



21 December 2018

Ms Lynne Russell
Assistant Secretary/Treasurer
Health Services Union, New South Wales Branch
Level 2, 109 Pitt Street
SYDNEY NSW 2000

By email: Lynne.Russell@hsu.asn.au

CC: wayne.beauman@rsm.com.au

Dear Ms Russell,

**Health Services Union, New South Wales Branch
Financial Report for the year ended 30 June 2018 - [FR2018/138]**

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the Health Services Union, New South Wales Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 5 October 2018.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

Auditor's report

I note that under the heading 'Auditor's Responsibilities for the Audit of the Financial Report', a link is provided to the Auditing and Assurance Standards Board website in relation to a description of the auditor's responsibilities for the audit of the financial report. The sample auditor's report in the model financial statements includes those responsibilities in the report. The ROC considers it best practice for this information to be included in the auditor's report and that members of all registered organisations are provided with this information in the first instance and are not required to 'search' for this information themselves.

References to the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references

to the Fair Work Commission (**FWC**) and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that item (e)(v) in the committee of management statement referred to the 'General Manager' instead of the 'Commissioner'.

Officer's declaration statement

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- agree to receive financial support from another reporting unit to continue as a going concern (reporting guideline 10) is disclosed in both the officer declaration statement and Note 1(i);
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (reporting guideline 11) is disclosed in both the officer declaration statement and Note 1(i);
- receive capitation fees from another reporting unit (reporting guideline 13(b)) is disclosed in both the officer declaration statement and Note 3(a);
- receive revenue via compulsory levies (reporting guideline 13(c)) is disclosed in both the officer declaration statement and Note 3(b);
- receive donations or grants (reporting guideline 13(d)) is disclosed in both the officer declaration statement and Note 3(d);
- incur fees as consideration for employers making payroll deductions of membership subscriptions (reporting guideline 14(a)) is disclosed in both the officer declaration statement and Note 4(d);
- pay compulsory levies (reporting guideline 14(d)) is disclosed in both the officer declaration statement and Note 4(d);
- pay a grant that was \$1,000 or less (reporting guideline 14(e)(i)) is disclosed in both the officer declaration statement and Note 4(e);
- pay a grant that exceeded \$1,000 (reporting guideline 14(e)(ii)) is disclosed in both the officer declaration statement and Note 4(e);
- pay a donation that was \$1,000 or less (reporting guideline 14(e)(iii)) is disclosed in both the officer declaration statement and Note 4(e);
- pay a donation that exceeded \$1,000 (reporting guideline 14(e)(iv)) is disclosed in both the officer declaration statement and Note 4(e);
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit (reporting guideline 14(h)) is disclosed in both the officer declaration statement and Note 4(d);
- pay legal costs relating to litigation (reporting guideline 14(j)(i)) is disclosed in both the officer declaration statement and Note 4(f);
- pay legal costs relating to other legal matters (reporting guideline 14(j)(ii)) is disclosed in both the officer declaration statement and Note 4(f);
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009* (reporting guideline 14(k)) is disclosed in both the officer declaration statement and Note 4(g);
- have a receivable with another reporting unit (reporting guideline 15(a)) is disclosed in both the officer declaration statement and Note 6;

- have a payable with another reporting unit (reporting guideline 15(b)) is disclosed in both the officer declaration statement and Note 8;
- have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions (reporting guideline 16(a)) is disclosed in both the officer declaration statement and Note 8(b);
- have a payable in respect of legal costs relating to litigation (reporting guideline 16(b)(i)) is disclosed in both the officer declaration statement and Note 8(b);
- have a payable in respect of legal costs relating to other legal matters (reporting guideline 16(b)(ii)) is disclosed in both the officer declaration statement and Note 8(b).

Please note that nil activities only need to be disclosed once.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink that reads "David Vale". The signature is written in a cursive style with a long horizontal stroke extending to the right.

David Vale
Registered Organisations Commission

HEALTH SERVICES UNION NSW BRANCH

ABN 93 728 534 595

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

**HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595**

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

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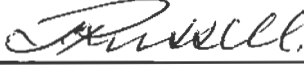
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**HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595**

s.268 Fair Work (Registered Organisations) Act 2009
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR END 30 JUNE 2018**

I, Lynne Russell 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 Health Services Union NSW Branch for the period ended referred to in s.268 of the Fair Work (Registered Organisation) Act 2009,
- that the full report was provided to members of the reporting unit on 4 September 2018 and
- that the full report was presented to a meeting of the Branch Council of the reporting unit on 29 August 2018 (first meeting) and again on 30 September 2018 (second meeting) in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: 
Name of prescribed designated officer: LYNNE RUSSELL
Title of prescribed designated officer: ASSISTANT SECRETARY / TREASURER
Dated: 2-10-18

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

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

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

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	298,884	238,358
Donations to political parties	-	-
Legal costs	-	-

Signature of designated officer:

L. Russell

Name of designated officer:

Lynne Russell

Title of designated officer:

Assistant Secretary / Treasurer

Dated:

29.8.18

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The Branch Council presents its operating report on Health Services Branch NSW Branch for the financial year ended 30 June 2018.

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 year was that of a registered trade union. No significant change occurred in the nature of those activities during the period.

Significant changes in financial affairs

No significant change to the financial affairs occurred during the year.

(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 where being a member or officer of a registered organisation is a criterion for them holding such position

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 year recorded in the register of members of Section 230 of the 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 37,150 (2017: 34,831).

(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 measured on a full-time equivalent basis was 85 (2017: 86). Employees hold joint positions with the Health Services Union NSW (HSU NSW) a Union registered under the Industrial Relations Act 1996 (NSW), and by agreement between the Branch and the HSU NSW salary and conditions of employment are provided by the HSU NSW.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2018

1. General information (Continued)

(e) Names of Branch Council and Committee of Management members and period positions held during the financial year

The following persons were Officers of Health Services Union NSW Branch during all or part of the year ending at 30 June 2018:

Name	Position	Status
Mark Sterrey	President	
Leanne Burns	Senior Vice President	
Lindy Twyford	Junior Vice President	
Gerard Hayes	Secretary	
Andrew Lillicrap	Assistant Secretary/Treasurer	Resigned 14/05/2018
Bruce Cornwell		
Steven Fraser	Member of Branch Council, Ordinary Member of Branch Committee	
Sharalyn Haynes	Member of Branch Council, Ordinary Member of Branch Committee	
Genevieve Partridge	Member of Branch Council, Ordinary Member of Branch Committee	Resigned 15/02/18
Alan Wilcock	Member of Branch Council, Member of Audit & Finance Committee, Ordinary Member of Branch Committee	
Lynne Russell	Ordinary Member of Branch Committee	Appointed Assistant Secretary/Treasurer 29/05/2018
Joan Catlin	Member of Branch Council, Member of Audit & Finance Committee	
John Holgate	Member of Branch Council, Member of Audit & Finance Committee	
Patricia Reid	Member of Branch Council, Member of Audit & Finance Committee	
Leigh Bush	Member of Branch Council	
Sharon Carney	Member of Branch Council	
Claire Charles	Member of Branch Council	
John Chester	Member of Branch Council	Resigned 21/12/2017
Suzanne Davis	Member of Branch Council	Resigned 12/12/2017
John Jetty Dore	Member of Branch Council	
Raymond Dunn	Member of Branch Council	Resigned 29/08/2017
Annette Jones	Member of Branch Council	
Jeffrey Knee	Member of Branch Council	Appointed 27/02/2018
John Lawrence	Member of Branch Council	Appointed 28/11/2018
Peter Mitchell	Member of Branch Council	
Steven Oakman	Member of Branch Council	Appointed 27/02/18
William Oddie	Member of Branch Council	
Shirley O'Riley	Member of Branch Council	
Josephine Peacock	Member of Branch Council	
Ronald Pike	Member of Branch Council	
Gillian Reilly	Member of Branch Council	
Bruce Rowling	Member of Branch Council	Appointed 26/09/2017
Leanne Starr	Member of Branch Council	
Darriea Turley	Member of Branch Council	

Signature of prescribed designated officer:



Name of prescribed designated officer:

Lynne Russell

Title of prescribed designated officer:

Assistant Secretary/Treasurer

Dated:

29.8.18

**HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595**


**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

On 29 August 2018 the Branch Council of Health Services Union NSW Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2018:

The Branch Council 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 GPFR relates and since the end of that year:
 - (i) meetings of the Branch Council and Branch 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
 - (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 Branch Council.

Signature of designated officer: 
Name of designated officer: Lynne Russell
Title of designated officer: Assistant Secretary/Treasurer
Dated: 29.8.18

**INDEPENDENT AUDITOR'S REPORT
To the Members of Health Services Union NSW
Branch**Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500

F +61(0) 2 8226 4501

www.rsm.com.au**Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Health Services Union NSW Branch (the "Reporting Unit"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 our opinion the accompanying financial report presents fairly, in all material aspects, the financial position of Health Services Union NSW Branch as at 30 June 2018, and its financial performance and its cash flows for the year then ended 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).

We 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

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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

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

Responsibilities of the 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 intends to liquidate the Reporting Unit or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

We 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 we identify during our audit.

I declare that I am an approved auditor, a member of the Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

A handwritten signature in blue ink that reads "RSM".

RSM AUSTRALIA PTY LTD

A handwritten signature in blue ink that reads "Wayne Beuman".

Wayne Beuman

Director

Registered Auditor Number AA2017/128

Sydney, NSW

Dated: 29 August 2018

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	<u>NOTES</u>	<u>2018</u> <u>\$</u>	<u>2017</u> <u>\$</u>
Membership subscription		369,797	310,077
Capitation fees and other revenue from another reporting unit	3(a)	5,793	-
Levies	3(b)	-	-
Interest	3(c)	174	91
Grants or donations	3(d)	-	-
Total revenue		<u>375,764</u>	<u>310,168</u>
Employee expenses	4(a)	-	-
Capitation fees and other expense to another reporting unit	4(b)	(24,477)	(25,176)
Affiliation fees	4(c)	(8,260)	(6,513)
Administration expenses	4(d)	-	-
Donations	4(e)	-	(330)
Finance costs	4(h)	(11,520)	(10,188)
Audit fees	10	(15,750)	(17,900)
Service Fees	14(b)	(220,000)	(160,000)
Rent and outgoings		(18,877)	(18,250)
Surplus for the year		<u>76,880</u>	<u>71,811</u>
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		<u>76,880</u>	<u>71,811</u>

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 2018

	<u>NOTES</u>	<u>2018</u> <u>\$</u>	<u>2017</u> <u>\$</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	196,893	130,747
Trade and other receivables	6	-	2,206
Other assets	7	4,720	3,784
TOTAL CURRENT ASSETS		<u>201,613</u>	<u>136,737</u>
NON-CURRENT ASSETS		-	-
TOTAL ASSETS		<u>201,613</u>	<u>136,737</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	8(a)	-	11,208
Other payables	8(b)	20,132	20,928
TOTAL CURRENT LIABILITIES		<u>20,132</u>	<u>32,136</u>
NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		<u>20,132</u>	<u>32,136</u>
NET ASSETS		<u>181,481</u>	<u>104,601</u>
EQUITY			
Retained earnings	12	181,481	104,601
TOTAL EQUITY		<u>181,481</u>	<u>104,601</u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

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

	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2017	<u>104,601</u>	<u>104,601</u>
Surplus for the year	<u>76,880</u>	<u>76,880</u>
Balance as at 30 June 2018	<u><u>181,481</u></u>	<u><u>181,481</u></u>
Balance as at 1 July 2016	32,790	32,790
Surplus for the year	<u>71,811</u>	<u>71,811</u>
Balance as at 30 June 2017	<u><u>104,601</u></u>	<u><u>104,601</u></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 YEAR ENDED 30 JUNE 2018

	<u>NOTES</u>	<u>2018</u> \$	<u>2017</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		408,983	338,026
Payments to suppliers and employees		(61,147)	(36,956)
Interest received		174	91
Interest paid		(10,225)	(9,158)
Receipt from other reporting units	13(c)	6,372	-
Payments to other reporting units	13(d)	(278,011)	(210,736)
Net cash provided by operating activities	13	<u>66,146</u>	<u>81,267</u>
Net increase in cash and cash equivalents held		66,146	81,267
Cash and cash equivalents at beginning of the financial year		<u>130,747</u>	<u>49,480</u>
Cash and cash equivalents at end of the financial year	5	<u><u>196,893</u></u>	<u><u>130,747</u></u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

The financial report covers Health Services Union NSW Branch as an individual entity. Health Services Union NSW Branch is a not-for-profit Entity, unincorporated 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 Organisations) 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

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

(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.

(e) 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.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (Continued)

(e) Revenue (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.

(f) Financial instruments

Financial instruments are recognised when Health Services Union NSW Branch becomes a party to the contractual provisions of the instruments.

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.

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;
- 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.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (Continued)

(f) Financial instruments (Continued)

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;
- 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 Health Services Union NSW Branch's documented risk management or investment strategy, and information about the grouping is provided internally on that basis;
- 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 Health Services Union NSW Branch 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 Health Services Union NSW Branch 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's 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.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (Continued)

(f) Financial instruments (Continued)

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 receivables.

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 rate**.

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.

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.

HEALTH SERVICES UNION NSW BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (Continued)

(f) Financial instruments (Continued)

Derecognition of financial assets

Health Services Union NSW Branch 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.

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 recognition if:

- 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 re-measurement 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 costs.

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.

HEALTH SERVICES UNION NSW BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (Continued)

(g) 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 obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

(h) 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(i) Going concern

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

Health Services Union NSW Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

(j) 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. Health Services Union NSW Branch has decided not to early adopt these Standards. The followings summarise those future requirements. The reporting unit has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (Continued)

(j) New accounting standards and interpretations (Continued)

- **AASB 15 - Revenue from Contracts with Customers**

The Standard is applicable to annual reporting periods beginning on or after 30 June 2020. AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps: a) identify the contract with a customer; b) identify the separate performance obligations in the contract; c) determine the transaction price; d) allocate the transaction price to the separate performance obligations in the contract; and e) recognise revenue when (or as) the entity satisfies a performance obligation. Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15. The impact of this standard has not yet been determined.

- **AASB 9 - Financial Instruments**

The Standard is applicable to annual reporting periods beginning on or after 1 January 2018 by AASB 2014-1 and the effective date for entity is 30 June 2019. AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test. AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows: a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: i) The change attributable to changes in credit risk are presented in other comprehensive income (OCI). ii) The remaining change is presented in profit or loss. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9 by AASB 2014-7 and AASB 2014-8. The impact of AASB 9 has not yet been determined.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (Continued)

(j) New accounting standards and interpretations (Continued)

- **AASB 16 - Leases**

The Standard is applicable to annual reporting periods beginning on or after 1 January 2019. AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases. AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. This Standard applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted provided the entity also applies AASB 15 Revenue from Contracts with Customers at or before the same date. As the Union currently has a number of ongoing lease arrangements as the lessor, this new standard will not have a significant impact on the treatment of existing leases.

- **AASB 2016-3 - Amendments to Australian Accounting Standards – Clarifications to AASB 15.**

The Standard is applicable to annual reporting periods beginning on or after 1 January 2018. This Standard amends AASB 15 Revenue from Contracts with Customers to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. In addition, it provides further practical expedients on transition to AASB 15. The impact of this standard has not yet been determined.

2. Events Occurring After the Reporting Date

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

**HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595**

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

3. Income	2018	2017
	\$	\$
(a) Capitation fees		
Capitation fees	-	-
Other revenue from another reporting unit - Health Services Union National Office	<u>5,793</u>	-
Total capitation fees	<u><u>5,793</u></u>	<u><u>-</u></u>
(b) Levies		
Levies	-	-
Total levies	<u><u>-</u></u>	<u><u>-</u></u>
(c) Interest		
Deposits	<u>174</u>	<u>91</u>
Total interest	<u><u>174</u></u>	<u><u>91</u></u>
(d) Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u><u>-</u></u>	<u><u>-</u></u>
4. Expenses		
(a) Employee expenses		
Holders of office:		
Wages and salaries	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Superannuation	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u><u>-</u></u>	<u><u>-</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>-</u></u>	<u><u>-</u></u>
Total employee expenses	<u><u>-</u></u>	<u><u>-</u></u>
(b) Capitation fees		
Health Services Union National Office	<u>16,744</u>	11,912
Other expense to another reporting unit-Health Services Union National Office	<u>7,733</u>	<u>13,264</u>
Total capitation fees	<u><u>24,477</u></u>	<u><u>25,176</u></u>

**HEALTH SERVICES UNION NSW BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

4. Expenses (Continued)	2018	2017
	\$	\$
(c) Affiliation fees		
Affiliation fees - Unions ACT	3,732	3,461
Affiliation fees - ACTU	4,528	3,052
Total affiliation fees	8,260	6,513
(d) Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Printing and Stationery	-	-
Consultants, bookkeeping and labour hire	-	-
Other	-	-
Subtotal administration expenses	-	-
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	-	-
(e) Grants or 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	-	330
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	330
(f) Legal costs		
Litigation	-	-
Other legal matters	-	-
Total legal costs	-	-
(g) Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	-	-
(h) Finance costs		
Bank charges	11,520	10,188
Total finance costs	11,520	10,188

HEALTH SERVICES UNION NSW BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
5. Cash and cash equivalents		
Cash at bank	<u>196,893</u>	<u>130,747</u>
Total cash and cash equivalents	<u><u>196,893</u></u>	<u><u>130,747</u></u>
6. Trade and other receivables		
Receivables from other reporting units		
Receivable from other reporting units - Health Services Union NSW	<u>-</u>	<u>2,206</u>
Total receivables from other reporting units	<u><u>-</u></u>	<u><u>2,206</u></u>
Less provision for doubtful debts		
Provision for doubtful debts	<u>-</u>	<u>-</u>
Total trade and other receivables (net)	<u><u>-</u></u>	<u><u>2,206</u></u>
7. Other assets		
Prepayments	<u>4,720</u>	<u>3,784</u>
	<u><u>4,720</u></u>	<u><u>3,784</u></u>
8. Current liabilities		
Payable to other reporting units		
Payable to other reporting units - Health Services Union National Office	<u>-</u>	<u>11,208</u>
Sub total payables to other reporting units	<u><u>-</u></u>	<u><u>11,208</u></u>
(a) Trade payables	<u>-</u>	<u>-</u>
Total trade payables	<u><u>-</u></u>	<u><u>11,208</u></u>
(b) Other payables		
Accrued expenses	15,751	17,900
GST payable	4,381	3,028
Consideration to employers for payroll deductions	-	-
Litigation and other legal costs	<u>-</u>	<u>-</u>
Total other payables	<u><u>20,132</u></u>	<u><u>20,928</u></u>

HEALTH SERVICES UNION NSW BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

9. Provisions	2018	2017
	\$	\$
Employee provisions		
Office holders		
Annual leave	-	-
Long service leave	-	-
Separation and reduncancies	-	-
Other	-	-
Subtotal employee provisions - office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual leave	-	-
long service leave	-	-
Separation and reduncancies	-	-
Other	-	-
Subtotal employees provisions-employees other than office holders	<u>-</u>	<u>-</u>
Total employee provisions	<u>-</u>	<u>-</u>
Current	-	-
Non current	-	-
Total employee provisions	<u>-</u>	<u>-</u>
10. Remuneration of auditors		
Value of the service provided		
Financial statement audit service	12,000	13,600
Other services - financial statements preparation	3,750	4,300
Total remuneration of auditors	<u>15,750</u>	<u>17,900</u>
11. Other specific disclosure - Funds		
Compulsory levy/voluntary contribution fund - if invested in assets	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	<u>-</u>	<u>-</u>
12. Retained earnings		
Balance at the start of the year	104,601	32,790
Surplus for the year	76,880	71,811
Retained earnings at end of the financial year	<u>181,481</u>	<u>104,601</u>

**HEALTH SERVICES UNION NSW BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

13. 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:	2018	2017
	\$	\$
Surplus for the period	<u>76,880</u>	<u>71,811</u>
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	2,206	(2,781)
Increase/(decrease) in other payables	<u>(12,940)</u>	<u>12,237</u>
Cashflow from operations	<u><u>66,146</u></u>	<u><u>81,267</u></u>

(b) Reconciliation of cash

Cash at the end of the financial year 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><u>196,893</u></u>	<u><u>130,747</u></u>
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(c) Cash inflows

Health Services Union NSW (inc GST)	<u><u>6,372</u></u>	<u><u>-</u></u>
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(d) Cash outflows

Unions ACT (inc GST)	4,105	3,807
ACTU (inc GST)	4,981	3,235
HSU National (inc GST)	26,925	27,694
Health Services Union NSW (inc GST)	<u>242,000</u>	<u>176,000</u>
Total	<u><u>278,011</u></u>	<u><u>210,736</u></u>

14. Related parties

(a) Key management personnel

The elected officers of the Health Services Union NSW Branch are detailed on page 4 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.

HEALTH SERVICES UNION NSW BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

14. Related parties (Continued)

(b) Transactions with related parties

- HSU NSW charged HSU NSW Branch a service fee of \$220,000 for ACT & QLD members (2017: \$160,000) during the year.
- HSU National office charged HSU NSW Branch capitation fees of \$16,744 (2017: \$11,912) during the period. Capitation fees and levies charged by HSU National office to the HSU NSW Branch were \$1,018,858 (2017: \$988,451), of which \$16,744 (2017: \$11,912) related to the HSU NSW Branch during the year ended 30 June 2018. HSU NSW Branch billed the Health Services Union NSW for the reimbursement of those capitation fees and levies of \$996,649 (2017: \$973,022) for the year ended 30 June 2018. HSU NSW Branch also prepaid \$Nil (2017: \$3,784) in capitation fees to HSU National.
- HSU NSW Branch charged HSU NSW \$5,793 for the HSU National Office redistribution of surplus funds share for ACT and QLD members.
- HSU NSW Branch reimbursed HSU National office \$7,733 (2017: \$15,088) during the period for various expenses including national council members accommodation and national women's committee meeting accommodation.
- HSU NSW Branch reimbursed HSU QLD Branch an amount of \$Nil (2017: \$2,925) during the period for membership contributions received into the NSW Branch bank account.
- HSU NSW Branch reimbursed HSU NSW an amount of \$Nil (2017: \$3,620) 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 year ended 30 June 2018, 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

15. 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 price risk.

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

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:

	2018	2017
	\$	\$
Financial assets		
Cash and cash equivalents	196,893	130,747
Other receivables	-	2,206
Total financial assets	<u><u>196,893</u></u>	<u><u>132,953</u></u>
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	20,132	32,136
Total financial liabilities	<u><u>20,132</u></u>	<u><u>32,136</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 adopted by the Health Services Union. 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.

HEALTH SERVICES UNION NSW BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

15. Financial risk management (Continued)

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

	Weighted Average Effective Interest Rate		Floating Interest		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets												
Cash flows realisable												
Cash and equivalents	0.05	0.05	196,893	130,747	-	-	-	-	-	-	196,893	130,747
Trade, term and loans receivable			-	-	-	2,206	-	-	-	-	-	2,206
Total anticipated inflows			196,893	130,747	-	2,206	-	-	-	-	196,893	132,953

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		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave)	20,132	32,136	-	-	-	-	20,132	32,136
Total contractual outflows	20,132	32,136	-	-	-	-	20,132	32,136

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

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

15. Financial risk management (Continued)

(b) Liquidity risk

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

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

(c) Market risk

Health Services Union NSW Branch is not exposed to any significant interest rate risk or price risk.

16. Contingencies

Health Services Union NSW Branch had no contingent assets and contingent liabilities at 30 June 2018 (2017: \$Nil).

17. Fair value measurement

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. There are no items reported using a fair value methodology.

18. 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 \$220,000 (2017: \$160,000) charged as disclosed in Note 14 above. The terms and conditions are equivalent to those that prevail in arm's length transactions. Any revenues or expenses incurred by Health Services Union NSW have been disclosed in Note 14.

**HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595**

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

19. 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:

(i) A member of a reporting unit, or the Commissioner, 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).

20. Union Details

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

**HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595**

**OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

I, Lynne Russell, being the Assistant Secretary/Treasurer of the Health Services Union NSW Branch, declare that the following activities did not occur during the reporting period ending 30 June 2018.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated:

29.8.18
