



3 November 2016

Mr Lloyd Williams
Branch Secretary
Health Services Union – Victoria No. 2 Branch
7 Grattan Street
CARLTON VIC 3053

via email: lloydw@hacsu.asn.au

Dear Mr Williams

Health Services Union Victoria No. 2 Branch Financial Report for the year ended 30 June 2016 - [FR2016/195]

I acknowledge receipt of the financial report of the Health Services Union Victoria No. 2 Branch (**the reporting unit**). The documents were lodged with the Fair Work Commission (**FWC**) on 25 October 2016.

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 2017 may be subject to an advanced compliance review.

I make the following comment to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm that the concern has been addressed prior to filing next year's report.

Designated Officers Certificate

As stated above, the financial report for the reporting unit was lodged with the FWC on 25 October 2016. I note however that the Designated Officers Certificate was dated 26 October 2016. Please ensure that in future years that the date attributed to this document is the date that it was signed.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that tapers to the right.

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

26 October 2016

Ref:lw/ci160438

General Manager
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir,

**Re: *Designated Officers Certificate - s268 Fair Work (Registered Organisations)
Health Services Union of Australia Victoria No.2 Branch.
Financial Statement for Year Ending 30 June 2016***

I, Lloyd Williams, being the Branch Secretary of the Victoria No. 2 Branch of the Health Services Union, certifies:

1. That the document lodged herewith is a copy of the Full Financial Report for the year ending 30th June 2016 referred to in s265 of the Fair Work (Registered Organisations) Act 2009; and.
2. That this document was presented to and accepted by our Branch Committee of Management meeting on the 25th August 2016 [*the first meeting*].
3. That the Financial Report was published to members on the 5th September 2016; and
4. That the Financial Report was presented to and accepted at a General Meeting of members of the Branch on the 20th October 2016 [*the second meeting*] in accordance with section 266 (1) (2).

If you have any queries please do not hesitate to contact me.

Yours sincerely,



Lloyd Williams
Branch Secretary

**HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**



HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580

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This financial report covers the Health Services Union Victorian No. 2 Branch as an individual entity. The financial report is presented in the Australian currency.

The Health Services Union Victorian No. 2 Branch is a registered trade union under the *Fair Work (Registered Organisations) Act 2009*. The purpose of the entity is to protect and improve conditions and entitlements for members. Its principle activities are the pursuit of the Objects of the Union's Rules. Specifically, the main activities of the Branch are to regulate and protect the employment conditions of its members, including: negotiating certified agreements and award variations; upholding members' rights as employees, taking all necessary steps to advance the health and safety of members in the workplace and representing members individually and collectively in the Australian Industrial Relations Commission, the Equal Opportunity Commission and the Victorian Civil and Administrative Tribunal in relation to employment matters

The principal place of business is:

Health Services Union Victorian No. 2 Branch
7 Grattan Street
CARLTON VIC 3053

The financial report was authorised for issue by the Committee of Management on 25th August 2016.

**HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580**

OPERATING REPORT

Your Branch committee of Management present their report on the union for the financial year ended 30 June 2016.

Members of branch committee

The names of the members of Committee of Managements in office at any time during or since the end of the financial year are:

<i>Name</i>	<i>Position</i>
Debbie Gunn	President **
Serena Ho	Senior Vice President
Brian Addison	Junior Vice President
Bella Anderson	Trustee **
Lloyd Williams	Branch Secretary**
Paul Healey	Assistant Branch Secretary **
Kimberlee Lindsay	Trustee **
David Brophy	Ordinary Member
Debra Cogo	Ordinary Member
Bernadette Gambin	Ordinary Member
Jane Kim	Ordinary Member **
Kerrie Oldham	Ordinary Member
Matthew Osborne	Ordinary Member
Roslyn Young	Ordinary Member **
Wayne Watts	Ordinary Member

The following persons are Branch Delegate National Council:

Sarah Barnard
Jane Dowling
Debbie Gunn
Paul Healey
Ross Muldoon
John Murphy
Patrick Nuzum
Joanne Tomlins
Lloyd Williams

** - members of the Finance, Audit and Compliance Committee

The members of Branch Committee of Management have been in office since the start of the financial year to the date of this report unless otherwise stated.

HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580

OPERATING REPORT (Continued)

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

Health Services Union Victorian No. 2 Branch is a member based, federally registered trade union. The principal activity of the union during the financial year was the protection and improvement of employment conditions for its members who are employed as mental health and disability workers in Victoria.

No significant change in the nature of these activities occurred during the year.

Significant changes in financial affairs

No significant changes in the state of financial affairs of the Branch occurred during the financial year.

Union Details

Number of employees

As at 30 June 2016, the Branch has full time equivalent 27.5 (2015: 20.6) employees.

Number of members

As at 30 June 2016, the total number of financial members was 7,674 (2015: 7,339) members.

Right of members to resign

Pursuant to Rules 10(b)-(h) of the HSU and s174 of the *Fair Work (Registered Organisations) Act 2009*, a member may resign from membership of the Union by notice in writing addressed and delivered to the Secretary of the member's Branch.

A notice of resignation from membership of the Union shall take effect:-

- (i) where the member ceases to be eligible to become a member of the Union -
 - A. on the day upon which the notice is received by the Union, or
 - B. on the day specified in the notice, which is a day not earlier than the day when the member ceased to be eligible to become a member,whichever is the later; or
- (ii) in any other case -
 - A. at the end of two weeks after the notice is received by the Union, or
 - B. on the day specified in the notice,whichever is the later.

HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580

OPERATING REPORT (Continued)

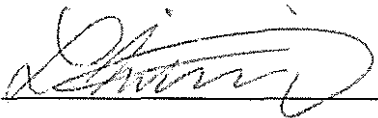
Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

To the best of our knowledge and belief, the following officers and employees of the Branch are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee:

Name of Officer	Trustee Company	Name of Superannuation Fund	Position	Whether position held because nominated for by a registered organisation
Lloyd Williams	H.E.S.T. Australia Ltd	HESTA	Director	YES

Signed in accordance with a resolution of the Branch Committee of Management:

Signature of designated officer:



Name of designated officer:

LLOYD WILLIAMS

Title of designated officer:

BRANCH SECRETARY

Dated:

25 AUGUST 2016 .

HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue from continuing operations	4	3,691,542	3,520,244
Other income	4	389,160	324,813
Expenses			
Administration expense	6	(750,928)	(682,187)
Affiliation and capitation fees	7	(239,741)	(219,728)
Communication expense		(39,655)	(29,415)
Depreciation and amortisation expenses		(96,057)	(95,274)
Educator expenses		-	(2,833)
Employee benefits expense	8	(2,518,838)	(2,225,216)
Legal and professional fees		(132,043)	(168,466)
Loss on disposal of fixed assets		(13,302)	(14,304)
Members benefit expenses		(181,325)	(170,325)
Occupancy expenses		(68,202)	(53,537)
Borrowing costs		(10,258)	(19,527)
		<u>(4,050,349)</u>	<u>(3,680,812)</u>
Surplus for the year		<u>30,353</u>	<u>164,245</u>
Surplus attributable to members of the entity		30,353	164,245
Other comprehensive income			
Changes in asset revaluation reserve		-	-
		<u>30,353</u>	<u>164,245</u>
Total comprehensive income for the year attributable to the members		<u>30,353</u>	<u>164,245</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
 ABN 48 505 905 580

BALANCE SHEET
 AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	640,645	426,169
Trade and other receivables	10	106,394	90,368
Inventories	11	58,141	81,036
Total current assets		<u>805,180</u>	<u>597,573</u>
Non-current assets			
Financial assets	12	252,694	252,089
Property, plant and equipment	13	2,500,032	2,441,776
Total non-current assets		<u>2,752,726</u>	<u>2,693,865</u>
Total assets		<u>3,557,906</u>	<u>3,291,438</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	496,048	243,628
Employee benefit obligations	15	400,215	363,733
Borrowings	16	52,787	10,509
Total current liabilities		<u>949,050</u>	<u>617,870</u>
Non-current liabilities			
Borrowings	16	135,739	230,804
Total non-current liabilities		<u>135,739</u>	<u>230,804</u>
Total liabilities		<u>1,084,789</u>	<u>848,674</u>
Net assets		<u>2,473,117</u>	<u>2,442,764</u>
MEMBERS' FUND			
Reserves	17	155,597	155,597
Accumulated surplus	18	2,317,520	2,287,167
Total members' fund		<u>2,473,117</u>	<u>2,442,764</u>

The above balance sheet should be read in conjunction with the accompanying notes.

HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
 ABN 48 505 905 580

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated surplus \$	Other funds \$	Reserves	Total \$
Balance at 1 July 2014	2,122,922	-	155,597	2,278,519
Revaluation of property	-	-	-	-
Total comprehensive income for the year	<u>164,245</u>	<u>-</u>	<u>-</u>	<u>164,245</u>
Balance at 30 June 2015	<u>2,287,167</u>	<u>-</u>	<u>155,597</u>	<u>2,442,764</u>
Balance at 1 July 2015	2,287,167	-	155,597	2,442,764
Revaluation of property	-	-	-	-
Total comprehensive income for the year	<u>30,353</u>	<u>-</u>	<u>-</u>	<u>30,353</u>
Balance at 30 June 2016	<u>2,317,520</u>	<u>-</u>	<u>155,597</u>	<u>2,473,117</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Subscriptions receipts		4,055,014	3,879,485
Merchandise income		174,828	168,737
Grants received		222,636	36,300
Directors fees received		56,812	40,492
Sundry receipts		53,902	80,889
Receipts from other reporting units			
- HSU National Office		11,300	5,348
- HSU Tas Branch		1,780	-
Receipts from controlled entities		-	-
Payments to suppliers and employees		(3,931,297)	(3,823,345)
Payments to other reporting units			
- HSU National Office		(202,704)	(150,934)
- HSU Tas Branch		(7,379)	-
- HSU Vic No 3 Branch		(2,258)	(2,442)
- HSU Vic No 1 Branch		(5,968)	-
Payments to controlled entities		-	-
Interest received		19,075	20,651
Interest paid		(10,257)	(19,527)
Net cash inflow from operating activities	22	<u>435,484</u>	<u>235,654</u>
Cash flows from investing activities			
Proceeds from sales of assets		24,318	28,182
Investment in held-to-maturity financial assets		(605)	-
Payments for property, plant and equipment		(191,933)	(124,938)
Cash (outflow) from investing activities		<u>(168,220)</u>	<u>(96,756)</u>
Cash flows from financing activities			
Repayment of borrowings		(52,788)	(193,206)
Net cash (outflow) from financing activities		<u>(52,788)</u>	<u>(193,206)</u>
Net increase (decrease) in cash and cash equivalents		214,476	(54,308)
Cash and cash equivalents at beginning of financial year		426,169	480,477
Cash and cash equivalents at end of financial year	9	<u>640,645</u>	<u>426,169</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statement covers the Health Services Union Victorian No. 2 Branch (The Branch).

(a) Basis of preparation

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*. The Health Services Union Victorian No. 2 Branch (The Branch) is a not-for-profit entity for the purpose of preparing the financial statements.

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.

New and amended standards adopted by the Branch

The Branch adopts all the new and revised Standards and interpretation issued by the Australian Accounting Standards Board (AASB) that are relevant to the operations and effective for the current annual reporting period. The adoption of these standards has not had a material impact on the Branch.

Early adoption of standards

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

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments) certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and
- retirement benefit obligations – plan assets measured at fair value.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Branch's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Branch recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Branch's activities as described below. The Branch bases its estimates on historical results, taking into consideration the type of member, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

Membership subscriptions

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

Grants, Donations, Contribution and Funding

Revenue is recognised when the Branch obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured, and the timing of commencement of control depends upon the arrangements that exist between the contributors and the Branch.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Branch reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(c) Income tax

In accordance with section 50-15 of the Income Tax Assessment Act, the Branch is exempt from income tax.

(d) Cash and cash equivalents

For the Statement of Cash Flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(e) Inventories

Inventory, consisting mainly of movie tickets, gift cards and clothing, is measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs. Net realisable value is the estimate of the selling price in the ordinary course of activities less the estimated costs of necessary to make the sale.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation

The depreciable amount of all fixed assets including buildings are depreciated over their estimated useful lives to the Branch commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rate	Depreciation basis
Plant and equipment	10 - 40%	Diminishing value
Building and improvements	2.5 – 12.5%	Diminishing value
Motor vehicles	18.75%	Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(g) Investment in other financial assets

Classification

The Branch classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

The Branch does not hold any investments in the following categories: financial assets at fair value through profit or loss.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(g) Investment in other financial assets (Continued)

ii) Available-for-sale financial assets

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at FVPL, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category. The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

iii) Held-to-maturity investments

The Branch classifies investments as held-to-maturity if:

- they are non-derivative financial assets
- they are quoted in an active market
- they have fixed or determinable payments and fixed maturities
- the Branch intends to, and is able to, hold them to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets.

Recognition and derecognition

Regular purchases and sales of investments are recognised on trade-date - the date on which The Branch commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and The Branch has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Statement of Comprehensive Income as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), The Branch establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Branch assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the Statement of Comprehensive Income on equity instruments are not reversed through the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(h) Fair value measurements

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Branch is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Branch prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(j) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow.

(k) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave, RDO and associated leave loading expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave, RDO and associated leave loading is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(k) Employee benefits (Continued)

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(l) Functional and presentation currency

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is the Branch's functional and presentation currency.

(m) Comparative figures

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

(n) Impairment of assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. When adopted, the standard will affect the branch's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. There will be no impact on the branch's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the branch does not have any such liabilities.

(ii) AASB 15 Revenue from Contracts with customers (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 January 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. There will be no impact on the Branch's financial report.

(iii) AASB 16 Leases (effective from 1 January 2019)

AASB 16 will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts. The accounting by lessors, however, will not significantly change. The changes under AASB 16 are significant and will have a pervasive impact, particularly for lessees with operating leases.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

(iv) Sales or contribution of assets between an investor and its associates or joint venture (effective from 1 January 2018)

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting depends on whether the contributed assets constitute a business or an asset. There will be no impact on the Branch's financial report.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2: Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Branch and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Critical judgments in applying the branch's accounting policies

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries
- future on-cost rates; and
- experience of employee departures and period of service

3: 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 subsection (1) to (3) of sections 272, which read as follows:

Information to be provided to members or the General Manager:

- (1) a member of a reporting unit, or the General Manager, 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.
- (2) the application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) a reporting unit must comply with an application made under subsection (1).

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

4: Revenue

	2016 \$	2015 \$
From continuing operations		
- Membership subscriptions	3,691,542	3,519,555
- voluntary contributions (note a)	-	689
- capitation fees – other reporting units	-	-
- levies	-	-
	<u>3,691,542</u>	<u>3,520,244</u>
Other income		
- interest	18,306	20,651
- director fees	62,242	37,991
- grants received	71,818	33,000
- donation received	-	-
- financial support from another reporting unit	-	-
- merchandise income	174,829	168,737
- other revenue	61,965	64,434
	<u>389,160</u>	<u>324,813</u>

(a) – the voluntary contribution are members' contribution toward legal fees.

5: Individually significant items

	2016 \$	2015 \$
The following items are significant to the financial performance of the entity, and so are listed separately here.		
<i>Depreciation</i>		
- plant and equipment	24,870	43,059
- motor vehicles	41,923	23,800
- building & improvement	29,264	28,415
	<u>96,057</u>	<u>95,274</u>
Consideration to employers for payroll deduction		-
Donations:		
Total paid that were \$1,000 or less	1,243	1,350
Total paid that exceeded \$1,000	5,000	10,000
Fees/allowances – meeting and conferences	-	-
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Legal fees		
- litigation	7,211	75,867
- other legal matters	27,987	2,470
Meeting expenses	87,848	87,235
Penalties – via RO Act or RO Regulations	-	-

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

6: Administration expenses

	2016	2015
	\$	\$
Bank charges	54,675	53,636
Campaign expenses	128,338	23,481
General administration expenses	118,574	134,347
Insurance expenses	104,803	100,241
Motor vehicles expenses	76,082	65,085
Officials, delegates expenses	132,027	123,574
Other expenses	27,833	29,544
Postage and courier	25,623	43,368
Printing and stationary	82,973	108,911
	<u>750,928</u>	<u>682,187</u>

7: Affiliation and capitation fees

	2016	2015
	\$	\$
Affiliation fee		
- Australian Labor Party	29,484	28,896
- APHEDA	273	473
- Australia Asia Worker Links	364	364
- Ballarat Regional Trades & Labour Council	3,756	2,563
- Bendigo Trades Hall Council	1,307	356
- Geelong and Region Trades & Labour Council	1,961	1,918
- Gippsland Trades & Labour Council	637	597
- Goulburn Valley Trades & Labour Council	148	130
- North-East Border Trades & Labour Council	640	640
- South-West Trades & Labour Council	297	74
- Sunraysia Trades & Labour Council Inc	242	409
- Victorian Trades Hall Council	18,698	18,444
Capitation fee & levies		
- Health Services Union of Australian National Council	181,934	164,864
Other compulsory levies		-
	<u>239,741</u>	<u>219,728</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

8: Employee benefits expenses

	2016	2015
	\$	\$
Employees other than holders of office		
- wages and salaries	1,787,462	1,588,399
- superannuation	190,089	166,953
- leave and other entitlements	29,564	4,895
- separation and redundancies	-	-
- other employee expenses	-	-
Holders of office		
- wages and salaries	269,672	260,685
- superannuation	30,322	25,167
- leave and other entitlements	(265)	(660)
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs **	<u>211,994</u>	<u>179,777</u>
	<u>2,518,838</u>	<u>2,225,216</u>

** Other staff costs primarily comprise payroll tax, fringe benefits tax and workcover

9: Current assets – Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank	573,595	359,619
Term deposit (note b)	65,000	65,000
Cash on hand	<u>2,050</u>	<u>1,550</u>
	<u>640,645</u>	<u>426,169</u>

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Balances as above	<u>640,645</u>	<u>426,169</u>
Balances per Statement of Cash Flows	<u>640,645</u>	<u>426,169</u>

(b) The term deposit is used as security for the union's credit card batching facility.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

10: Current assets – Trade and other receivables

	2016	2015
	\$	\$
Other receivables	89,575	73,126
Receivable from other reporting units		
- HSU National Office	1,651	-
Less: provision for doubtful debts	-	-
Prepayments	15,168	17,242
	<u>106,394</u>	<u>90,368</u>

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The entity's impairment and other accounting policies for trade and other receivables are outlined in note 1.

(ii) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

11: Inventories

	2016	2015
	\$	\$
Movie tickets, gift cards & clothing on hand – at cost	<u>58,141</u>	<u>81,036</u>

(a) Assigning costs to inventories

The costs of individual items of inventory are determined using weighted average costs. See note 1 for the branch's other accounting policies for inventories.

(b) Amount recognised in profit and loss

Inventories recognised as expense during the year ended 30 June 2016 and included in members benefit expenses amounted to \$210,872 (2015 – \$168,824). No write-downs of inventories to net realisable value during the year.

12: Non-current assets – financial assets

	2016	2015
	\$	\$
Term deposit	250,605	250,000
Investments in other entity	2,089	2,089
	<u>252,694</u>	<u>252,089</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

13: Non-current assets – Property, plant and equipment

	2016 \$	2015 \$
Land, Building and improvements		
At valuation	2,100,000	2,100,000
At cost	58,307	-
Less accumulated depreciation	<u>(63,076)</u>	<u>(33,812)</u>
	<u>2,095,231</u>	<u>2,066,188</u>
 Plant and equipment		
At cost	363,112	296,997
Less accumulated depreciation	<u>(153,256)</u>	<u>(140,426)</u>
	<u>209,856</u>	<u>156,571</u>
 Motor vehicles		
At cost	271,761	277,706
Less accumulated depreciation	<u>(76,816)</u>	<u>(58,689)</u>
	<u>194,945</u>	<u>219,017</u>
 Total property, plant and equipment	<u>2,500,032</u>	<u>2,441,776</u>

(a) Non-current assets pledged as security

See Note 16 for security details.

(b) Movements in carrying amounts

2015	Building and improvements \$	Plant & equipment \$	Motor Vehicles \$	Total \$
Opening net book amount	2,094,603	144,334	215,661	2,454,598
Additions	-	78,703	46,235	124,938
Disposals	-	(23,407)	(19,079)	(42,486)
Depreciation	<u>(28,415)</u>	<u>(43,059)</u>	<u>(23,800)</u>	<u>(95,274)</u>
Closing net book amount	<u>2,066,188</u>	<u>156,571</u>	<u>219,017</u>	<u>2,441,776</u>
 2016	Building and improvements \$	Plant & equipment \$	Motor Vehicles \$	Total \$
Opening net book amount	2,066,188	156,571	219,017	2,441,776
Additions	58,307	85,796	47,830	191,933
Disposals	-	(7,641)	(29,979)	(37,620)
Depreciation	<u>(29,264)</u>	<u>(24,870)</u>	<u>(41,923)</u>	<u>(96,057)</u>
Closing net book amount	<u>2,095,231</u>	<u>209,856</u>	<u>194,945</u>	<u>2,500,032</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

13: Non-current assets – Property, plant and equipment (Continued)

(c) Valuation

The Branch engaged an external, independent and qualified valuer to determine the fair value of the Branch's land and building as at 30 June 2015. As at 30 June 2016, the fair value of the land and building has been determined by Branch Committee.

14: Current liabilities – Trade and other payables

	2016 \$	2015 \$
<i>Unsecured</i>		
Other payables	272,614	152,538
Amount payables to other reporting units		
- HSU National Office	-	1,330
Income in advance	223,434	89,760
Consideration to employers for payroll deductions	-	-
Legal fee payables – other matters	-	-
Legal fee payables – litigation	-	-
	<u>496,048</u>	<u>243,628</u>

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

15: Current liabilities – Employee benefit obligations

	2016 \$	2015 \$
Employee provisions:		
<i>Office holders:</i>		
Annual leave	48,838	50,275
Long service leave	93,894	92,723
Separations and redundancies	-	-
Other	-	-
	<u>142,732</u>	<u>142,998</u>
<i>Employees other than office holders:</i>		
Annual leave	187,830	146,026
Long service leave	69,653	74,709
Separations and redundancies	-	-
Other	-	-
	<u>257,483</u>	<u>220,735</u>
Total employee provisions	<u>400,215</u>	<u>363,733</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

15: Current liabilities – Provisions (Continued)

(a) Leave obligations

The leave obligations cover the Branch's liability for long service leave and annual leave. The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the Branch does not have an unconditional right to defer settlement for any of these obligations.

16: Borrowings

	2016 \$	2015 \$
Current		
Bank loan	<u>52,787</u>	<u>10,509</u>
Non-Current		
Bank loan	<u>135,739</u>	<u>230,804</u>
Total borrowings	<u>188,526</u>	<u>241,313</u>

Security for the bank loan includes a first registered mortgage over the property located at 1 – 7 Grattan Street Carlton Victoria, shown in the financial statement under Note 13 Building and improvement with a carrying amount of \$ at 30 June 2016.

17: Reserve

	2016 \$	2015 \$
Asset revaluation reserve		
Balance 1 July	155,597	155,597
Revaluation of land and building	-	-
Balance 30 June	<u>155,597</u>	<u>155,597</u>

18: Accumulated surplus

	2016 \$	2015 \$
Movements in the accumulated surplus were as follows:		
Balance 1 July	2,287,167	2,122,922
Net surplus for the year	<u>30,353</u>	<u>164,245</u>
Balance 30 June	<u>2,317,520</u>	<u>2,287,167</u>

No specific funds or accounts have been operated in respect of compulsory levies or voluntary contributions.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

19: Events occurring after the reporting period

No other matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Branch, the results of those activities or the state of affairs of the Branch in the ensuing or any subsequent financial year.

20: Contingencies

There are no known contingent assets or liabilities at 30 June 2016.

21: Commitments

Non-cancellable operating leases

The Branch leases office equipment under non-cancellable operating leases expiring within 5 years.

	2016	2015
	\$	\$
Lease commitments		
Later than one year but less than five years	-	19,656
Later than five years	-	-
	<u>-</u>	<u>19,656</u>

22: Cash flow information

	2016	2015
	\$	\$
Reconciliation of cash flow from operations with surplus for the year		
Surplus for the year	30,353	164,245
<i>Non cash flows in surplus</i>		
Depreciation	96,057	95,274
Write back provision	-	(2,089)
Net loss on disposal of fixed assets	13,303	14,304
<i>Changes in assets and liabilities</i>		
(Increase) Decrease in receivables	(16,026)	61,223
Decrease (Increase) in inventories	22,895	(23,708)
Increase (Decrease) in payables	252,420	(77,830)
Increase in provisions	36,482	4,235
Cash flows from operations	<u>435,484</u>	<u>235,654</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

23. Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor and non-related audit firms:

	2016	2015
(a) Audit and other assurance services	\$	\$
Audit of the financial report	12,100	11,000
Other audit services	405	400
Other services	2,800	2,600
	<u>15,305</u>	<u>14,000</u>

24: Related party transactions

(a) The members of the Branch Committee of Management during the year were:

<i>Name</i>	<i>Position</i>
Debbie Gunn	President **
Serena Ho	Senior Vice President
Brian Addison	Junior Vice President
Bella Anderson	Trustee **
Lloyd Williams	Branch Secretary**
Paul Healey	Assistant Branch Secretary **
Kimberlee Lindsay	Trustee **
David Brophy	Ordinary Member
Debra Cogo	Ordinary Member
Bernadette Gambin	Ordinary Member
Jane Kim	Ordinary Member **
Kerrie Oldham	Ordinary Member
Matthew Osborne	Ordinary Member
Roslyn Young	Ordinary Member **
Wayne Watts	Ordinary Member

The following persons are Branch Delegate National Council:

Sarah Barnard
Jane Dowling
Debbie Gunn
Paul Healey
Ross Muldoon
John Murphy
Patrick Nuzum
Joanne Tomlins
Lloyd Williams

** - members of the Finance, Audit and Compliance Committee

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

24: Related party transactions (Continued)

	2016	2015
	\$	\$
(b) Key management personnel compensation		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	269,672	260,685
Annual leave accrued	<u>(1,436)</u>	<u>12,064</u>
Total short-term employee benefits	<u>268,236</u>	<u>272,749</u>
Post-employment benefits:		
Superannuation	<u>30,322</u>	<u>25,167</u>
Total post-employment benefits	<u>30,322</u>	<u>25,167</u>
Other long-term benefits:		
Long-service leave	<u>1,171</u>	<u>(12,724)</u>
Total other long-term benefits	<u>1,171</u>	<u>(12,724)</u>
Termination benefits	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total	<u>299,729</u>	<u>285,192</u>

(c) Other transactions

- As part of an arrangement, all director fees earned by any officers/employees who are directors of a company or trustee of superannuation scheme due to their positions of the Branch are paid to directly to the Branch with any related superannuation paid to the officer's superannuation fund.
- There were no transactions between the officers of the branch other than those relating to reimbursement by the branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

(d) Loans to key management personnel

There are no loans between key management personnel and the Branch.

(e) Transactions with related parties

	2016	2015
	\$	\$
Capitation fee paid to HSU National Office	181,934	164,864
Consultancy fee paid to SVW Pty Ltd *	36,460	39,190

* This company is controlled by Denise Guppy (former Assistant State Secretary - resigned on 19/10/2011)

HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

25: Other information

(i) Going Concern

The Branch's ability to continue as a going concern is not reliant on financial support from another reporting unit.

(ii) Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

(iii) Acquisition of assets and liability under specific sections:

The Branch did not acquire any asset or a liability during the financial year as a result of:

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act;

(iv) Acquisition of assets and liability as part of a business combination:

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

26: Wage recovery activities

All wage recovery activity has resulted in payments being made directly to members by employers. The Branch has not derived any revenue in respect of these activities.

27: RULE 85 - 88 Disclosure Requirements

In terms of the Rules of the HSU, the Branch Committee of Management is required provided additional disclosures.

(a) Rule 85 – Disclosure of remuneration and non-cash benefits received by officers

Name of officer	Position held	Board	Payment	Amount	Paid to
Lloyd Williams	Branch Secretary, National President	H.E.S.T. Australia Ltd	Director fee	\$52,427 (GST inclusive)	HSU Victoria No. 2 Branch
Lloyd Williams	Branch Secretary, National President	H.E.S.T. Australia Ltd	Mandatory Superannuation (9.5%)	\$4,982	Lloyd William's super account - HESTA
Lloyd Williams	Branch Secretary, National President	HESTA/ IFM	Director fee	\$16,039 (GST inclusive)	HSU Victoria No. 2 Branch
Lloyd Williams	Branch Secretary, National President	HESTA/ IFM	Mandatory Superannuation (9.5%)	\$1,385	Lloyd William's super account - HESTA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

27: RULE 85 - 88 Disclosure Requirements (Continued)

In terms of the Rules of the HSU, the Branch Committee of Management is required provided additional disclosures.

(b) Rule 86 – Remuneration paid to the 5 highest paid officers

Name of officer	Position held	Payment	Amount	Payment by
Lloyd Williams	Branch Secretary, National President	Wages	\$143,583	HSU Victoria No. 2 Branch
Lloyd Williams	As above	Superannuation	\$21,827	HSU Victoria No. 2 Branch
Lloyd Williams	As above	Private use of union supplied motor vehicles	\$4,556	HSU Victoria No. 2 Branch
Paul Healey	Assistant Branch Secretary, Branch delegate National Council, Member National Executive	Wages	\$126,089	HSU Victoria No. 2 Branch
Paul Healey	As above	Superannuation	\$17,328	HSU Victoria No. 2 Branch
Paul Healey	As above	Private use of union supplied motor vehicles	\$3,619	HSU Victoria No. 2 Branch
Debra Gunn	President, Branch delegate National Council	Honorarium	\$2,000	HSU Victoria No. 2 Branch
Debra Gunn	As above	Superannuation	\$190	HSU Victoria No. 2 Branch

c) Rule 87 – Officers' Material Personal Interests

None of the Branch Officers have disclosed any material personal interests in a matter that the officer has or acquires; or a relative of the officer has or acquires; that relates to the affairs of the Branch.

d) Rule 88 – Payments to declared person or body of the Union

No payments were made by the Branch to a declared person or body of the Branch.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

28: Financial Risk Management

The Branch's financial instruments consist mainly of deposits with banks, receivables, payables and bank loans.

The carrying amounts 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:

	Note	2016 \$	2015 \$
Financial assets			
Cash on hand	9	640,645	426,169
Trade and other receivables	10	91,226	73,126
Financial assets	12	252,694	252,089
Total financial assets		984,565	751,384
Financial liabilities			
Trade and other payables	14	272,614	153,868
Bank loan	16	188,526	241,313
Total financial liabilities		461,140	395,181

Financial Risk Management Policies

The committee of management is responsible for monitoring and managing the Branch's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the Branch in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Branch is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

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

The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of membership subscription. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Credit risk exposures

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

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

28: Financial Risk Management (Continued)

a. Credit risk (Continued)

Credit Risk – Accounts receivable and other debtors

The entity has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note to account. The main source of credit risk to the entity is considered to relate to the class of assets described as "accounts receivable and other debtors".

The following table details the entity's accounts receivable and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the entity and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the entity.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (Days Overdue)				Within initial trade terms
			< 30	31-60	61-90	>90	
2016	\$	\$	\$	\$	\$	\$	\$
Accounts receivable	10,551	-	-	-	-	-	10,551
Other debtors	80,675	-	-	-	-	-	80,675
Total	91,226	-	-	-	-	-	91,226
2015							
Accounts receivable	6,050	-	-	-	-	-	6,050
Other debtors	67,076	-	-	-	-	-	67,076
Total	73,126	-	-	-	-	-	73,126

Credit risk related to balances with banks and other financial institutions is managed by the branch committee in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2016 \$	2015 \$
Cash at banks			
- AA- rated	9	638,595	424,619
- AA- rated	12	250,605	250,000
		889,200	674,619

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

28: Financial Risk Management (Continued)

b. Liquidity risk

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

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

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial liabilities due for payment</i>								
Trade and other payables (excluding estimated annual leave and deferred income)	272,614	153,868	-	-	-	-	272,614	153,868
Bank loan	52,787	10,509	135,739	230,804	-	-	188,526	241,313
Total expected outflows	325,401	164,377	135,739	230,804	-	-	461,140	395,181

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial assets – cash flows realisable</i>								
Cash on hand	640,645	426,169	-	-	-	-	640,645	426,169
Trade and other receivables	91,226	73,126	-	-	-	-	91,226	73,126
Financial assets	-	-	252,694	252,089	-	-	252,694	252,089
Total anticipated inflows	731,871	499,295	252,694	252,089	-	-	984,565	751,384
Net inflow (outflow) on financial instruments	406,470	334,918	116,955	21,285	-	-	523,425	356,203

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

28: Financial risk management (Continued)

c. Market risk

(i) Interest rate risk

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

The financial instruments that expose the Branch to interest rate risk are limited to fixed interest securities, cash on hand and bank loan.

Interest rate risk is managed using a mix of fixed and floating rate debt.

The Branch also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held. The Branch does not expose to other price risk.

Sensitivity analysis

The following table illustrates sensitivities to the Branch's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit		Equity	
	2016	2015	2016	2015
	\$	\$	\$	\$
Change 2% in interest rates	17,784	13,492	17,784	13,492

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

29: Fair Value Measurements

(a) Financial assets and liabilities

Management of the entity 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.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2016 was assessed to be insignificant
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2016 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the entity's financial assets and liabilities:

	Note	2016		2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash on hand	(i)	640,645	640,645	426,169	426,169
Trade and other receivables	(i)	91,226	91,226	73,126	73,126
Financial assets		252,694	252,694	252,089	252,089
Total financial assets		984,565	984,565	751,384	751,384
Financial liabilities					
Trade and other payables	(i)	272,614	272,614	153,868	153,868
Bank loan		188,526	188,526	241,313	241,313
Total financial liabilities		461,140	461,140	395,181	395,181

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 139.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

29: Fair Value Measurements (Continued)

(b) Fair value hierarchy

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

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

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

Valuation techniques

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

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

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

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2016					
Non-financial assets					
Land and building		-	2,095,231	-	2,095,231
Total non-financial assets recognised at fair value		-	2,095,231	-	2,095,231

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2015: \$NIL).

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

29: Fair Value Measurements (Continued)

(b) Disclosed fair value measurements

The following assets and liabilities are not measured at fair value in the balance sheet but their fair values are disclosed in the notes:

- Accounts receivable and other debtors;
- government and fixed interest securities; and
- accounts payable and other payables

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

Description	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
Accounts receivable and other debtors	3	Income approach using discounted cash flow	Market interest rates for similar assets
Land and building	2	Direct comparison method	Sales values for similar assets
Accounts payable and other payables	3	Income approach using discounted cash flow	Market interest rates for similar liabilities

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

30: Capital management

The Branch manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Committee of Management ensure that the overall risk management strategy is in line with this objective. The capital structure of the entity consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings. The Committee of Management effectively manages the Branch's capital by assessing the Branch's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Committee of Management to control capital of the entity since the previous year. No operations of the entity are subject to external imposed capital requirements.

**HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580**

COMMITTEE OF MANAGEMENT STATEMENT

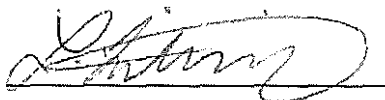
On *25 AUGUST 2016* the Committee of Management of the Health Services Union Victorian No. 2 Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2016:

The Committee of Management declares that in its opinion;

1. the financial statements and notes comply with Australian Accounting Standards,
2. the financial statements and notes, comply with the reporting guidelines of the General Manager;
3. 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;
4. 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:
5. during the financial year to which the GPFR relates and since the end of that year:
 - a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - b. 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
 - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - d. 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 manner consistent with each of the other reporting units of the organisation; and
 - e. 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, that information has been provided to the member or General Manager; and
 - f. 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.
6. No revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer:



Name of designated officer:

LLOYD WILLIAMS

Title of designated officer:

BRANCH SECRETARY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH

Report on the financial report

We have audited the accompanying general purpose financial report of Health Services Union Victorian No. 2 Branch, which comprises the balance sheet as at 30 June 2016, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Committee of Management.

Committee of Management 's responsibility for the financial report

The Committee of Management is 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 Committee of Management determine is necessary to enable the preparation of the financial report that 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 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Committee of Management.

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



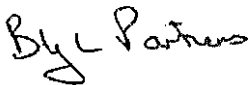
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HEALTH SERVICES UNION VICTORIAN NO. 2 BRANCH (Continued)****Independence**

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

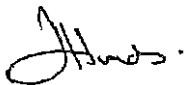
Opinion

In our opinion:

- the general purpose financial report of Health Services Union Victoria No. 2 Branch presents fairly, in all material respects, the financial position of Health Services Union Victoria No. 2 Branch as at 30 June 2016 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:
 - 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 Committee of Management's use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.



BGL Partners
Chartered Accountants



I. A. Hinds - C.A. - Partner
Member of The Institute of Chartered Accountants in Australia and
holder of current Public Practice Certificate

25 August 2016
Melbourne



CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND



15 July 2016

Mr Lloyd Williams
State Secretary HSU Vic No. 2 Branch
Health Services Union-Victoria No. 2 Branch
By email: lloydw@hacsu.asn.au

Dear Mr Williams,

**Re: Lodgement of Financial Report - [FR2016/195]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Health Services Union-Victoria No. 2 Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

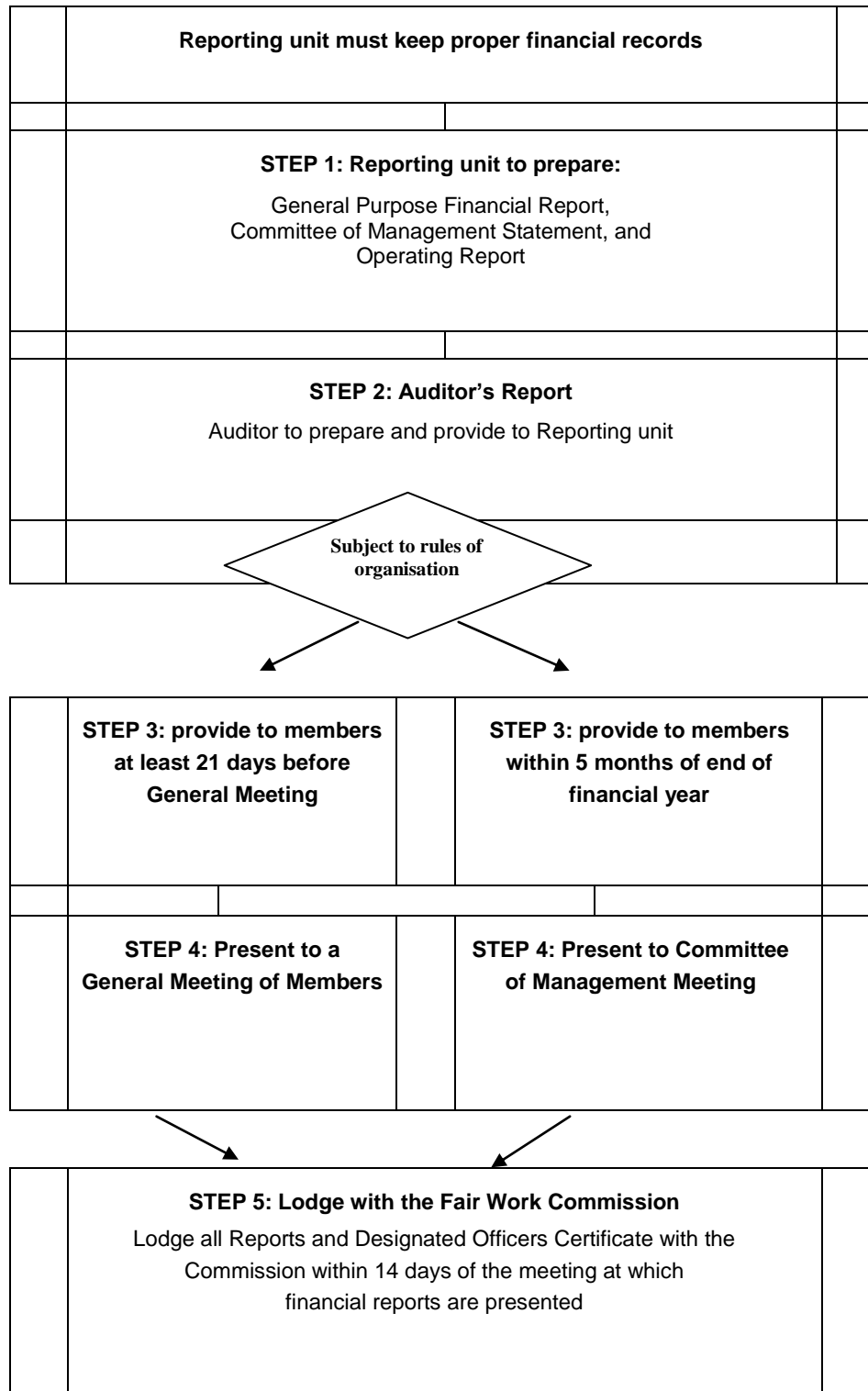


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au