30 June 2013

The financial report covers Health Services Union NSW Branch as an individual entity. Health Services Union NSW Branch is a not-for-profit Union limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Health Services Union NSW Branch is Australian dollars.

1 Summary of Significant 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, the Health Services Union NSW 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 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) Financial period and financial comparatives

Health Services Union NSW Branch was established on 22 August 2012. Consequently, the financial period is from 22 August 2012 to 30 June 2013 and there are no financial comparatives.

(c) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with banks, 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 statement of financial position.

(d) Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as revenues and/or expenses in the year to which it relates.

(i) Revenue and other income

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.

Notes to the Financial Statements

For the Period Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(i) Revenue and other income continued

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.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Union becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

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.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Financial assets at 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

Notes to the Financial Statements

For the Period Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

managed and its performance is evaluated on a fair value basis, in accordance with the Union's 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 profit or loss and other comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Union 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.

Available-for-sale financial assets

Listed shares and listed redeemable notes held by the Union that are traded in an active market are classified as available-for-sale and are 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.

Loans 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.

Financial liabilities

Financial liabilities are recognised when the Union becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the statement of profit or loss and other comprehensive income line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial

Notes to the Financial Statements

For the Period Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(e) **Financial instruments continued**

liabilities depending on the purpose for which the liability was acquired.

The Union's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

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.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the 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 financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(f) **Income tax**

Health Services Union NSW 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).

(g) **Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Period Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(h) Adoption of new and revised accounting standards

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

(i) New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Union has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Union:

| Standard Name | Effective date for entity | Requirements | Impact |
|---|---------------------------|--|---|
| AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6 | 30 June 2016 | Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments. | The impact of AASB 9 has not yet been determined as the entire standard has not been released. |
| AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11 | 30 June 2014 | This standard allows certain entities to reduce disclosures. | The entity is not adopting the RDR and therefore these standards are not relevant. |
| AASB 13 Fair Value Measurement. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] | 30 June 2014 | AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements. | Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed. |
| AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124] | 30 June 2014 | Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities. | The entity is not a disclosing entity and therefore this will have no impact. |

Notes to the Financial Statements

For the Period Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(i) New accounting standards and interpretations continued

| Standard Name | Effective date for entity | Requirements | Impact |
|---|---------------------------|---|---|
| AASB 2012-2 - Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] | 30 June 2014 | Requires the inclusion of information about the effect or potential effect of netting arrangements. | There is no impact on disclosures as there are no offsetting arrangements currently in place. |
| AASB 2012-5 - Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2] | 30 June 2014 | <p>AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once.</p> <p>AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.</p> <p>AASB 116 - clarifies the classification of servicing equipment.</p> <p>AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes</p> <p>AASB 134 - provides clarification about segment reporting.</p> | No expected impact on the entity financial position or performance. |

2 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

3 Income

(a) Capitation fees

| | |
|------------------------------|---|
| | 22 August 2012 to 30 June 2013 |
| | \$ |
| Capitation fees | - |
| Total capitation fees | - |

Health Services Union NSW Branch

ABN: 93 728 534 595

Notes to the Financial Statements

For the Period Ended 30 June 2013

| | | |
|---|--|---|
| (b) Levies | | 22 August 2012 to 30 June 2013 |
| | | \$ |
| Levies | | - |
| Total levies | | <u>-</u> |
| (c) Interest | | |
| Deposits | | <u>137</u> |
| Total interest | | <u>137</u> |
| (d) Grants or donations | | |
| Grants | | - |
| Donations | | - |
| Total grants or donations | | <u>-</u> |
| 4 Expenses | | |
| (a) Employee expenses | | |
| Holders of office | | |
| Wages and salaries | | - |
| Superannuation | | - |
| Leave and other entitlements | | - |
| Separation and redundancies | | - |
| Other employee expenses | | - |
| Subtotal employee expenses holders of office | | <u>-</u> |
| Employees other than office holders: | | |
| Wages and salaries | | - |
| Superannuation | | - |
| Leave and other entitlements | | - |
| Separation and redundancies | | - |
| Other employee expenses | | - |
| Subtotal employee expenses employees other than office holders | | <u>-</u> |

Notes to the Financial Statements

For the Period Ended 30 June 2013

4 Expenses continued

(b) Capitation fees

| | 22 August 2012 to 30 June 2013 |
|---------------------------------------|--------------------------------------|
| | \$ |
| Health Services Union National Office | 7,535 |
| Total capitation fees | <u>7,535</u> |

(c) Affiliation fees

| | |
|-------------------------------|---------------------|
| Affiliation Unions ACT | 2,356 |
| Total affiliation fees | <u>2,356</u> |

(d) Administration expenses

| | |
|---|---------------------|
| Consideration to employers for payroll deductions | - |
| Compulsory levies | - |
| Fees/allowances - meetings and conferences | - |
| Conference and meeting expenses | - |
| Consultants, bookkeeping and labour hire | 8,190 |
| Other | 56 |
| Total administration expenses | <u>8,246</u> |

(e) Grants or donations

| | |
|----------------------------------|-----------------|
| Grants | - |
| Donations | - |
| Total grants or donations | <u>-</u> |

(f) Legal costs

| | |
|--------------------------|-----------------|
| Litigation | - |
| Other legal matters | - |
| Total legal costs | <u>-</u> |

Notes to the Financial Statements

For the Period Ended 30 June 2013

4 Expenses continued

(g) Other expenses

| | 22 August 2012 to 30 June 2013 |
|--|--------------------------------------|
| | \$ |
| Penalties - via RO Act or RO Regulations | - |
| Fringe benefits tax | 22,535 |
| Total other expenses | 22,535 |

(h) Finance costs

| | |
|--------------|--------------|
| Bank charges | 5,665 |
| Total | 5,665 |

5 Cash and cash equivalents

CURRENT

| | 2013 |
|--|---------------|
| | \$ |
| Cash at bank | 24,614 |
| Total cash and cash equivalents | 24,614 |

6 Trade and other receivables

CURRENT

| | |
|---|--------------|
| Receivables from other reporting units | |
| Receivable from other reporting units | - |
| Total receivables from other reporting units | - |
| Less provision for doubtful debts | |
| Provision for doubtful debts | - |
| Total provision for doubtful debts | - |
| Other receivables | |
| Other trade receivables | 4,482 |
| Total other receivables | 4,482 |
| Total trade and other receivables | 4,482 |

Health Services Union NSW Branch

ABN: 93 728 534 595

Notes to the Financial Statements

For the Period Ended 30 June 2013

7 Other financial assets

NON-CURRENT

IAG shares - at cost

2013

\$

711

Total financial assets

711

8 Other payables

CURRENT

Payable to other reporting units

Payable to other reporting units

-

Sub total payables to other reporting units

-

Other payables

Accrued expenses

15,323

GST payable

3,787

Consideration to employers for payroll deductions

-

Legal costs

-

Total other payables

19,110

9 Provisions

(a) Employee Provisions

(i) Office Holders

Annual leave

-

Long Service leave

-

Seperation and redundancies

-

Other

-

Subtotal employee provisions - office holders

-

(ii) Employees other than office holders

Annual leave

-

Long Service leave

-

Seperation and redundancies

-

Other

-

Subtotal employee provisions - employees other than office holders

-

Health Services Union NSW Branch

ABN: 93 728 534 595

Notes to the Financial Statements

For the Period Ended 30 June 2013

10 Remuneration of Auditors

| | 2013 |
|---------------------------------------|---------------|
| | \$ |
| Value of the service provided | |
| Financial statement audit services | 16,500 |
| Other services | - |
| Total remuneration of auditors | <u>16,500</u> |

11 Retained earnings

| | |
|---|-----------------|
| Balance at the start of the year | - |
| Surplus for the period | 22,830 |
| Distribution from demerger | <u>(12,133)</u> |
| Retained earnings at end of the financial year | <u>10,697</u> |

12 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

| | |
|---|---------------|
| Profit for the period | 22,830 |
| Changes in assets and liabilities: | |
| Increase in trade and other receivables | (4,482) |
| Increase in other payables | <u>6,266</u> |
| Cashflow from operations | <u>24,614</u> |

(b) Reconciliation of cash

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

| | |
|---------------------------|---------------|
| Cash and cash equivalents | <u>24,614</u> |
|---------------------------|---------------|

(c) Cash inflows

| | |
|-----------------------------------|----------|
| Cash inflows from reporting units | <u>-</u> |
|-----------------------------------|----------|

(d) Cash outflows

| | |
|-------------------------------------|----------------|
| HSU National (inc GST) | 8,289 |
| Health Services Union NSW (inc GST) | <u>93,500</u> |
| Total | <u>101,789</u> |

Notes to the Financial Statements

For the Period Ended 30 June 2013

13 Related Parties

(a) Key management personnel

The elected officers of the Health Services Union NSW Branch are detailed on page 5 of this report. These are the key management personnel who are, directly or indirectly, responsible for planning, directing and controlling the activities of the entity.

No member of management receives any remuneration for their services in this regard.

(b) Transactions with related parties

- HSU NSW charged HSU NSW Branch a service fee of \$85,000 during the period.

- HSU National charged HSU NSW Branch capitation fees of \$7,535 during the period. Capitation fees and levies charged by HSU National to the HSU NSW Branch were \$344,700, of which \$7,535 related to the HSU NSW Branch during the period ended 30 June 2013. HSU NSW Branch billed the Health Services Union NSW for the reimbursement of those capitation fees and levies of \$337,165 for the period ended 30 June 2013.

- HSU NSW Branch reimbursed HSU Vic 1 Branch an amount of \$272,931 during the period for membership contributions received into the NSW Branch bank account.

- HSU NSW Branch reimbursed HSU Vic 3 Branch an amount of \$6,190 during the period for membership contributions received into the NSW Branch bank account.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period 22 August 2012 to 30 June 2013, the Health Services Union NSW Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Administration of financial affairs by a third party

Health Services Union NSW provides a service to Health Services Union NSW Branch whereby employees of HSU NSW are utilised by HSU NSW Branch to assist with the completion of work including the provision of financial, industrial and membership support services. In consideration for the services provided, HSU NSW charges HSU NSW Branch a service fee for the expected time cost of the employees used to complete the work. This is represented by the \$85,000 charged as disclosed above.

14 Financial Risk Management

The main risks Health Services Union NSW Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and equity risk.

The Union's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

Notes to the Financial Statements

For the Period Ended 30 June 2013

14 Financial Risk Management continued

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

| | 2013 |
|---|----------------------|
| | \$ |
| Financial Assets | |
| Cash and cash equivalents | 24,614 |
| Other receivables | 4,482 |
| Available-for-sale financial assets: | |
| - at fair value | |
| - listed investments | 711 |
| Total available-for-sale financial assets | <u>711</u> |
| Total financial assets | <u><u>29,807</u></u> |
| Financial Liabilities | |
| Financial liabilities at amortised cost | |
| - Trade and other payables | 19,110 |
| Total financial liabilities | <u><u>19,110</u></u> |

Financial risk management policies

The Council has overall responsibility for the establishment of Health Services Union NSW Branch's financial risk management framework.

The day-to-day risk management is carried out by Health Services Union NSW Branch's finance function under policies and objectives which have been approved and adopted by the Administrator. The Branch Council has the authority for designing and implementing processes which follow the policies and procedures. This includes monitoring the levels of exposure to interest rate and assessment of market forecasts for interest rate movements.

Health Services Union NSW Branch does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below:

(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 Health Services Union NSW Branch and arises principally from Health Services Union NSW Branch's receivables.

Notes to the Financial Statements

For the Period Ended 30 June 2013

14 Financial Risk Management continued

The table/s below reflect maturity analysis for financial assets.

| | Weighted Average Effective Interest Rate 2013 % | Floating Interest Rate 2013 \$ | Within 1 Year 2013 \$ | 1 to 5 Years 2013 \$ | Over 5 Years 2013 \$ | Total 2013 \$ |
|---|---|---|--------------------------------|-------------------------------|-------------------------------|---------------------|
| Financial assets - cash flows realisable | | | | | | |
| Cash and cash equivalents | 0.05 | 24,614 | - | - | - | 24,614 |
| Trade, term and loans receivables | - | - | 4,482 | - | - | 4,482 |
| Held-to-maturity investments | - | - | 711 | - | - | 711 |
| Total anticipated inflows | | <u>24,614</u> | <u>5,193</u> | - | - | <u>29,807</u> |

The table below reflect an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability maturity analysis - Non-derivative

| | Within 1 Year 2013 \$ | 1 to 5 Years 2013 \$ | Over 5 Years 2013 \$ | Total 2013 \$ |
|---|-----------------------------|----------------------------|----------------------------|---------------------|
| Financial liabilities due for payment | | | | |
| Trade and other payables (excluding estimated annual leave) | 19,110 | - | - | 19,110 |
| Total contractual outflows | <u>19,110</u> | - | - | <u>19,110</u> |

The timing of expected outflows is not expected to be materially different from contracted cashflows.

(b) Interest rate risk

The Union is not exposed to any significant interest rate risk.

Notes to the Financial Statements

For the Period Ended 30 June 2013

14 Financial Risk Management continued

Liquidity risk

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Union manages its liquidity needs to ensure that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

15 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 General Manager of Fair Work Australia:

- (i) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (ii) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (iii) A reporting unit must comply with an application made under subsection (i).

16 Union Details

The registered office of the company is:
Health Services Union NSW Branch
Level 2, 109 Pitt Street
SYDNEY
NSW 2000

If you have any queries regarding this letter, please contact me on (03) 8661 7675 or via email at ken.morgan@fwc.gov.au

Yours sincerely

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

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch