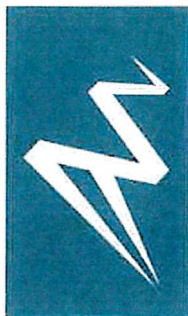


**HEALTH SERVICES UNION OF WA  
(UNION OF WORKERS)**

**SPECIAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 SEPTEMBER 2017**



**Anderson Munro & Wyllie**

CHARTERED ACCOUNTANTS

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HEALTH SERVICES UNION OF WA (UNION OF WORKERS)

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**HEALTH SERVICES UNION OF WA (UNION OF WORKERS)**

**STATEMENT BY THE COMMITTEE  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

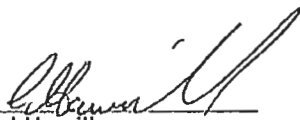
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The Committee has determined that Health Services Union of WA (Union of Workers) (the "Union") is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee, the financial report as set out on the following pages:

1. Presents a true and fair view of the financial position of the Union as at 30 September 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the Union will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for on behalf of the Committee by:-

  
\_\_\_\_\_  
Cheryl Hamill  
President

  
\_\_\_\_\_  
Daniel Hill  
Secretary

Dated this 6<sup>th</sup> day of November 2017

Perth, WA

**HEALTH SERVICES UNION OF WA (UNION OF WORKERS)****INCOME STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Subscriptions from Members - HSU	2,974,997	2,988,829
Director Fees	-	15,246
Interest	8,093	10,052
Gain on Sale of Equipment	1,369	-
HESTA Sponsorship	4,545	-
<b>TOTAL INCOME</b>	<b><u>2,989,004</u></b>	<b><u>3,014,127</u></b>
<b>EXPENDITURE</b>		
<b>ADMINISTRATION</b>		
Computer Maintenance Fees	28,066	34,532
General Postage	9,837	8,397
Equipment Purchases and Repairs	1,386	220
Stationery and Office Supplies	32,589	39,750
Telephone and Electricity	31,787	32,641
Leasing Charges	33,266	29,794
Other Administrative Costs	3,821	4,682
Audit Fees	7,508	7,512
	<u>148,260</u>	<u>157,528</u>
<b>DEPRECIATION</b>		
Plant and Equipment	236,546	233,609
	<u>236,546</u>	<u>233,609</u>
<b>FINANCE</b>		
Banking Taxes, Fees and Sundries	39,745	39,608
ME Loan	6,515	13,097
	<u>46,260</u>	<u>52,705</u>
Transfers to Health Services Union of Australia WA Branch	176,908	145,863
	<u>176,908</u>	<u>145,863</u>
<b>INDUSTRIAL</b>		
Affiliation - TLC	32,917	32,602
Industrial Campaigns and Research	91,394	70,017
Industrial Conventions and Seminars	2,157	695
Legal Opinions and Fees	3,347	3,686
Transcripts, Filing, Advertising and Sundries	-	(131)
	<u>129,815</u>	<u>106,869</u>

The accompanying notes form part of this financial report.

**HEALTH SERVICES UNION OF WA (UNION OF WORKERS)****INCOME STATEMENT****FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>MEMBERS AND COMMITTEE</b>		
Bereavement Fund Payments	25,000	25,000
Committee Expenses and Honoraria	6,013	10,194
Committee and Staff Insurance	11,944	11,400
Delegates Conferences and Job Reps Training	8,293	8,554
Meeting of Members, Committees and Sub Committee	1,452	2,492
Members Insurance	127,300	136,034
Membership Promotions and Sponsorships	16,314	2,192
Other	635	-
	<hr/> 196,951	<hr/> 195,866
<b>OCCUPANCY OF COOLGARDIE TERRACE</b>		
Cleaning and Maintenance	9,307	8,276
Rates, Taxes and Insurance	12,268	11,847
Other	250	-
	<hr/> 21,825	<hr/> 20,123
<b>PRINTING AND PUBLICATION</b>		
Feedback Newsflash and Information Sheets	1,999	12,633
Membership Card and Other	6,632	8,190
	<hr/> 8,631	<hr/> 20,823
<b>STAFF</b>		
Wages and Salaries	1,590,704	1,485,760
Superannuation	311,877	307,404
Insurance, Amenities, Training Courses and Other Expenses	38,637	22,168
Long Service Leave and Annual Leave Provisions	16,752	79,953
Payroll Tax	69,922	64,544
	<hr/> 2,027,892	<hr/> 1,959,829
<b>TRAVELLING</b>		
Country and Other	43,354	24,855
Vehicle Expenses and Allowance	23,162	21,349
Vehicle Lease	51,276	42,515
Fringe Benefit Tax	18,103	18,072
	<hr/> 135,895	<hr/> 106,791
<b>TOTAL OPERATING EXPENSES</b>	<hr/> <b>3,128,983</b>	<hr/> <b>3,000,006</b>
<b>NET (DEFICIT)/ SURPLUS FOR THE YEAR</b>	<hr/> <b>(139,979)</b>	<hr/> <b>14,121</b>

The accompanying notes form part of this financial report.

HEALTH SERVICES UNION OF WA (UNION OF WORKERS)

BALANCE SHEET  
AS AT 30 SEPTEMBER 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	751,906	919,789
Trade and Other Receivables		40,527	42,401
Prepayments		50,481	35,725
<b>Total Current Assets</b>		<u>842,914</u>	<u>997,915</u>
<b>Non-Current Assets</b>			
Freehold Property at Valuation - 8 Coolgardie Tce	4	1,180,000	1,180,000
Plant, Equipment and Office Fit Out	4	539,770	774,020
<b>Total Non-Current Assets</b>		<u>1,719,770</u>	<u>1,954,020</u>
<b>Total Assets</b>		<u>2,562,684</u>	<u>2,951,935</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	5	188,512	197,898
Provision for Employee Benefits	6	772,250	716,879
<b>Total Current Liabilities</b>		<u>960,762</u>	<u>914,777</u>
<b>Non Current Liabilities</b>			
Loan Members Equity		39,538	296,177
Provision for Employee Benefits	6	24,038	62,656
<b>Total Non Current Liabilities</b>		<u>63,576</u>	<u>358,833</u>
<b>Total Liabilities</b>		<u>1,024,338</u>	<u>1,273,610</u>
<b>Net Assets</b>		<u>1,538,346</u>	<u>1,678,325</u>
<b>EQUITY</b>			
Retained Earnings		728,346	868,325
Revaluation Reserve		810,000	810,000
<b>Total Equity</b>		<u>1,538,346</u>	<u>1,678,325</u>

The accompanying notes form part of this financial report.

**HEALTH SERVICES UNION OF WA (UNION OF WORKERS)**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 30 SEPTEMBER 2017**

	<b>Revaluation Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 October 2015</b>	810,000	854,204	1,664,204
Net Surplus for the year	-	14,121	14,121
<b>Balance at 30 September 2016</b>	<u>810,000</u>	<u>868,325</u>	<u>1,678,325</u>
Net Deficit for the year	-	(139,979)	(139,979)
<b>Balance at 30 September 2017</b>	<u>810,000</u>	<u>728,346</u>	<u>1,538,346</u>

The accompanying notes form part of this financial report.

HEALTH SERVICES UNION OF WA (UNION OF WORKERS)

STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		2,981,417	2,992,450
Payments to Suppliers and Employees		(2,899,827)	(2,665,967)
Interest Received		8,093	10,052
<b>Net Cash Provided by Operating Activities</b>	<b>7</b>	<u>89,683</u>	<u>336,535</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Plant and Equipment		11,414	-
Purchase of Plant and Equipment		(12,341)	(57,068)
<b>Net Cash Used in Investing Activities</b>		<u>(927)</u>	<u>(57,068)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Loans		(256,639)	(4,903)
<b>Net Cash Used in Financing Activities</b>		<u>(256,639)</u>	<u>(4,903)</u>
<b>NET (DECREASE)/ INCREASE IN CASH HELD</b>		(167,883)	274,564
Cash at Beginning of Financial Year		919,789	645,225
<b>Cash at End of Financial Year</b>	<b>3</b>	<u>751,906</u>	<u>919,789</u>

The accompanying notes form part of these financial statements.



## HEALTH SERVICES UNION OF WA (UNION OF WORKERS)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

#### **Note 1. Summary of Significant Accounting Policies**

This special purpose financial report has been prepared for distribution to the members to fulfill the Committee's financial reporting requirements under the Union's constitution. The accounting policies used in the preparation of this report, as described below, are consistent with the financial reporting requirements of the Union's constitution and with previous years and are, in the opinion of the Committee, appropriate to meet the needs of members.

#### **Special Purpose Financial Report**

The Union is not a reporting entity because in the Committee's opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy all of their information needs. This is therefore a special purpose financial report that has been prepared for the use of members.

The report has been prepared in accordance with the following Australian Accounting Standards:

AASB 107: Statement of Cash flows  
AASB 110: Events after the Balance Sheet Date

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

#### **Basis of Accounting**

The financial statements have been prepared on an accruals basis and in accordance with the historical cost convention and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

#### **(a) Income Tax**

The Union is tax exempt under Division 50 of the *Income Tax Assessment Act of 1997*.

#### **(b) Property, Plant and Equipment**

Property, plant, and equipment are bought to account at cost or at the committee's valuation less, where applicable, any accumulated depreciation. The carrying amount of property, plant, and equipment is reviewed by the committee to ensure it is not in excess of the recoverable amount from those assets.

Office fit out costs are capitalised and depreciated over 5 years.

#### **(c) Depreciation**

The depreciable amount of all classes fixed assets other than building are depreciated on a diminishing value basis over the useful lives to the Union commencing from the time the asset is held ready for use.

## HEALTH SERVICES UNION OF WA (UNION OF WORKERS)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### (d) Employee Entitlements

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees up to balance date. These entitlements include wages and salaries, annual leave, and long service leave. Employee entitlements 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. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Union to an approved employee superannuation fund and are recorded as expenses when paid.

##### (e) Good and Service Tax

Revenues, expenses and assets are recognized net of good and services tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognized as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable or payable is included as a current asset or liability in the statement of financial position.

##### (f) Comparatives

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

##### (g) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Union are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

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

#### Note 2. Capital Commitment

The Union has no capital commitments at balance date.

HEALTH SERVICES UNION OF WA (UNION OF WORKERS)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	2017 \$	2016 \$
<b>Note 3. Cash and Cash Equivalent</b>		
HSU Operating Account	5,518	2,846
HSU Savings Account	339,333	485,841
HSU Members Equity Account	406,555	430,602
Petty Cash	500	500
	<u>751,906</u>	<u>919,789</u>

**Note 4. Property, Plant and Equipment**

Freehold Property at Valuation - 8 Coolgardie Tce	<u>1,180,000</u>	<u>1,180,000</u>
Property Improvement at Cost	972,061	972,061
Less: Accumulated Depreciation	<u>(566,682)</u>	<u>(372,270)</u>
	405,379	599,791
Fitting and Office Machinery at Cost	339,144	329,897
Less: Accumulated Depreciation	<u>(212,532)</u>	<u>(175,116)</u>
	126,612	154,781
Motor Vehicles at Cost	22,250	44,500
Less: Accumulated Depreciation	<u>(14,471)</u>	<u>(25,052)</u>
	7,779	19,448
Plant, Equipment and Office Fit Out	<u>539,770</u>	<u>774,020</u>
Total Property, Plant and Equipment	<u>1,719,770</u>	<u>1,954,020</u>

**Note 5. Trade and Other Payables**

Trade Creditors	117,947	129,511
Accrued Wages	32,788	29,533
Superannuation Payable	24,307	25,032
GST Payable	13,470	13,822
	<u>188,512</u>	<u>197,898</u>

**Note 6. Provision for Employee Benefits**

<b>Current</b>		
Provision for Annual Leave	283,817	286,861
Provision for Long Service Leave	488,433	430,018
	<u>772,250</u>	<u>716,879</u>
<b>Non-Current</b>		
Provision for Long Service Leave	<u>24,038</u>	<u>62,656</u>
	<u>796,288</u>	<u>779,535</u>

**HEALTH SERVICES UNION OF WA (UNION OF WORKERS)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	2017 \$	2016 \$
<b>Note 7. Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Net Profit for the year</b>		
Net (Deficit)/ Surplus for The Year	(139,979)	14,121
Non-cash flows in profit:		
Depreciation	236,546	233,609
Net Gain on Asset Disposal	(1,369)	-
Changes in assets and liabilities:		
(Increase)/Decrease in Trade and Other Receivables	1,874	(11,625)
(Increase)/Decrease in Prepayments	(14,756)	(3,055)
Increase/(Decrease) in Trade and Other Payables	(9,386)	23,532
Increase/(Decrease) in Provisions for Employee Entitlements	16,753	79,953
<b>Net Cash Provided by Operating Activities</b>	<u>89,683</u>	<u>336,535</u>



## Anderson Munro & Wyllie

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTH SERVICES UNION WA (UNION OF WORKERS)

#### Report on the Audit of the Financial Report

##### Opinion

I have audited the financial report of Health Services Union of WA (Union of workers) ("Union") which comprises the balance sheet as at 30 September 2017, the income statement, the statement of changes in equity, the cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies; and the statement by committee.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Health Services Union WA (Union of Workers) as at 30 September 2017, and its financial performance and its cash flows for the year ended on that date in accordance with accounting policies described in Note 1 to the financial report, including:

- a) The Union has kept accounting records in a form that have enabled an informed opinion to be expressed
- b) All the information, records, documents and explanations that, under Section 65A of the Industrial Relations Act 1979, I required officers of the Union to furnish, were furnished.
- c) No official of the Union has contravened or failed to comply with Section 74 of the Industrial Relations Act 1979.

##### *Basis for Opinion*

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### *Emphasis of Matter – Basis of Accounting*

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee of management's financial reporting responsibilities. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

##### **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Union is responsible for the preparation of the financial report in accordance with the accounting policies described in Note 1 of the financial statements and for such internal control as committee of management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.



### **Auditor's Responsibilities for the Audit of the Financial Report**

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Branch audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

*Anderson Munro & Wyllie*

**ANDERSON MUNRO & WYLLIE**

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

*Martin Shone*

**MARTIN SHONE**

Principal & Registered Company Auditor

RO Registration number AA2017/8

Dated at Perth, Western Australia this 6<sup>th</sup> day of November 2017