

The Health Services Association of New South Wales

ABN: 42 052 498 932

**Financial Report
For the year ended 30 June 2020**

Contents

Company Report	3
Auditors Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Funds	7
Statement of Cash Flows	8
Notes to and forming part of the financial statements	9
Director Declaration Statement	19
Independent Auditor's Report	20

Company Report – Health Services Association of NSW for the year ended June 2020

The Health Services Association of NSW (ABN: 42 052 498 932) is the representative body for publicly funded (NSW and Commonwealth) government and non-government public health providers. The role of the Association is to provide a valued collective voice for our members, as an integral component of the health service.

The operating result for the year ended 2019/20 is a deficit of \$21,188 (2018/19: deficit \$3,295).

There were no significant changes in the nature of activities during the year.

Number of members

The number of members as at 30 June 2020 and the comparison with last year is as follows

	2020	2019
Member	14	13

Number of employees - 0

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

Committee Member	Position Held
Grainne O'Loughlin	President
Gerard Hyde	Vice - President
Robert Mills	Treasurer
Mary Dowling	Executive Director
Matthew Mackay	Executive Member

All members of the Executive Management Committee held positions for the entire reporting period unless indicated otherwise

Street Address: 138-150 The Horsley Drive, Carramar NSW 2163

Auditors: Portman Newton

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF
THE HEALTH SERVICES ASSOCIATION OF NEW SOUTH WALES**

I declare that to the best of my knowledge and belief, during the financial year ended 30 June 2020 there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. no contravention of any applicable code of professional conduct in relation to the audit.

Portman Newton

A handwritten signature in black ink, appearing to be 'Wei Chong', written over a horizontal line.

Wei Chong CA

Director

Signed this 27th day of November 2020, in Sydney.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	June 2020 \$	June 2019 \$
Revenue			
Member Subscriptions		119,195	111,750
Interest	3a	342	1,403
Grants and Donations		-	-
Other Revenue	3c	111,795	80,879
Total Revenue		231,332	194,032
Expenses			
Employee Expenses		-	-
Administration Expenses		117,453	116,532
Grants and Donations		-	-
Depreciation and Amortisation		-	-
Legal Costs		130,067	77,095
Audit Fees and Services		5,000	3,700
Other Expenses		-	-
Total Expenses		252,520	197,327
Surplus/(Deficit) for the year		(21,188)	(3,295)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(21,188)	(3,295)

This statement should be read in conjunction with the notes to the financial statements

The Health Services Association of New South Wales
Financial Report for the year ended 30 June 2020

Statement of Financial Position

As at 30 June 2020

	Note	June 2020 \$	June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents	6a	280,630	336,523
Trade and other receivables	6b	40,541	14,415
Other Assets		<u>2,865</u>	<u>2,083</u>
TOTAL CURRENT ASSETS		<u>324,036</u>	<u>353,021</u>
TOTAL ASSETS		<u>324,036</u>	<u>353,021</u>
CURRENT LIABILITIES			
Trade and other payables	7a	5,000	12,797
Income in Advance		-	-
TOTAL CURRENT LIABILITIES		<u>5,000</u>	<u>12,797</u>
TOTAL LIABILITIES		<u>5,000</u>	<u>12,797</u>
NET ASSETS		<u>319,036</u>	<u>340,224</u>
EQUITY			
Retained Earnings		<u>319,036</u>	<u>340,224</u>
TOTAL EQUITY		<u>319,036</u>	<u>340,224</u>

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Funds

For the year ended 30 June 2020

	RETAINED EARNINGS	TOTAL
	\$	\$
Balance at 30 June 2018	343,519	343,519
Surplus/(Deficit)	(3,295)	(3,295)
Balance at 30 June 2019	<u>340,224</u>	<u>340,224</u>
Surplus/(Deficit)	(21,188)	(21,188)
Balance at 30 June 2020	<u>319,036</u>	<u>319,036</u>

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the year ended 30 June 2020

	Note	June 2020 \$	June 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from operating activities		204,864	184,449
Payments to suppliers and employees		(261,099)	(203,566)
Interest received		342	1,403
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	9a	<u>(55,893)</u>	<u>(17,714)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH HELD		(55,893)	(17,714)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		336,523	354,237
CASH AT THE END OF THE FINANCIAL YEAR	6a	<u>280,630</u>	<u>336,523</u>

This statement should be read in conjunction with the notes to the financial statements.

Notes to and forming part of the financial statements For the year ended 30 June 2020

Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Remuneration of auditors
Note 6	Current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Cash flow
Note 10	Financial instruments

Notes to and forming part of the financial statements For the year ended 30 June 2020

NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Corporations Act 2001.

For the purpose of preparing the general purpose financial statements, the Health Services Association of NSW (HSA) is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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. The amounts presented in the financial statements have been rounded to the nearest dollar and are presented in Australian dollars.

Comparative amounts

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

New Australian Accounting Standards

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

New standards, amendments to standards or interpretations that were issued prior to the sign off date and are applicable to future reporting periods that maybe expected to have a future financial impact on the Health Services Association of NSW include:

- AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2018)

The new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales.

No impact on the reported financial position and performance is expected on adoption of AASB 15.

- AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019)
When effective, this standard will replace the current accounting requirements applicable to leases in AASB 117. AASB 116 introduces a single lessees accounting model that eliminates the requirement for

Notes to and forming part of the financial statements For the year ended 30 June 2020

NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

leases to be classified as operating or finance leases. The Health Services Association of NSW has no current lease arrangements.

No impact on the reported financial position and performance is expected on adoption of AASB 16.

- AASB 1058: Income for Not for Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019)

When effective, this standard clarifies and simplifies the income recognition requirements that apply to not for profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

Revenue for Health Services Association of NSW is generated primarily through member subscriptions or recovery of shared costs. The current revenue accounting policy is consistent with AASB 1058 and AASB 15.

No impact on the reported financial position and performance is expected on adoption of AASB 1058.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated Depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight line and diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use.

CLASS OF FIXED ASSET	DEPRECIATION RATE
Plant and Equipment	10% - 20%

Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the statement of comprehensive income.

Industry and Geographical Segments

The company's activities are the Conduct of a Health Services Association in New South Wales in Australia.

Notes to and forming part of the financial statements For the year ended 30 June 2020

NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Tax

The company has been advised by the Australian Taxation Office that the income of the company is exempt from the payment of income tax under section 50-15 of the Income Tax Assessment Act, 1997, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

This exemption is conditional upon the activities of the company continuing to reflect its stated objects. Accordingly, tax effect accounting has not been adopted by the company.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

Revenue

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

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

Revenue from the sale of goods is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured regardless of when the payment is received.

Interest revenue is recognised on an accrual basis using the effective interest method. Donation income is recognised when it is received.

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 acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position is shown inclusive of GST.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes:

- (a) Cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts, and
- (b) Investment in money market instruments

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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events

Notes to and forming part of the financial statements For the year ended 30 June 2020

NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates – Impairment of property, plant and equipment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Estimates - Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included where the entire balance is not considered collectible. Any impairment provision is based on the best information at the reporting date.

NOTE 2 -- EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2020 and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the HSA.

NOTE 3- INCOME	2020	2019
	\$	\$
Note 3a: Interest		
Deposits	342	1,403
Loans	-	-
Note 3b: Grants and Donations		
	-	-
Note 3c: Other Income		
Sponsorship - Functions	2,273	1,818
Legal Fee Reimbursement – Members	<u>109,522</u>	<u>79,061</u>
Total Other Income	<u>111,795</u>	<u>80,879</u>

**Notes to and forming part of the financial statements
For the year ended 30 June 2020**

	2020 \$	2019 \$
NOTE 4- EXPENSES		
Note 4a: Employee Expenses	-	-
Note 4b: Grants and Donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total Grants or Donations	-	-
Note 4c: Legal Costs		
Litigation	-	-
Legal matters	130,067	77,095
Total Legal Costs	130,067	77,095
Note 4d: Administration Expenses		
Contractors	96,196	95,870
Office/Other Expenses	26,257	24,362
Total Administration Expenses	122,453	120,232
Total Expenses	252,520	197,327

Notes to and forming part of the financial statements For the year ended 30 June 2020

	2020	2019
	\$	\$
NOTE 5- REMUNERATION OF AUDITORS		
Audit of Accounts	4,000	3,700
Other Services	1,000	
Total Remuneration of Auditors	5,000	3,700

Auditors also lodge quarterly BAS on behalf of Health Services Association of NSW

NOTE 6- CURRENT ASSETS

NOTE 6a: Cash and cash equivalents

Cash at Bank	280,630	336,523
--------------	---------	---------

NOTE 6b: Trade and other receivables

Trade Receivables	40,541	14,415
Less Provision for Doubtful Debts	-	-
Total Trade Receivables	<u>40,541</u>	<u>14,415</u>
Other Receivables		
GST Receivable	2,865	2,083
Total Other Receivables	<u>2,865</u>	<u>2,083</u>
Total Trade and Other Receivables	<u>43,406</u>	<u>16,498</u>

NOTE 7- CURRENT LIABILITIES

Note 7a: Trade Payables	5,000	11,764
Note 7b: Other Payables	-	-
Note 7c: Other Legal Matters	-	1,033
Total Trade and Other Payables	<u>5,000</u>	<u>12,797</u>

Note 8- PROVISIONS

Employee Provisions	-	-
---------------------	---	---

Notes to and forming part of the financial statements

For the year ended 30 June 2020

	2020 \$	2019 \$
Note 9 – CASH FLOW		
Note 9a: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	280,630	336,523
Balance Sheet	280,630	336,523
Difference	-	-
Reconciliation of profit/ (deficit) to net cash from operating activities:		
Profit/ (deficit) for the year	(21,188)	(3,295)
Adjustment for non-cash items		
Depreciation/amortisation	-	-
Gain on disposal of Assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(26,908)	(5,104)
Increase/ (decrease) in payables	(7,797)	(9,315)
Net cash from (used by) operating activities	(55,893)	(17,714)

Notes to and forming part of the financial statements For the year ended 30 June 2020

NOTE 10 – Financial Instruments

Financial Risk

The Association's financial instruments consist of deposits with banks, short -term and long-term investments, accounts payable and accounts receivable. The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as outlined in Note 10A below:

Credit Risk

Credit Risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the organisation. Credit risk is managed through maintaining procedures such as the regular monitoring of the financial stability of significant customers and counterparties, ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions, as disclosed in the statement of financial position.

There is no collateral held by the organisation securing amounts receivable and other debtors.

Liquidity Risk

Liquidity risk arises from the possibility that The Health Services Association of NSW may encounter difficulty in settling its debts or otherwise meeting its financial obligations relating to financial liabilities. The organisation manages liquidity risk by:

- Maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows
- Surplus cash is only invested with major financial institutions (e.g.: NAB, ANZ, Westpac, Commonwealth Bank)
- Proactively monitoring the recovery of accounts receivable

Market Risk

The Health Services Association of NSW does not have any material exposure to market/interest rate risk.

Notes to and forming part of the financial statements

For the year ended 30 June 2020

NOTE 10A – Categories of Financial Instruments

	2020	2019
	\$	\$
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	280,630	336,523
Trade and other receivables	43,406	16,498
Total financial assets	324,036	353,021
Financial liabilities		
Financial liabilities at amortised cost:		
Borrowings	-	-
Trade and other payables	5,000	12,797
Total financial liabilities	5,000	12,797

The Health Services Association of New South Wales
ABN: 42 052 498 932

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Health Services Association of New South Wales, the directors of the entity declare that:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (i) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the company, and
- (b) in their opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the board of directors.

DocuSigned by:

Grainne O'Loughlin

757718B91E224B3...

Director

Director

Sydney

Date: 27th November
2020

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
THE HEALTH SERVICES ASSOCIATION OF NEW SOUTH WALES
A.B.N. 42 052 498 932**

**Report on the Audit of the Financial Report
*Opinion***

We have audited the financial report The Health Services Association of New South Wales (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.
In our opinion, the accompanying financial report The Health Services Association of New South Wales has been prepared in accordance with the Corporations Act 2001. including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the Corporations Act 2001, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Portman Newton



Wei Chong CA
Director

Signed this 27th day of November 2020, in Sydney.