

Health Services Union NSW Branch

ABN: 93 728 534 595

Financial Statements

For the Year Ended 30 June 2014

Health Services Union NSW Branch

ABN: 93 728 534 595

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Operating Report

For the Year Ended 30 June 2014

The committee presents its report on Health Services Union NSW Branch for the financial year ended 30 June 2014.

1. General information

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

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

Significant changes in financial affairs

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

(a) Right of members to resign

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

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

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

(c) Number of members

The number of persons that were at the end of the year recorded in the register of members of Section 230 of Fair Work (Registered Organisations) Act 2009 and who were taken to be members of the registered organisation under Section 244 of the Fair Work (Registered Organisations) Act 2009 was 31,335 (2013: 29,545).

(d) Number of employees

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

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

The following is a list of the elected officers of the Health Services Union NSW Branch for the year 30 June 2014:

Branch President	Mark Sterrey
Branch Senior Vice President	Margaret Pike
Branch Junior Vice President	Leanne Burns
Branch Secretary	Gerard Hayes
Branch Assistant Secretary - Treasurer	Andrew Lillicrap
Branch Committee Member	Warren Boon
Branch Committee Member	Bruce Cornwell
Branch Committee Member	Amanda Dowsley
Branch Committee Member and Branch Councillor	Sharalyn Haynes

Operating Report

For the Year Ended 30 June 2014

1. General information continued

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

Branch Committee Member and Branch Councillor	Genevieve Partridge
Audit and Compliance Committee Member and Branch Councillor	Steven Fraser
Audit and Compliance Committee Member and Branch Councillor	Linden Martin
Audit and Compliance Committee Member and Branch Councillor	Patricia Reid
Audit and Compliance Committee Member and Branch Councillor	Alan Wilcock
Branch Council Member	Leigh Bush (appointed 25 March 2014)
Branch Council Member	Joan Catlin (appointed 25 March 2014)
Branch Council Member	Claire Charles
Branch Council Member	John Chester
Branch Council Member	Raymond Dunn
Branch Council Member	Suzanne Davis
Branch Council Member	Barry Harris (resigned 11 February 2014)
Branch Council Member	Ronald Henderson
Branch Council Member	Kevin Hicks (resigned 15 November 2013)
Branch Council Member	John Holgate
Branch Council Member	Peter Iffland
Branch Council Member	Sharon Joseph
Branch Council Member	Colin Lee
Branch Council Member	Wayne Lloyd
Branch Council Member	Peter Mitchell
Branch Council Member	Deborah Neumann
Branch Council Member	Shirley O' Reilly
Branch Council Member	Gillian Reilly
Branch Council Member	Leanne Snow
Branch Council Member	Darriea Turley
Branch Council Member	Lindy Twyford

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

Name of officer	Name of the company or board	Position held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by peak council
Mark Sterrey	Health Services Union NSW	President	The Health Services Union is an organisation registered under the NSW Industrial Relations Act 1996 whose purpose is to protect and advance the interests of union members by lawful means. (Note 1)	No

Operating Report

For the Year Ended 30 June 2014

1. General information continued

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

Name of officer	Name of the company or board	Position held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by peak council
Mark Sterrey	Sydney Local Health District Leisure and Fitness Club	Chair & Trustee Honorary Position	Staff gymnasium & fitness facility including social club activities.	No
Margaret Pike	Health Services Union NSW	Senior Vice President	See Note 1.	No
Leanne Burns	Health Services Union NSW	Junior Vice President	See Note 1.	No
	SRACA NSW (Inc)	Treasurer	Sterilising Advisory Committee of people working the industry.	No
Gerard Hayes	Unions NSW Executive Committee	Executive Committee Member	The Unions NSW executive is the committee that reflects the peak body and contributes to forming the agenda for Unions NSW activity and processes.	Yes
	Health Services Union NSW	Secretary	See Note 1.	No
	Our HSU Incorporated Association	President	Our HSU Inc. Is an incorporated association whose objects include furthering the interests of health workers and the election of offices of the Health Services Union NSW and HSU New South Wales Branch (Note 2).	No
Andrew Lillicrap	Health Services Union NSW	Assistant Secretary / Treasurer	See Note 1.	No
	Our HSU Incorporated Association	Vice President	See Note 2.	No
Warren Boon	Health Services Union NSW	Ordinary member of Union Committee	See Note 1.	No

Operating Report

For the Year Ended 30 June 2014

1. General information continued

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

Name of officer	Name of the company or board	Position held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by peak council
Warren Boon	Greater Macarthur Community Unions	A member of executive Organising Committee, undertaking the duties of Co-Convenor.	GMCU is a local Macarthur group consisting of local residents and workers. GMCU seeks to give a voice to the community on the future of their community and on issues affecting their area.	
Bruce Cornwell	Health Services Union NSW	Ordinary member of Union Committee	See Note 1.	No
Amanda Dowsley	Health Services Union NSW	Ordinary member of Union Committee	See Note 1.	No
Sharalyn Haynes	Health Services Union NSW	Ordinary member of Union Committee	See Note 1.	No
Genevieve Partridge	Health Services Union NSW	Ordinary member of Union Committee	See Note 1.	No
Steven Fraser	Health Services Union NSW	Member of Audit and Finance Committee	See Note 1.	No
Linden Martin	Health Services Union NSW	Member of Audit and Finance Committee	See Note 1.	No
Patricia Reid	Health Services Union NSW	Member of Audit and Finance Committee	See Note 1.	No
Alan Wilcock	Health Services Union NSW	Member of Audit and Finance Committee	See Note 1.	No
Leigh Bush (appointed 25 March 2014)	Health Services Union NSW	Member of Union Council	See Note 1.	No
	Pentland Farming	Director	Farming.	No
	LN Blackwell Superfund	Director	Super fund.	No
Joan Catlin (appointed 25 March 2014)	Health Services Union NSW	Member of Union Council	See Note 1.	No
Claire Charles	Health Services Union NSW	Member of Union Council	See Note 1.	No

Operating Report

For the Year Ended 30 June 2014

1. General information continued

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

Name of officer	Name of the company or board	Position held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by peak council
Claire Charles	Complaints Committee Newcastle Greens	Committee member	Complaints committee member Newcastle Greens, investigate any complaints against Newcastle Greens Members and report back to local group on findings and appropriate action where necessary.	No
John Chester	Health Services Union NSW	Member of Union Council	See Note 1.	No
Raymond Dunn	Health Services Union NSW	Member of Union Council	See Note 1.	No
Suzanne Davis	Health Services Union NSW	Member of Union Council	See Note 1.	No
Barry Harris (resigned 11 February 2014)	Health Services Union NSW	Member of Union Council	See Note 1.	No
Ronald Henderson	Health Services Union NSW	Member of Union Council	See Note 1.	No
Kevin Hicks (resigned 15 November 2014)	Health Services Union NSW	Member of Union Council	See Note 1.	No
John Holgate	Health Services Union NSW	Member of Union Council	See Note 1.	No
Peter Iffland	Health Services Union NSW	Member of Union Council	See Note 1.	No
Sharon Joseph	Health Services Union NSW	Member of Union Council	See Note 1.	No
Colin Lee	Health Services Union NSW	Member of Union Council	See Note 1.	No
Wayne Lloyd	Health Services Union NSW	Member of Union Council	See Note 1.	No
Peter Mitchell	Health Services Union NSW	Member of Union Council	See Note 1.	No
Deborah Neumann	Health Services Union NSW	Member of Union Council	See Note 1.	No

Operating Report

For the Year Ended 30 June 2014

1. General information continued

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

Name of officer	Name of the company or board	Position held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by peak council
Deborah Neumann	Australian Kelpie Club of NSW Inc.	President	Takes care of the breed.	No
	Chinese Crested Club of NSW	Vice President	To step in and assist the President when required.	No
	Cattle, Kelpie, Border Collie & German Shepherd Dog Club of NSW Inc.	Show Secretary	Organise the running of the breed shows twice a year.	No
	Correct Planning & Consolation – Mayfield (CPCFM) Community Group	Secretary	CPCFM attending meeting with industry and government agents, local, state and fed members, write minutes, respond to correspondence, writing submission on behalf of the group, doing media.	No
Shirley O'Riley	Health Services Union NSW	Member of Union Council	See Note 1.	No
Gillian Reilly	Health Services Union NSW	Member of Union Council	See Note 1.	No
Leanne Snow	Health Services Union NSW	Member of Union Council	See Note 1.	No
Darriea Turley	Health Services Union NSW	Member of Union Council	See Note 1.	No
Lindy Twyford	Health Services Union NSW	Member of Union Council	See Note 1.	No

Name of employee	Name of the company or board	Position held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by peak council
Adam Hall	Our HSU Incorporated Association	Treasurer	See Note 2.	No

Operating Report

For the Year Ended 30 June 2014

1. General information continued

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

Name of employee	Name of the company or board	Position held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by peak council
Andrew Gorman	Our HSU Incorporated Association	Committee Member	See Note 2.	No
Angela McDonald	Strata Plan 83565	Treasurer	Involved in the maintenance and future direction of the building	No
Ben Chapman	Our HSU Incorporated Association	Committee Member	See Note 2.	No
	Australian Labor Party	Branch President (Stanmore Camperdown Branch)	Political party.	No
Brendan Roberts	Our HSU Incorporated Association	Committee Member	See Note 2.	No
David Lipman	Body Corporate – 109 Pitt Street Sydney NSW 2000	Secretary	Involved in the maintenance and future direction of the building	Yes
	Body Corporate – 370 Pitt Street Sydney NSW 2000	Chairperson	Involved in the maintenance and future direction of the building	Yes
	Community Services & Health ITAB	Executive Committee Member	Building quality VET and industry partnerships for Workforce Development	Yes
Fran Johnston	Our HSU Incorporated Association	Committee Member	See Note 2.	No
Glenn Tyrrell	Heter Pty Ltd	Owner/Managing Director	Medical careers advice – not operating	No
Jodie Cowdrey	Our HSU Incorporated Association	Secretary	See Note 2.	No
	Saving Staffies Inc.	President	Rescuing Dogs from the pounds.	No

Health Services Union NSW Branch

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Operating Report

For the Year Ended 30 June 2014

Name of employee	Name of the company or board	Position held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by peak council
Jonathan Milman	Health Services Union QLD Branch	Secretary	Trade Union	No
Joshua Howarth	Make A Wish Foundation	Vice President Goulburn Branch	Fundraising events	No
Michael Kearns	Our HSU Incorporated Association	Committee Member	See Note 2.	No
	Bonny Hills-Lake Cathie Cricket Club	Board Member	To oversee the management and progression for the benefit of the cricket club and its members	No
Randall Millington	Our HSU Incorporated Association	Public Officer	See Note 2.	No
Stuart Miller	S&J Distribution Pty Ltd	Director	Not operating.	No
Tim Thorburn	Our HSU Incorporated Association	Committee Member	See Note 2.	No
Zelda Giblett	Our HSU Incorporated Association	Committee member	See Note 2.	No

Designated officer:



Andrew Lillicrap

Branch Assistant Secretary - Treasurer

Dated 5/9/14

Health Services Union NSW Branch

Committee of Management Statement

On the 25th of August 2014 the Branch Council of Health Services Union NSW Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2014:

The Branch Council declares that in its opinion:

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

Signature of designated officer:

Andrew Lillcrap

Name and title of designated officer:

Andrew Lillcrap - Assistant Secretary/Treasurer

Dated:

5th September 2014

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

Report on the Financial Report

We have audited the accompanying financial report of Health Services Union NSW Branch, which comprises the statement of financial position as at 30 June 2014, the recovery of wages activity and statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2014, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

The Council, Secretary and Assistant Secretary of the Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Council, Secretary and Assistant Secretary determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independence

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

Sydney Office

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

Opinion

In our opinion:

- (a) the financial report of Health Services Union NSW Branch is in accordance with the Fair Work (Registered Organisations) Act 2009, including:
 - (i) giving a true and fair view of the Union's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards; and
- (b) the use of the going concern assumption in relation to the preparation of the Financial Report is appropriate.



Robert Mayberry

Partner

Registered Company Auditor 185903

Fellow of the Institute of Chartered Accountants in Australia 20369

Holder of a current Certificate of Public Practice



Nexia Court & Co

Chartered Accountants

Sydney

29 October 2014

Statement of Profit and Loss and Other Comprehensive Income

For the Year Ended 30 June 2014

		2014	22 August 2012 to 30 June 2013
	Note	\$	\$
Membership subscription		211,007	182,533
Capitation fees	3(a)	-	-
Levies	3(b)	-	-
Interest	3(c)	36	137
Donations/grants	3(d)	-	-
Dividends		819	58
Total revenue		211,862	182,728
Employee expenses	4(a)	-	-
Capitation fees	4(b)	(10,374)	(7,535)
Affiliation fees	4(c)	(1,924)	(2,356)
Administration expenses	4(d)	(8,050)	(21,879)
Rent and outgoings		(17,527)	(14,061)
Service Fees		(152,500)	(85,000)
Other expenses	4(g)	-	(22,535)
Audit fees	10	(12,500)	(16,500)
Finance costs	4(h)	(8,481)	(5,665)
Profit for the year		506	7,197
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the period		506	7,197

Health Services Union NSW Branch

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Statement of Financial Position**As at 30 June 2014**

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	5,920	24,614
Trade and other receivables	6	20,750	4,482
TOTAL CURRENT ASSETS		26,670	29,096
NON-CURRENT ASSETS			
Financial assets	7	-	711
TOTAL NON-CURRENT ASSETS		-	711
TOTAL ASSETS		26,670	29,807
LIABILITIES			
CURRENT LIABILITIES			
Other payables	8	15,467	19,110
TOTAL CURRENT LIABILITIES		15,467	19,110
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		15,467	19,110
NET ASSETS		11,203	10,697
EQUITY			
Retained earnings	11	11,203	10,697
TOTAL EQUITY		11,203	10,697

The accompanying notes form part of these financial statements.

Health Services Union NSW Branch

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Statement of Changes in Equity For the Year Ended 30 June 2014

2014

	Retained Earnings	Total Retained Earnings
	\$	\$
Balance at 30 June 2013	10,697	10,697
Profit for the period	506	506
Balance at 30 June 2014	11,203	11,203

2013

	Retained Earnings	Total Retained Earnings
	\$	\$
Balance at 30 June 2013	-	-
Profit for the period	7,197	7,197
Distribution from demerger	3,500	3,500
Balance at 30 June 2013	10,697	10,697

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2014

		2014	22 August 2012 to 30 June 2013
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		214,213	195,856
Payments to suppliers and employees		(46,120)	(67,481)
Interest received		855	195
Interest paid		(8,481)	(5,667)
Receipt from other reporting units	12(c)	-	-
Payments to other reporting units	12(d)	(179,161)	(101,789)
Net cash provided by (used in) operating activities	12	<u>(18,694)</u>	<u>21,114</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase in cash and cash equivalents held		(18,694)	21,114
Cash and cash equivalents at beginning of year		<u>24,614</u>	<u>3,500</u>
Cash and cash equivalents at end of financial year	5	<u><u>5,920</u></u>	<u><u>24,614</u></u>

Recovery of Wages Activity

For the Year Ended 30 June 2014

	2014 \$	22 August 2012 to 30 June 2013 \$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2014

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

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

1 Summary of Significant Accounting Policies

(a) Basis of preparation of the Financial Statements

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

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

(b) Financial period and financial comparatives

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

(c) Cash and cash equivalents

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

(d) Capitation fees and levies

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

(i) Revenue and other income

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

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

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

Donation income is recognised when it is received.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(i) Revenue and other income continued

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

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

(e) Financial instruments

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

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

Financial assets

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

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

Financial assets at fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

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

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

Held-to-maturity investments

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

Available-for-sale financial assets

Listed shares and listed redeemable notes held by the Union that are traded in an active market are classified as available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

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

Loans and receivables

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

Effective interest method

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

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

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

Impairment of financial assets

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

Derecognition of financial assets

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

Financial liabilities

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

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

(f) Income tax

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

(g) Goods and Services Tax (GST)

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

Receivables and payable are stated inclusive of GST.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(g) Goods and Services Tax (GST) continued

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

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

(h) Adoption of new and revised accounting standards

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

(i) New accounting standards and interpretations

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

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	30 June 2015	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place..
AASB 2013-3	30 June 2015	Amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	The impact of this standard is expected to be minimal.

Notes to the Financial Statements

For the Year Ended 30 June 2014

2 Events Occurring After the Reporting Date

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

3 Income

(a) Capitation fees

	2014	22 August 2012 to 30 June 2013
	\$	\$
Capitation fees	-	-
Total capitation fees	-	-

(b) Levies

Levies	-	-
Total levies	-	-

(c) Interest

Deposits	36	137
Total interest	36	137

(d) Grants or donations

Grants	-	-
Donations	-	-
Total grants or donations	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2014

4 Expenses

(a) Employee expenses

Holders of office

	2014	22 August 2012 to 30 June 2013
	\$	\$
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	-	-

Employees other than office holders:

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	-	-

(b) Capitation fees

Health Services Union National Office	10,374	7,535
Total capitation fees	10,374	7,535

(c) Affiliation fees

Affiliation fees - Unions ACT	1,924	2,356
Total affiliation fees	1,924	2,356

Notes to the Financial Statements

For the Year Ended 30 June 2014

4 Expenses continued

(d) Administration expenses

	2014	22 August 2012 to 30 June 2013
	\$	\$
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meetings and conferences	-	-
Conference and meeting expenses	-	-
Printing and Stationery	250	-
Consultants, bookkeeping and labour hire	-	6,190
Other	7,800	15,689
Total administration expenses	8,050	21,879

(e) Grants or donations

Grants	-	-
Donations	-	-
Total grants or donations	-	-

(f) Legal costs

Litigation	-	-
Other legal matters	-	-
Total legal costs	-	-

(g) Other expenses

Penalties - via RO Act or RO Regulations	-	-
Fringe benefits tax	-	22,535
Total other expenses	-	22,535

(h) Finance costs

Bank charges	8,481	5,665
Total	8,481	5,665

Notes to the Financial Statements

For the Year Ended 30 June 2014

5 Cash and cash equivalents

CURRENT

	2014	2013
	\$	\$
Cash at bank	5,920	24,614
Total cash and cash equivalents	5,920	24,614

6 Trade and other receivables

CURRENT

Receivables from other reporting units

Receivable from other reporting units - Health Services Union NSW

Total receivables from other reporting units

20,750	-
20,750	-

Less provision for doubtful debts

Provision for doubtful debts

Total provision for doubtful debts

-	-
-	-

Other receivables

Other trade receivables

Total trade and other receivables

-	4,482
-	4,482
20,750	4,482

7 Other financial assets

NON-CURRENT

IAG shares - at cost

Total financial assets

-	711
-	711

Notes to the Financial Statements

For the Year Ended 30 June 2014

8 Other payables

CURRENT

	2014 \$	2013 \$
Payable to other reporting units		
Payable to other reporting units	-	-
Sub total payables to other reporting units	-	-
Other payables		
Accrued expenses	12,500	15,323
GST payable	2,967	3,787
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Total other payables	15,467	19,110

All items are expected to be settled within the next 12 months.

9 Provisions

(a) Employee Provisions

(i) Office Holders

Annual leave	-	-
Long Service leave	-	-
Separation and redundancies	-	-
Other	-	-
Subtotal employee provisions - office holders	-	-

(ii) Employees other than office holders

Annual leave	-	-
Long Service leave	-	-
Separation and redundancies	-	-
Other	-	-
Subtotal employee provisions - employees other than office holders	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2014

10 Remuneration of Auditors

	2014 \$	2013 \$
Value of the service provided		
Financial statement audit services	12,500	16,500
Total remuneration of auditors	12,500	16,500

11 Retained earnings

Balance at the start of the year	10,697	-
Surplus for the period	506	7,197
Distribution from demerger	-	3,500
Retained earnings at end of the financial year	11,203	10,697

12 Cash Flow Information

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

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

Profit for the period	506	7,197
- other non-cash items	711	-
Changes in assets and liabilities:		
Increase in trade and other receivables	(16,268)	(4,482)
Increase in other payables	(3,643)	18,399
Cashflow from operations	(18,694)	21,114

(b) Reconciliation of cash

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

Cash and cash equivalents	5,920	24,614
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(c) Cash inflows

Cash inflows from reporting units	-	-
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(d) Cash outflows

HSU National (inc GST)	11,411	8,289
Health Services Union NSW (inc GST)	167,750	93,500
Total	179,161	101,789

Notes to the Financial Statements

For the Year Ended 30 June 2014

13 Related Parties

(a) Key management personnel

The elected officers of the Health Services Union NSW Branch are detailed on page 2 of this report. These are the key management personnel who are, directly or indirectly, responsible for planning, directing and controlling the activities of the entity.

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

(b) Transactions with related parties

- HSU NSW charged HSU NSW Branch a service fee of \$152,500 (2013: \$85,000) during the year. HSU NSW also reimbursed HSU NSW Branch for \$3,196 (2013: \$Nil) during the period for membership contributions received into the HSU NSW bank account.

- HSU National charged HSU NSW Branch capitation fees of \$10,374 (2013: \$7,535) during the period. Capitation fees and levies charged by HSU National to the HSU NSW Branch were \$649,992 (2013: \$344,700), of which \$10,374 (2013: \$7,535) related to the HSU NSW Branch during the year ended 30 June 2014. HSU NSW Branch billed the Health Services Union NSW for the reimbursement of those capitation fees and levies of \$639,618 (2013: \$337,165) for the year ended 30 June 2014.

- HSU NSW Branch reimbursed HSU Vic 1 Branch an amount of \$75,520 (2013: \$272,931) during the period for membership contributions received into the NSW Branch bank account.

- HSU NSW Branch reimbursed HSU Vic 3 Branch an amount of \$169 (2013: \$6,190) during the period for membership contributions received into the NSW Branch bank account.

- HSU NSW Branch reimbursed HSU QLD Branch an amount of \$6,315 (2013: \$Nil) during the period for membership contributions received into the NSW Branch bank account.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2014, the Health Services Union NSW Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

14 Financial Risk Management

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2014

14 Financial Risk Management continued

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

	2014	2013
	\$	\$
Financial Assets		
Cash and cash equivalents	5,920	24,614
Other receivables	20,750	4,482
Available-for-sale financial assets:		
- at fair value		
- listed investments	-	711
Total available-for-sale financial assets	-	711
Total financial assets	26,670	29,807
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	15,467	19,110
Total financial liabilities	15,467	19,110

Financial risk management policies

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

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

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

Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Health Services Union NSW Branch and arises principally from Health Services Union NSW Branch's receivables.

Notes to the Financial Statements

For the Year Ended 30 June 2014

14 Financial Risk Management continued

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

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets - cash flows realisable												
Cash and cash equivalents	0.05	0.05	5,920	24,614	-	-	-	-	-	-	5,920	24,614
Trade, term and loans receivables	-	-	-	-	20,750	4,482	-	-	-	-	20,750	4,482
Held-to-maturity investments	-	-	-	-	-	711	-	-	-	-	-	711
Total anticipated inflows			5,920	24,614	20,750	5,193	-	-	-	-	26,670	29,807

Notes to the Financial Statements

For the Year Ended 30 June 2014

14 Financial Risk Management continued

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

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

Financial liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave)	15,467	19,110	-	-	-	-	15,467	19,110
Total contractual outflows	15,467	19,110	-	-	-	-	15,467	19,110

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

(b) Interest rate risk

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

Notes to the Financial Statements

For the Year Ended 30 June 2014

14 Financial Risk Management continued

Liquidity risk

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

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

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

15 Fair Value Measurement

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

16 Administration of financial affairs by a third party

Health Services Union NSW provides a service to Health Services Union NSW Branch whereby employees of HSU NSW are utilised by HSU NSW Branch to assist with the completion of work including the provision of financial, industrial and membership support services. In consideration for the services provided, HSU NSW charges HSU NSW Branch a service fee for the expected time cost of the employees used to complete the work. This is represented by the \$152,500 (2013: \$85,000) charged as disclosed in Note 13 above. The terms and conditions are equivalent to those that prevail in arm's length transactions. Any revenues or expenses incurred by Health Services Union NSW have been disclosed in Note 13.

Notes to the Financial Statements

For the Year Ended 30 June 2014

17 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the General Manager of Fair Work Australia:

(i) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(ii) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(iii) A reporting unit must comply with an application made under subsection (i).

18 Union Details

The registered office of the company is:

Health Services Union NSW Branch

Level 2, 109 Pitt Street

SYDNEY

NSW 2000