

Health Services Union NSW

ABN: 85 037 751 682

Financial Statements

For the Year Ended 30 June 2015

Health Services Union NSW

ABN: 85 037 751 682

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For the Year Ended 30 June 2015

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Health Services Union NSW

ABN: 85 037 751 682

Council's Certificate


We, M STERREY, G HAYES, and A LILICRAP, being three members of the Union Council ('the Council') of Health Services Union NSW ('the Union'), do state on behalf of the Council, and in accordance with a resolution passed by the Council that:

- (a) In the opinion of the Council, the attached financial report shows a true and fair view of the financial affairs of the Union as at 30 June 2015.
- (b) In the opinion of the Council, meetings of the Council were held during the year ending 30 June 2015 in accordance with the rules of the Union.
- (c) To the knowledge of any member of the Council, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under Sub-Section 512(2) of the Industrial Relations Act 1991, as applied by Sub-Section 282(3) of the Industrial Relations Act 1996) or copies of these records or documents, or copies of the rules of the Union, have not been furnished, or made available to the members in accordance with the requirements of the Industrial Relations Act 1991, the Regulations thereto, or the rules of the Union.
- (d) The Union has complied with Sub-Sections 517(1) and (5) of the Industrial Relations Act 1991, in relation to the financial report in respect of year ended 30 June 2015, and the Auditors' Report thereon.

Dated: 31/8/15



M STERREY (President)



G HAYES (Secretary)



A LILICRAP (Assistant Secretary/Treasurer)

Health Services Union NSW

ABN: 85 037 751 682

Accounting Officer's Report

I, A LILLICRAP, being the Officer responsible for keeping the accounting records of Health Services Union NSW, certify that as at 30 June 2015, the number of members of the Union was 31,999 (2014: 31,355).

In my opinion:

- (a) The attached financial report shows a true and fair view of the financial affairs of the Union as at 30 June 2015.
- (b) A record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Union.
- (c) Before any expenditure was incurred by the Union, approval of the incurring of expenditure was obtained in accordance with the rules of the Union.
- (d) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for the purposes other than those for which the fund was operated.
- (e) No loans or other financial benefits were made to persons holding office in the Union.
- (f) The register of members of the Union was maintained in accordance with the Industrial Relations Act 1996.
- (g) gives the attached financial report a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended at 30 June 2015.


.....

Dated: 31/8/15

Independent Audit Report to the members of Health Services Union NSW

Report on the Financial Report

We have audited the accompanying financial report of Health Services Union NSW, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended 30 June 2015, notes comprising a summary of significant accounting policies and other explanatory information, and Union Council's (the 'Council's') certificate and the Accounting Officer's certificate.

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

The Union Council, Secretary and Assistant Secretary/Treasurer of Health Services Union NSW are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Industrial Relations Act 1996, and for such internal control as management determines is necessary to enable the preparation and fair presentation 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, Secretary and Assistant Secretary/Treasurer, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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Independent member of Nexia International



Health Services Union NSW

ABN: 85 037 751 682

Independent Audit Report to the members of Health Services Union NSW

Opinion

In our opinion,

(i) There were kept by the Union, in respect of the year ended 30 June 2015 under review, satisfactory records detailing the sources and nature of income of the Union (including income from members) and the nature and purposes of expenditure, and

(ii) The attached financial report, including the Certificates of the Council and the Accounting Officer are prepared in accordance with Section 510 of the Industrial Relations Act 1991 (NSW), as applied by Section 282 (3) of the Industrial Relations Act 1996. The report has been prepared from the accounting records of the Union and is properly drawn up so as to give a true and fair view of:

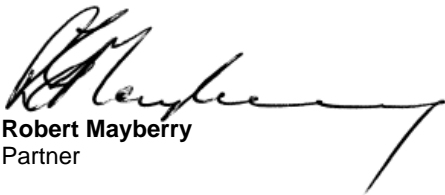
(a) the financial position of the Union as at 30 June 2015; and

(b) the financial performance of the Union for the year ended 30 June 2015;

and is in accordance with the Industrial Relations Act 1996 and Australian Accounting Standards.



Nexia Court & Co
Chartered Accountants



Robert Mayberry
Partner

Sydney

Dated: 7 September 2015

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	3	17,355,556	16,319,037
Other income	3	2,654,822	2,495,147
Interest revenue	3	91,874	35,883
Employee expenses	4	(8,328,893)	(7,499,907)
Depreciation and impairment expense	4	(1,102,440)	(1,254,599)
Consulting and professional fees		(1,226,089)	(1,009,530)
Utilities and telephone expenses		(812,273)	(820,379)
Insurance expenses		(1,066,252)	(1,016,761)
Computer and IT expenses		(444,675)	(500,534)
Office administration expenses		(476,423)	(541,579)
Other expenses		(2,637,071)	(2,210,381)
Finance costs	4	(416,793)	(771,758)
Total surplus for the year		3,591,343	3,224,639
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Superannuation Actuarial Gain/(Loss)		(172,627)	704,448
Superannuation Actual Return on Fund Assets		360,003	(374,721)
Total comprehensive income for the year		3,778,719	3,554,366

Health Services Union NSW

ABN: 85 037 751 682

Statement of Financial Position**As At 30 June 2015**

	Note	2015	2014
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,468,624	3,546,089
Trade and other receivables	6	913,165	228,040
Other assets	7	548,884	308,538
Other financial assets	8	2,008,858	-
Assets held for sale	9	-	1,154,909
TOTAL CURRENT ASSETS		4,939,531	5,237,576
NON-CURRENT ASSETS			
Property, plant and equipment	10	7,727,482	8,336,161
Investment property	11	9,848,442	10,181,047
TOTAL NON-CURRENT ASSETS		17,575,924	18,517,208
TOTAL ASSETS		22,515,455	23,754,784
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	947,962	1,308,757
Borrowings	13	6,000,000	-
Short-term provisions	14	103,670	103,670
Employee benefits	15	1,665,486	1,753,260
Derivatives	16	79,166	192,326
TOTAL CURRENT LIABILITIES		8,796,284	3,358,013
NON-CURRENT LIABILITIES			
Borrowings	13	-	10,258,765
Employee benefits	15	1,933,631	2,131,185
TOTAL NON-CURRENT LIABILITIES		1,933,631	12,389,950
TOTAL LIABILITIES		10,729,915	15,747,963
NET ASSETS		11,785,540	8,006,821
EQUITY			
Accumulated Funds		11,785,540	8,006,821
TOTAL EQUITY		11,785,540	8,006,821

The accompanying notes form part of these financial statements.

Health Services Union NSW

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Statement of Changes in Accumulated Funds For the Year Ended 30 June 2015

2015

	Accumulated Funds	Total Accumulated Funds
	\$	\$
Balance at 1 July 2014	8,006,821	8,006,821
Total comprehensive income for the period		
Surplus for the period	3,591,343	3,591,343
Actuarial Gain/(Loss) and Return on Plan Assets	187,376	187,376
Transactions with owners in their capacity as owners		
Sub-total	3,778,719	3,778,719
Balance at 30 June 2015	11,785,540	11,785,540

2014

	Accumulated Funds	Total Accumulated Funds
	\$	\$
Balance at 1 July 2013	4,885,513	4,885,513
Total comprehensive income for the period		
Surplus for the period	3,224,639	3,224,639
Actuarial Gain/(Loss) and Return on Plan Assets	329,727	329,727
Impact of AASB 119 Employee Benefits	(433,058)	(433,058)
Sub-total	3,121,308	3,121,308
Balance at 30 June 2014	8,006,821	8,006,821

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from customers	18,072,337	18,548,850
Payments to suppliers and employees	(17,096,593)	(15,256,189)
Interest received	91,874	54,833
Interest paid	(416,793)	(751,362)
Net cash provided by (used in) operating activities	25 <u>650,825</u>	<u>2,596,132</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property, plant and equipment and investment property	3,932,289	4,658,563
Purchase of property, plant and equipment	(292,956)	(381,590)
Transfers for held-to-maturity investments	(2,008,858)	-
Net cash used by investing activities	<u>1,630,475</u>	<u>4,276,973</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(4,258,765)	(3,925,000)
Loans to related parties	(100,000)	-
Net cash used by financing activities	<u>(4,358,765)</u>	<u>(3,925,000)</u>
Net increase (decrease) in cash and cash equivalents held	(2,077,465)	2,948,105
Cash and cash equivalents at beginning of year	<u>3,546,089</u>	<u>597,984</u>
Cash and cash equivalents at end of financial year	5 <u><u>1,468,624</u></u>	<u><u>3,546,089</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

The financial report covers Health Services Union NSW ('the Union') as an individual not-for-profit entity, incorporated and domiciled in Australia. The Union is an organisation of employees registered under the New South Wales Industrial Relations Act 1996. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

The financial report of the Health Service Union NSW for the period ended 30 June 2015 was authorised for issue in accordance with a resolution of the Union Council ('the Council') on 25 August 2015.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the New South Wales Industrial Relations Act 1996.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative figures

(i) Comparative figures

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

(ii) Retrospective accounting policy

When the Union applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(c) Property, plant and equipment (continued)

Plant and equipment

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Motor Vehicles	22.5%
Office Furniture and Equipment	5% - 33.3%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the Statement of Profit or Loss and Other Comprehensive Income in the year that the item is derecognised.

(d) Investment property

Investment property is held at cost which includes expenditure that is directly attributable to the acquisition of the investment property. The investment properties are depreciated on a straight line basis over 40 years.

(e) Investments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

All investments and other financial assets are initially measured at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(e) Investments (continued)

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(e) Investments (continued)

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

The Union did not hold any held-to-maturity investments in the current or comparative financial year.

(iv) Available-for-sale financial assets

Investments, which are classified as available for sale, are measured at fair value. Unrealised gains or losses on these investments are recognised directly in other comprehensive income in the Available-for-sale Investment Reserve until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported for that asset is included in the Statement of Profit or Loss and Other Comprehensive Income.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Union has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment - financial assets

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the Union assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the Statement of Profit or Loss and Other Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(f) Impairment - non-financial assets

The carrying amounts of non current assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

(i) Impairment loss

Assets that have an allocated impairment loss are reviewed for reversal indicators at the end of each reporting period. After recognition of an impairment loss, the amortisation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Impairment losses are recognised as an expense immediately, unless the relevant asset is property, plant and equipment held at fair value (other than investment property carried at a revalued amount) in which case the impairment loss is treated as a revaluation decrease as described in the accounting policy for property, plant and equipment.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Employees of the Union are entitled to benefits from superannuation plans on retirement, disability or death.

Defined benefit superannuation schemes

In respect of defined benefit plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted every three years, with interim valuations performed on an annual basis. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

The superannuation schemes for Health Services Union NSW are:

- the State Authorities Superannuation Scheme (SASS);
- the State Authorities Non Contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. All the Schemes are closed to new members.

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Scheme Act 1987, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(h) Employee benefits (continued)

Defined benefit superannuation schemes (continued)

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2012. The next actuarial investigation is due as at 30 June 2015 and the report is expected to be released by the end of the 2015 calendar year.

The superannuation expense includes net interest measured at and reported as defined benefit costs.

The amounts recorded in profit or loss are limited to current and past service costs, gains or losses, settlements and net interest income (expense). All other changes in the net defined benefit asset (liability), including actuarial gains and losses, are recognised in other comprehensive income with no subsequent recycling to profit or loss. Interest income is measured using the same discount rate used to measure the defined benefit obligation (market yields on 10 year Commonwealth government bonds).

Other entities' responsibility for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Risks

There are a number of risks to which the Fund exposes the Union. The more significant risks relating to the defined benefits are:

- **Investment risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk** - The risk that pensioners live longer than assumed, increasing future pensions.
- **Pension indexation risk** - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk** - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Significant events

There were no fund amendments, curtailments or settlements during the year.

(i) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Borrowings

Secured and unsecured loans have been obtained. These have not been discounted to present values. Carrying amounts therefore represent the amount expected to be repaid at settlement. Unsecured loans are considered to be repayable at call and therefore presented as current liabilities.

(k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(l) Income tax

No provision for income tax is necessary as the Union is exempt from income tax under Section 50 - 15 of the *Income Tax Assessment Act 1997*.

(m) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) Revenue and other income

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Functional and presentation currency

The functional currency of the Union is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(q) **Critical accounting estimates and judgments**

Estimates and judgements are continually evaluated and are based on historical knowledge and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include the determination of employee entitlements for long service leave, the asset or liability in respect of the defined superannuation plans, depreciation of property, plant and equipment, the fair value of available for sale financial assets and the going concern basis.

Critical judgments in applying the Union's accounting principles

The critical judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are those described in Notes 1 (c), 1 (d), 1 (e), 1 (f), 1 (h) and 1 (r).

(r) **Going concern**

The financial report has been prepared on a going concern basis.

The Union has classified \$6,000,000 in bank bills as current liabilities on the basis that the Union does not have an unconditional right to defer settlement beyond 12 months of the balance date. As a result the Union has a deficit in current assets compared to current liabilities of \$3,856,753. Also, \$819,533 in employee provisions have been classified as current liabilities on the basis that the employees have reached their entitlement date.

Management has assessed the use of the going concern assumption given the deficit noted and believes that the going concern assumption is appropriate on the basis that :

- The Union Council (the 'Council') have renegotiated the bank loans and the principal amount is not due for repayment until 8 October 2018. Due to the bank having the ability to recall the loan at any point in time under certain circumstances, these loans have been classified as current. Management and the Council do not expect to repay the loans before the maturity date;
- Management do not believe that the employee provisions for long service leave will be required to be settled in the short term;
- Management have prepared a cash flow forecast and have determined that the Union has sufficient cash inflows to support the business over the next 12 months.

For the Union to be able to continue as a going concern, it requires the generation of sufficient cash from its operations or its financiers.

The Council is of the opinion that the Union will generate sufficient future positive cash flows from operations and financiers to be able to continue as a going concern. The Union expects to repay the remaining bank debt at the maturity date, being 8 October 2018.

(s) **Assets held for sale**

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortised or depreciated.

Assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

(t) **New accounting standards for application in future periods**

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

Standard Name	Effective date for entity	Requirements	Impact
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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(t) New accounting standards for application in future periods (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 2015-3 - Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	30 June 2016	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	The impact of this standard is expected to be minimal.
AASB 2014-4 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	30 June 2017	These amendments to AASB 116 and AASB 138 clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The standard also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.	The impact of this standard is expected to be minimal.
AASB 2015-1 - Annual Improvements to Australian Accounting Standards 2012-2014	30 June 2017	This Standard makes amendments to various Accounting Standards arising from the IASB's Annual Improvements process, namely: AASB 5 - changes in methods of disposal from sale to distribution AASB 7 – applicability of disclosures to servicing contracts and interim financial statements; AASB 119 – clarifies that the government bond rate used in measuring employee benefits should be those denominated in the same currency.	The impact of this standard is expected to be minimal.
AASB 2015-2 - Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	30 June 2017	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project.	The impact of this standard is expected to be minimal.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(t) New accounting standards for application in future periods (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 2015-6 - Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	30 June 2017	The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. This Standard also makes related amendments to AASB 10 Consolidated Financial Statements and AASB 1049 Whole of Government and General Government Sector Financial Reporting.	The impact of this standard is expected to be minimal.
AASB 15 - Revenue from Contracts with Customers	30 June 2018	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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(t) New accounting standards for application in future periods (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 (2014) - Financial Instruments	30 June 2019	<p>AASB 9 (2014) 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.</p> <p>AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <p>i) The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</p> <p>ii) The remaining change is presented in profit or loss.</p> <p>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.</p>	The impact of AASB 9 (2014) has not yet been determined as the entire standard has not been released.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(u) Related Party Disclosures

Related parties for the purpose of the disclosures made in Note 24 of this financial report include Officers and entities in which Officers have a significant interest in, and their transactions with the Union.

2 Information to be Provided to Members or Registrar

In accordance with the requirements of the Industrial Relations Act, 1991 (NSW) the attention of members is drawn to the provisions of Sub-Sections (1) and (2) of Section 512 which read as follows:

(a) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.

(b) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

3 Revenue and Other Income

	2015	2014
	\$	\$
Revenue		
Membership contributions	16,228,606	15,006,389
Service fees	156,888	162,810
Rental income	970,062	1,149,838
Total Revenue	17,355,556	16,319,037
Bank interest	91,874	35,883
Other income	9,242	48,042
Profit on sale of property, plant and equipment and investment property	2,645,580	2,447,105
Total Other Income	2,654,822	2,495,147
Total Revenue and Other Income	20,102,252	18,850,067

Notes to the Financial Statements

For the Year Ended 30 June 2015

4 Result for the Year

Expenses

	2015	2014
	\$	\$
Depreciation and Impairment		
Depreciation - buildings	491,692	549,787
Depreciation - motor vehicles	203,316	192,760
Depreciation - furniture and fixtures	263,401	313,780
Depreciation - plant and equipment	144,031	198,272
Total Depreciation and Impairment	1,102,440	1,254,599
Finance costs		
Interest expense	416,793	771,758
Employee expenses	8,328,893	7,499,907

5 Cash and Cash Equivalents

CURRENT

Cash at bank and in hand	1,468,624	3,546,089
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6 Trade and Other Receivables

CURRENT

Trade and other receivables	66,959	5,204
Rent receivable	2,925	6,746
Accrued income	743,281	216,090
Loan to Health Services Union NSW Branch	100,000	-
	913,165	228,040

7 Other Assets

CURRENT

Prepayments	548,884	282,047
Prepaid borrowing costs	-	26,491
	548,884	308,538

8 Other Financial Assets

CURRENT

Held-to-maturity financial assets	2,008,858	-
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9 Assets held for sale

CURRENT

Property, plant and equipment - at cost	-	1,154,909
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Notes to the Financial Statements

For the Year Ended 30 June 2015

10 Property, Plant and Equipment

	2015	2014
	\$	\$
NON-CURRENT		
Building		
At cost	6,131,986	6,131,986
Accumulated depreciation	(1,695,598)	(1,542,297)
Total buildings	<u>4,436,388</u>	<u>4,589,689</u>

Valuation of Properties

The following valuations of properties have been conducted:

	Certified Practising Valuer	Valuation Date	Fair Value \$
Property			
Unit 23/126-128 Auburn Street, Wollongong NSW	2	27 May 2013	430,000
Unit 5/2-6 Hunter Street, Parramatta NSW	3	29 May 2013	490,000
Level 2, 109 Pitt Street Sydney NSW	1	3 June 2013	4,340,000
Lot 34/SP70031 Level 8, 109 Pitt Street Sydney NSW	1	3 June 2013	370,000
Total Property			<u>5,630,000</u>
Investment Property			
Unit 13, 15 Meadow Way, Banksmeadow NSW	4	29 May 2013	650,000
Lot 50/SP52105, 370 Pitt Street Sydney NSW	1	3 June 2013	500,000
Lot 32/SP46628, 370 Pitt Street Sydney NSW	1	3 June 2013	70,000
Level 3, 109 Pitt Street Sydney NSW	1	3 June 2013	4,480,000
Level 9, 109 Pitt Street Sydney NSW	1	3 June 2013	3,165,000
Lot 55-60/SP71295 Level 10, 109 Pitt Street Sydney NSW	1	3 June 2013	2,125,000
Lot 87/SP72095 Level 15, 109 Pitt Street Sydney NSW	1	3 June 2013	675,000
Total Investment Property			<u>11,665,000</u>

1. James Burney, AAPI Certified Practising Valuer, Registered Valuer No. 6276, of Knight Frank Pty Ltd.

2. B. Carr, AAPI Certified Practising Valuer, Registered Valuer No. 2736, of Martin Morris & Jones Pty Ltd.

3. David Hayward, Certified Practising Valuer, Registered Valuer No 3146, of Macquarie Bell Pty Ltd.

4. Kris Cviker, FAPI Certified Practising Valuer, Registered Valuer No. 4041, of Egan National Valuers Pty Ltd.

Notes to the Financial Statements

For the Year Ended 30 June 2015

10 Property, Plant and Equipment (continued)

	2015	2014
	\$	\$
Plant and equipment		
At cost	1,076,537	1,072,087
Accumulated depreciation	(864,342)	(765,498)
Total plant and equipment	<u>212,195</u>	<u>306,589</u>
Furniture, fixture and fittings		
At cost	5,258,325	5,273,072
Accumulated depreciation	(2,660,446)	(2,397,428)
Total furniture, fixture and fittings	<u>2,597,879</u>	<u>2,875,644</u>
Motor vehicles		
At cost	837,040	958,077
Accumulated depreciation	(356,020)	(393,838)
Total motor vehicles	<u>481,020</u>	<u>564,239</u>
Total plant and equipment	<u>3,291,094</u>	<u>3,746,472</u>
Total property, plant and equipment	<u><u>7,727,482</u></u>	<u><u>8,336,161</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

10 Property, Plant and Equipment (continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Total \$
Balance at 1 July 2014					
Balance at the beginning of period	4,589,689	306,589	2,875,644	564,239	8,336,161
Additions	-	59,451	12,455	221,050	292,956
Disposals	-	(9,814)	(26,818)	(100,955)	(137,587)
Depreciation expense	(153,301)	(144,031)	(263,402)	(203,314)	(764,048)
Balance at 30 June 2015	4,436,388	212,195	2,597,879	481,020	7,727,482
Balance at 1 July 2013					
Balance at the beginning of period	5,695,457	467,935	3,332,893	463,638	9,959,923
Additions	-	41,341	14,341	325,908	381,590
Disposals - written down value	(353,222)	(4,415)	(157,810)	(32,547)	(547,994)
Transfer to investment property	(571,479)	-	-	-	(571,479)
Depreciation expense	(181,067)	(198,272)	(313,780)	(192,760)	(885,879)
Balance at 30 June 2014	4,589,689	306,589	2,875,644	564,239	8,336,161

Notes to the Financial Statements

For the Year Ended 30 June 2015

11 Investment Property

NON-CURRENT

	2015	2014
	\$	\$
Balance at beginning of the period	10,181,047	11,125,044
Transfers (to) from property, plant and equipment	-	571,479
Transfers to held for sale	-	(1,154,909)
Depreciation	(332,605)	(360,567)
Balance at end of the period	9,848,442	10,181,047

The fair value of the investment property is \$ 11,665,000. The fair value of investment properties is included in Note 10 above.

12 Trade and Other Payables

CURRENT

Unsecured liabilities		
Trade payables	499,499	271,601
Rental bonds collected	87,990	69,439
GST payable	81,287	350,492
Other payables	279,186	617,225
	947,962	1,308,757

13 Borrowings

CURRENT

Secured liabilities:

Bank loans	6,000,000	-
	6,000,000	-

NON-CURRENT

Secured liabilities:

Bank loans	-	10,258,765
	-	10,258,765

The bank loans have been classified as current on the basis that the Union does not have an unconditional right to defer settlement beyond 12 months of balance date. The Union does not expect to settle the bank loans within the next 12 months.

(a) Security Provided

The bank loans and Commercial Bank Bills are secured by mortgages over all the freehold properties of the Union except for Unit 5/2-6 Hunter Street, Parramatta NSW, Lot 50/SP52105, 370 Pitt Street, Sydney NSW, Lot 32/SP46628, 370 Pitt Street, Sydney NSW.

The carrying amount approximates fair value in respect to the Interest Bearing Liabilities.

Notes to the Financial Statements

For the Year Ended 30 June 2015

14 Provisions

	2015	2014
	\$	\$
CURRENT		
Building make good provision	103,670	103,670

15 Employee Benefits

	2015	2014
	\$	\$
CURRENT		
Long service leave	819,533	691,738
Provision for employee benefits	845,953	1,061,522
	1,665,486	1,753,260
NON-CURRENT		
Long service leave	28,784	38,965
Defined benefit obligations		
- Present value of obligations	1,904,847	2,092,220
	1,933,631	2,131,185

Defined Benefit Plan

Employees of the Union are entitled to benefits from superannuation plans on retirement, disability or death. The Union participated in twelve employer-sponsored superannuation plans. Two of these, State Authorities Superannuation Scheme (SASS) and State Authorities Non-contributory Superannuation Scheme (SANCS) are defined benefit plans. The following sets out details in respect of the defined benefit superannuation plans only.

(a) Reconciliation of the Net Defined Benefit Liability/(Asset)

	2015	2014
	\$	\$
The amounts included in the Statement of Financial Position as Net (Asset) / Liability Defined Benefits Superannuation Plans are as follows:		
Net Defined Benefit Liability/(Asset) at start of year	2,092,220	2,043,069
Current service cost	144,829	301,651
Net Interest on the net defined benefit liability/(asset)	70,195	114,649
Past service cost	-	-
(Gains)/losses arising from settlements	-	-
Actual return on Fund assets less Interest income	(360,003)	374,721
Actuarial (gains)/losses arising from changes in financial assumptions	433,609	393,665
Actuarial (gains)/losses arising from liability experience	(224,015)	(883,546)
Adjustment for effect of asset ceiling	-	-
Other movements	-	-
Employer contributions	(251,988)	(251,989)
	1,904,847	2,092,220

Notes to the Financial Statements

For the Year Ended 30 June 2015

15 Employee Benefits (continued)

Reconciliation of the Fair Value of Fund Assets

	2015	2014
	\$	\$
Fair value of fund assets is as follows:		
Beginning of the year	4,425,451	5,912,375
Interest income	157,969	253,990
Actual return on Fund assets less Interest income	360,003	(374,721)
Employer contributions	251,988	251,988
Contributions by participants	73,738	114,939
Benefits paid	(444,002)	(1,895,905)
Taxes, premiums & expenses paid	155,474	162,785
Transfers in	-	-
Contributions to accumulation section	-	-
Settlements	-	-
Exchange rate changes	-	-
	4,980,621	4,425,451

(b) Reconciliation of the Defined Benefit Obligation

	2015	2014
	\$	\$
Present value of defined benefit obligations at beginning of the year	6,517,671	9,055,444
Current service cost	144,829	301,651
Interest cost	228,164	368,639
Contributions by participants	73,738	114,939
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	433,609	393,665
Actuarial (gains)/losses arising from liability experience	(224,015)	(1,983,547)
Benefits paid	(444,002)	(1,895,905)
Taxes, premiums & expenses paid	155,473	162,785
Transfers in	-	-
Contributions to accumulation section	-	-
Past service cost	-	-
Settlements	-	-
Exchange rate changes	-	-
Present value of defined benefit obligations at end of the year	6,885,467	6,517,671

Notes to the Financial Statements

For the Year Ended 30 June 2015

15 Employee Benefits (continued)

(c) Reconciliation of the effect of the Asset Ceiling

	2015 SASS \$	2015 SANCS \$
Adjustment for effect of asset ceiling at beginning of the year	-	-
Change in the effect of asset ceiling	-	-
Adjustment for effect of asset ceiling at end of the year	-	-

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

(d) Fair value of fund assets

All Pooled Fund assets are invested by STC at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. **As such, the disclosures below relate to total assets of the Pooled Fund.**

As at 30 June 2015

Asset category	Total (A\$'000)	Quoted prices in active markets for identical assets Level 1 (A\$'000)	Significant observable inputs Level 2 (A\$'000)	Unobservable inputs Level 3 (A\$'000)
Short Term Securities	2,641,516	95,603	2,545,913	-
Australian Fixed Interest	2,656,598	958	2,638,759	16,881
International Fixed Interest	1,003,849	(110)	1,003,959	-
Australian Equities	10,406,940	9,898,541	503,999	4,400
International Equities	13,111,481	9,963,287	2,585,150	563,044
Property	3,452,609	948,421	718,406	1,785,782
Alternatives	7,170,187	622,102	3,020,225	3,527,860
Total*	40,443,180	21,528,802	13,016,411	5,897,967

The percentage invested in each asset class at the balance sheet date:

	2015	2014
Australian equities	26 %	31 %
Overseas equities	32 %	29 %
Australian fixed-interest securities	7 %	6 %
Overseas fixed-interest securities	2 %	2 %
Property	9 %	9 %
Cash	7 %	6 %
Other	17 %	17 %
	100 %	100 %

*Additional to the assets disclosed above, at 30 June 2015 Pooled Fund has provisions for receivables/(payables) estimated to be around \$1.74 billion, giving an estimated assets totalling around \$42.2 billion.

Notes to the Financial Statements

For the Year Ended 30 June 2015

15 Employee Benefits (continued)

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this levels are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts containing where quoted prices are available in active markets for identical assets or liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

All Fund assets are invested by STC at arm's length through independent fund managers.

Fair value of entity's own financial instruments

The fair value of the Pooled Fund assets include as at 30 June 2015 of \$209.2 million in NSW government bonds.

Of the direct properties owned by the Pooled Fund:

- GPNSW occupies part of a property owned by the Pooled Fund with a fair value of \$159 million (30 June 2014: \$153 million).
- NSW Ambulance occupies part of a property 50% owned by the Pooled Fund with a fair value of \$204 million (30 June 2014: \$205 million).

(e) Significant Actuarial Assumptions at the Reporting Date

As at	30-Jun-15	30-Jun-14
Discount rate	3.03% pa	3.57% pa
Salary increase rate (excluding promotional increases)	2.50% 2015/2016 to 2018/2019; 3.50% 2019/2020; 3.00% pa 2021/2022 to 2024/2025; 3.50% pa thereafter	2.27% pa to 30 June 2015, then 2.5% pa to 30 June 2018, 3.0% pa from 1 July 2018 to 30 June 2023, and 3.5% pa thereafter
Rate of CPI increase	2.50% 2015/2016; 2.75% 2016/2017 & 2017/2018; 2.50% pa thereafter are as per the 2012 Actuarial.	2.5% pa
Pensioner mortality	as per the 2012 Actuarial Investigation of the Pooled Fund.	as per the 2012 Actuarial Investigation of the Pooled Fund

Sensitivity Analysis

The Union's total defined benefit obligation as at 30 June 2015 under several scenarios is presented below. Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

Notes to the Financial Statements

For the Year Ended 30 June 2015

15 Employee Benefits (continued)

(e) Significant Actuarial Assumptions at the Reporting Date (continued)

	Base Case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	3.03%	2.03%	4.03%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	6,885,467	7,845,469	6,102,953

	Base Case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	above rates plus 0.5% pa	above rates plus 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	6,885,467	7,146,739	6,648,228

	Base Case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	6,885,467	7,072,227	6,709,470

	Base Case	Scenario G +5% pensioner mortality rates	Scenario H -5% pensioner mortality rates
Defined benefit obligation (A\$)	6,885,467	6,841,832	6,931,726

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Notes to the Financial Statements

For the Year Ended 30 June 2015

15 Employee Benefits (continued)

(e) Significant Actuarial Assumptions at the Reporting Date (continued)

Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and was last reviewed following completion of the triennial review as at 30 June 2012. Contribution rates are set after discussions between the employer, STC and NSW Treasury. The next triennial review as at 30 June 2015, the report is expected to be released by the end of the 2015 calendar year.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

(f) Employer contributions

	2015	2015
	SASS	SANCS
	\$	\$
Expected employer contributions to be paid in the next reporting period	204,996	46,992

Funding Arrangements for Employer Contributions

(a) Surplus/deficit

The following is a summary of the 30 June 2015 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

	2015	2014
	\$	\$
Accrued Benefits	4,425,885	4,549,337
Net market value of Fund assets	(4,980,620)	(4,425,451)
Net (surplus) / deficit	(554,735)	123,886

(b) Contribution recommendations

Recommended contribution rates for the Union are:

	SASS	SANCS
	multiple of member contributions	% member salary
	n/a	n/a

(c) Funding method

Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Notes to the Financial Statements

For the Year Ended 30 June 2015

15 Employee Benefits (continued)

(f) Employer contributions (continued)

(d) Economic assumptions

The economic assumptions adopted for the 2012 actuarial review of the Pooled Fund are:

Weighted-Average Assumptions	30-Jun-15	30-Jun-14
Expected rate of return on Fund assets backing current pension liabilities	8.3% pa	8.3% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa	7.3% pa
	SASS, SANCS, SSS 2.7% pa (PSS 3.5% pa) to 30 June 2018, then 4.0% pa thereafter	SASS, SANCS, SSS 2.7% pa (PSS 3.5% pa) to 30 June 2018, then 4.0% pa thereafter
Expected salary increase rate (excluding promotional salary increases)		
Expected rate of CPI increase	2.5% pa	2.5% pa

Nature of Asset/Liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of Fund assets and the defined benefit obligation.

(g) Maturity profile

The weighted average duration of the defined benefit obligation is 13.7 years (2014: 13 years).

16 Derivatives

	2015	2014
	\$	\$
CURRENT		
Interest rate swap	<u>79,166</u>	192,326

Health Services Union NSW entered into an interest rate swap agreement on 6 October 2010 with a sole purpose to hedge/fix the variable interest rate of the \$5,200,000 loan. The interest rate swap/hedge instrument has a face value of \$5,200,000. This current instrument expires on 8 October 2015. Health Services Union NSW entered into another interest rate swap agreement on 18 May 2015 with the sole purpose to hedge/fix the variable interest rate on the \$4,000,000 loan. The new interest rate swap/hedge instrument has a face value of \$4,000,000. This represents an unrealised loss as at 30 June 2015.

Notes to the Financial Statements

For the Year Ended 30 June 2015

17 Capital and Leasing Commitments

Operating lease commitments

The following amounts are payable in respect of:

	2015	2014
	\$	\$
The lease of the Union's office equipment		
- no later than 1 year	45,380	53,780
- between 1 year and 5 years	59,239	71,848
- greater than 5 years	-	-
	<u>104,619</u>	<u>125,628</u>

Operating leases have been taken out for computer equipment.

18 Lessor Commitments

Operating lease commitments receivable - Union as lessor

Health Services Union NSW leases out its investment property (see note 11) under commercial leases. These non-cancellable leases have terms between 1 and 6 years. All leases include provisions for Health Services Union NSW to increase rent to CPI to 4% per annum with current market rental assessments performed regularly in accordance with the lease agreements.

The future minimum lease payments under non-cancellable leases are:

	2015	2014
	\$	\$
- no later than 1 year	769,041	1,150,644
- between 1 year and 5 years	1,350,025	1,338,800
Total minimum lease payments	<u>2,119,066</u>	<u>2,489,444</u>

19 Financial Risk Management

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

The Union's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from related parties, bills, leases, preference shares, and derivatives.

Notes to the Financial Statements

For the Year Ended 30 June 2015

19 Financial Risk Management (continued)

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

	2015	2014
	\$	\$
Financial Assets		
Cash and cash equivalents	1,468,624	3,546,089
Held-to-maturity investments	2,008,858	-
Total financial assets	3,477,482	3,546,089
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	947,962	1,308,757
- Borrowings	6,000,000	10,258,765
Total financial liabilities	6,947,962	11,567,522

Financial risk management policies

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

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

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

The receivables of the Health Services Union NSW are with lessees and members. Bank guarantees are in place to secure the receivables from lessees and member fees are automatically deducted as part of their salary and wages.

(b) Liquidity risk

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- using interest rate swaps to manage interest payments;
- 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.

Typically, Health Services Union NSW ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

Notes to the Financial Statements

For the Year Ended 30 June 2015

19 Financial Risk Management (continued)

(c) Liquidity Risk - Asset maturity analysis

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

	Within 1 Year		1 to 5 Years		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Financial assets - cash flows realisable						
Cash and cash equivalents	1,468,624	3,546,089	-	-	1,468,624	3,546,089
Trade, term and loans receivables	717,824	228,040	-	-	717,824	228,040
Held-to-maturity investments	2,008,858	-	-	-	2,008,858	-
Total anticipated inflows	<u>4,195,306</u>	<u>3,774,129</u>	<u>-</u>	<u>-</u>	<u>4,195,306</u>	<u>3,774,129</u>

The table below reflects 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 and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Notes to the Financial Statements

For the Year Ended 30 June 2015

19 Financial Risk Management (continued)

Financial liability maturity analysis

	Within 1 Year		1 to 5 Years		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables (excluding estimated annual leave)	1,695,981	1,398,757	-	-	1,695,981	1,398,757
Borrowings (excluding finance lease)	-	-	6,000,000	10,258,765	6,000,000	10,258,765
Interest rate swap	47,085	-	32,081	192,326	79,166	192,326
Total contractual outflows	1,743,066	1,398,757	6,032,081	10,451,091	7,775,147	11,849,848

The timing of expected outflows is not expected to be materially different from contracted cashflows, with the exception of the borrowings in the year ended 30 June 2015. They were classified as current liabilities due to the Union not having an unconditional right to defer settlement beyond 12 months.

Assets pledged as collateral

Certain assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts. Refer to Note 13(a) for further details.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

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 Union is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed by maintaining a portion of borrowings at fixed interest rates through the use of an interest rate swap. At 30 June 2015, approximately 87% of Health Services Union NSW debt is fixed rate, which includes \$5,200,000 in debt that forms part of the interest rate swap facility. The Union also entered into a new interest rate swap agreement on 18 May 2015 which is effective from 8 October 2015 based on \$4,000,000 in debt.

Notes to the Financial Statements

For the Year Ended 30 June 2015

19 Financial Risk Management (continued)

The net effective variable interest rate borrowings (i.e. unhedged debt) exposes the Union to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

	2015	2014
	\$	\$
Floating rate instruments		
Borrowings	800,000	5,058,765

Interest rate swaps are measured at fair value with gains and losses recognised in the statement of profit or loss and other comprehensive income. This is because the interest rate swap has not been designated a part of a hedging relationship in accordance with Australian Accounting Standards.

Interest Rate Risk - Sensitivity Analysis

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase of 100 basis points or a decrease of 50 basis points would have increased equity and profit or loss by the amounts shown below. This analysis assumes that other variables are held constant.

	Profit		Equity	
	100 basis points increase	50 basis points decrease	100 basis points increase	50 basis points decrease
2015	(8,000)	4,000	(8,000)	4,000
2014	(50,588)	25,294	(50,588)	25,294

The movements in profit are due to lower interest costs from variable rate debt and cash balances.

Notes to the Financial Statements

For the Year Ended 30 June 2015

19 Financial Risk Management (continued)

(i) Financial instrument composition and maturity analysis

The Union's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Non-interest Bearing		Total
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	1,468,624	3,546,089	1,468,624
Financial Liabilities:											
Borrowings	2.75	2.75	800,000	5,058,765	-	-	5,200,000	5,200,000	-	-	6,000,000
Interest rate swaps	5.67	5.67	-	-	47,085	192,326	-	-	-	-	47,085
Total Financial Liabilities			800,000	5,058,765	47,085	192,326	5,200,000	5,200,000	-	-	6,047,085

Notes to the Financial Statements

For the Year Ended 30 June 2015

20 Interests of Key Management Personnel

The key management personnel of the Union are the Officers and other key management personnel. Their remuneration paid during the year is as follows:

	2015	2014
	\$	\$
Short-term benefits	1,468,042	1,136,023
Long-term benefits	84,207	11,128
Post-employment benefits	121,427	93,113
	<u>1,673,676</u>	<u>1,240,264</u>

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 24: Related Party Transactions.

(a) Names of Officers

The following persons were Officers of Health Services Union NSW during the financial year:

(i) Names of Responsible Persons

An election for positions with the Health Services Union NSW was held in 2014 and declared on 16 October 2014. The following persons were Officers of Health Services Union NSW during all or part of the year ending 30 June 2015.

Name	Position	Status
Mark Sterrey	President	Re-elected
Leanne Burns	Senior Vice President	Elected
Lindy Twyford	Junior Vice President	Elected
Gerard Hayes	Secretary	Re-elected
Andrew Lillicrap	Assistant Secretary/Treasurer	Re-elected
Genevieve Partridge	Ordinary Member of Union Committee; Member of Audit & Finance Committee; Member of Union Council	Re-elected
Bruce Cornwell	Ordinary Member of Union Committee	Re-elected
Lynne Russell	Ordinary Member of Union Committee	Elected
Sharalyn Haynes	Ordinary Member of Union Committee; Member of Union Council	Re-elected

Notes to the Financial Statements

For the Year Ended 30 June 2015

20 Interests of Key Management Personnel (continued)

(a) Names of Officers (continued)

Name	Position	Status
Warren Boon	Ordinary Member of Union Committee	Re-elected
Patricia Reid	Member of Union Council; Member of Audit & Finance Committee	Re-elected
Alan Wilcock	Member of Union Council; Member of Audit & Finance Committee	Re-elected
Sharon Joseph	Member of Union Council; Member of Audit & Finance Committee	Re-elected
Shirley O'Riley	Member of Union Council	Re-elected
Joan Catlin	Member of Union Council	Re-elected
Gillian Reilly	Member of Union Council	Re-elected
Suzanne Davis	Member of Union Council	Re-elected
Claire Charles	Member of Union Council	Re-elected
Darriea Turley	Member of Union Council	Re-elected
Ronald Pike	Member of Union Council	Re-elected
Josephine Peacock	Member of Union Council	Elected
Stephen Austen	Member of Union Council	Elected
John Chester	Member of Union Council	Re-elected
Peter Iffland	Member of Union Council	Re-elected
Steven Fraser	Member of Union Council	Re-elected
Ronald Henderson	Member of Union Council	Re-elected
Raymond Dunn	Member of Union Council	Re-elected
Peter Mitchell	Member of Union Council	Re-elected
Leanne Snow	Member of Union Council	Re-elected

Notes to the Financial Statements

For the Year Ended 30 June 2015

20 Interests of Key Management Personnel (continued)

(a) Names of Officers (continued)

Name	Position	Status
Deborah Neumann	Member of Union Council	Re-elected
Sarah Dufty	Member of Union Council	Elected
John Holgate	Member of Union Council	Re-elected
Wayne Lloyd	Member of Union Council	Completed term
Margaret Pike	Senior Vice President	Completed term
Linden Martin	Member of Union Council; Member of Audit & Finance Committee	Completed term
Colin Lee	Member of Union Council	Completed term
Amanda Dowsley	Ordinary Member of Union Committee	Completed term

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of Health Services Union NSW during the financial year:

Dianne Campbell - Administration Manager

Ben Chapman - Chief of Staff

Jodie Cowdrey - Divisional Manager Member Services

Adam Hall - Deputy Divisional Manager Public Sector

Stuart Hatter - Acting Divisional Manager Ambulance

Phil Kessey - Acting Divisional Manager Aged Care Sector

Ayshe Lewis - Divisional Manager Industrial Services

Angela McDonald - Chief Financial Officer

David Perry - Divisional Manager Public Sector

Tim Thorburn - Acting Divisional Manager Private Sector

All of the above persons were also key management persons during the year ended 30 June 2015.

Notes to the Financial Statements

For the Year Ended 30 June 2015

21 Auditors' Remuneration

	2015	2014
	\$	\$
Remuneration of the auditor of the Union		
- auditing or reviewing the financial statements	46,000	45,000
- other services	8,000	7,500
Other services relate to assistance provided in the completion of the financial statements.		

22 Fair Value Measurement

The Union measures the following assets and liabilities at fair value on a recurring basis:

- Financial liabilities - interest rate swap.
- All other financial assets and financial liabilities the fair value approximates the carrying amount.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the :

		Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
30 June 2015					
Recurring fair value measurements					
Interest rate swap	16	-	79,166	-	79,166
		Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
30 June 2014					
Recurring fair value measurements					
Interest rate swap	16	-	192,326	-	192,326

Level 2 measurements

Interest rate swaps are valued using the market comparison technique. The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

Notes to the Financial Statements

For the Year Ended 30 June 2015

22 Fair Value Measurement (continued)

Highest and best use (continued)

Assets and liabilities not measured at fair value but for which fair value is disclosed

The table below shows the assigned level for each asset and liability not measured at fair value but for which fair value is disclosed in the financial statements.

		Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
30 June 2015					
Recurring fair value measurements					
Assets held for sale	9	-	-	-	-
Buildings	10	-	-	5,630,000	5,630,000
Investment Property	11	-	-	11,665,000	11,665,000
		Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
30 June 2014					
Recurring fair value measurements					
Assets held for sale	9	-	-	3,700,000	3,700,000
Buildings	10	-	-	5,630,000	5,630,000
Investment Property	11	-	-	11,665,000	11,665,000

23 Contingent Liabilities and Contingent Assets

Contingent Liabilities

Health Services Union NSW had the following contingent liabilities at the end of the reporting period:
The Union has settled claims with Peter Mylan during the year ended 30 June 2015.

Contingent Assets

The following legal claims are in favour of the Health Services Union NSW:

The Union entered into a settlement deed with Richard Hew on 29 July 2015. The settlement deed requires Richard Hew to pay the Union \$145,000 to settle the allegations.

Consideration has been given to commencing proceedings against Cheryl McMillan.

Consideration has been given to commencing proceedings against Communigraphix.

Consideration has been given to commencing proceedings against the former auditors, or their insurer, in relation to prior audits in the period up to the appointment of the Administrator.

24 Related Party Transactions

Related Parties

(a) Health Services Union NSW

During the current period, HSU Victoria No 3 Branch was charged \$12,160 (2014: \$12,160) for their share of apportioned expenses. At 30 June 2015, Health Services Union QLD Branch owed Health Services Union NSW \$16,799.

During the current period net service fees of \$150,000 (2014: \$152,500) were charged to the HSU NSW Branch. Capitation fees and levies charged by HSU National to the HSU NSW Branch were \$703,153 (2014: \$649,992), of which \$693,350 (2014: \$639,618) related to Health Services Union NSW during the year ended 30 June 2015. HSU NSW Branch billed the Health Services Union NSW for the reimbursement of those capitation fees and levies of \$693,350 (2014: \$639,618) for the period ended 30 June 2015.

During the period, HSU National charged Health Service Union NSW \$2,709 (2014: \$7,170) for National executive expenses.

Notes to the Financial Statements

For the Year Ended 30 June 2015

24 Related Party Transactions (continued)

(a) Health Services Union NSW (continued)

During the period, the Health Services Union NSW reimbursed HSU Victoria No 1 Branch, HSU Victoria No 3 Branch, Health Services Union QLD Branch and Health Services Union NSW Branch for \$2,157 (2014: \$23,502), \$1,238 (2014: \$3,710), \$2,460 (2014: \$29,203) and \$925 (2014: \$3,196) respectively. This was due to membership contributions belonging to the respective branches being received by the Health Services Union NSW.

In June 2015, the Health Services Union NSW transferred \$100,000 to the HSU NSW Branch to fund a loan to HSU National. This amount remains outstanding at 30 June 2015 and is due to be repaid by 1 June 2016.

(b) Officers of the Union

The aggregate amount of remuneration paid to Officers during the period is disclosed in Key Management Personnel Compensation.

There have been no other transactions between the Officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. For details of disclosures relating to key management personnel, refer to Note 20: Interests of Key Management Personnel.

25 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:

	2015	2014
	\$	\$
Surplus for the year	3,591,343	3,224,639
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,102,440	1,254,599
- net gain on disposal of property, plant and equipment	(2,645,580)	(2,447,105)
- write down of held-to-maturity assets	-	1,915
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(585,125)	514,462
- (increase)/decrease in other assets	(240,346)	63,141
- increase/(decrease) in trade and other payables	(360,795)	(178,899)
- increase/(decrease) in interest rate swap	(113,160)	(121,633)
- increase/(decrease) in employee benefits	(97,952)	285,013
Cashflow from operating activities	<u>650,825</u>	<u>2,596,132</u>

26 Events after the end of the Reporting Period

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

Health Services Union NSW

ABN: 85 037 751 682

Notes to the Financial Statements

For the Year Ended 30 June 2015

27 Union Details

The registered office and principal place of business of the Union is:

Health Services Union NSW

Level 2

109 Pitt Street

SYDNEY NSW 2000