



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7799
Fax: (03) 9654 6672

Mr Lloyd Williams
Secretary
Victoria No 2 Branch
Health Services Union of Australia
PO Box 206
CARLTON SOUTH VIC 3053

Dear Mr Williams,

Re: Financial Documents for year ended 30 June 2004 - FR2004/598
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)

I acknowledge receipt of the financial reports (the full report and the concise report) of the Victoria No 2 Branch of the Health Services Union of Australia for the year ending 30 June 2004, under cover of your . The documents were lodged in the Registry on 21 December 2004.

The documents have been filed.

I also acknowledge receipt of the statement of loans, grants and donations as required by section 237 of the RAO Schedule. The statement has been placed on a Registry file that is not available to the general public.

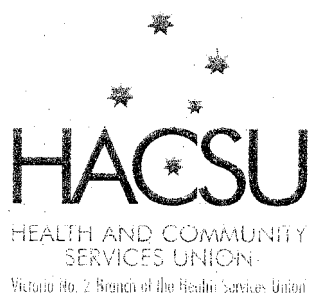
Yours faithfully,

A handwritten signature in black ink, appearing to be 'A. O'Brien'.

Andrew O'Brien
Statutory Services Branch

20 January 2005

FR 2004/578



14 December, 2004

Ref: 04414

Industrial Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Dear Sir

**Re: Designated Officers Certificate - s268 Schedule 1B Workplace Relations Act
Health Services Union of Australia Victoria No 2 Branch
Financial Statements for Year Ending 30 June 2004**

I Lloyd Williams being the Branch Secretary of the Health Services Union of Australia Victoria Number 2 Branch certify:

1. That the documents lodged herewith are copies of the Full Financial Report, and the Concise Financial Report for the year ending 30 June 2004 referred to in s268 of the ROA Schedule; and
2. that these documents were presented to and accepted by our Branch Committee of Management meeting on the 17 August 2003 (*the first Meeting*). The branch Committee of Management at this meeting also determined to distribute a concise report to members; and
3. that the Concise Report was provided to members on the 26 August 2004; and
4. the Branch Annual General Meeting was held on the 27 September 2004, that meeting was 'Inquorate'; and
5. that the full report was presented and accepted to a meeting of the Branch Committee of Management (*the second meeting*) of the reporting unit on 7 December 2004 in accordance with section 266 of the RAO Schedule.

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

Yours sincerely

**Lloyd Williams
Branch Secretary**

LEVEL 2, 102 VICTORIA STREET, CARLTON, 3053
 ALL CORRESPONDENCE TO: PO. BOX 206 CARLTON SOUTH 3053
 PHONE: (03) 9347 2100 • COUNTRY: 1800 133 846 • FAX: (03) 9347 2122
 State Secretary: Lloyd Williams • Assistant State Secretary: David Stephens
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**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004**

	NOTE	2004 \$	2003 \$
Current Assets			
Cash assets	6	956,858	1,008,745
Receivables	7	8,254	8,429
Other	8	<u>62,876</u>	<u>6,597</u>
Total Current Assets		<u>1,027,988</u>	<u>1,023,771</u>
Non-current Assets			
Property, plant and equipment	9	266,766	327,814
Other financial assets	10	<u>-</u>	<u>-</u>
Total Non-current Assets		<u>266,766</u>	<u>327,814</u>
Total Assets		<u>1,294,754</u>	<u>1,351,585</u>
Current Liabilities			
Payables	11	101,334	110,598
Interest bearing liabilities	12	9,121	8,468
Provisions	13	<u>182,706</u>	<u>141,470</u>
Total Current Liabilities		<u>293,161</u>	<u>260,536</u>
Non Current Liabilities			
Interest bearing liabilities	12	<u>28,004</u>	<u>37,124</u>
Total Non-current liabilities		<u>28,004</u>	<u>37,124</u>
Total Liabilities		<u>321,165</u>	<u>297,660</u>
Net Assets		<u>973,589</u>	<u>1,053,925</u>
Equity			
Retained profits	14	<u>973,589</u>	<u>1,053,925</u>
Total Equity		<u>973,589</u>	<u>1,053,925</u>

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004**

	NOTE	2004 \$	2003 \$
Cash flows from operating activities			
Subscriptions receipts		1,808,610	1,478,665
Payments to suppliers and employees		(1,900,650)	(1,422,083)
Interest paid		(3,108)	(873)
Interest received		41,085	33,631
Other revenue		<u>32,328</u>	<u>46,093</u>
Net cash inflow provided by (used by) operating activities 17(a)		<u>(21,735)</u>	<u>135,433</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(21,684)	(139,166)
Proceeds from sale of property, plant and equipment		<u>-</u>	<u>17,000</u>
Net cash used by investing activities		<u>(21,684)</u>	<u>(122,166)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	48,578
Repayment of borrowings		<u>(8,468)</u>	<u>(2,985)</u>
Net Cash provided by (used by) financing activities		<u>(8,468)</u>	<u>45,593</u>
Net increase/(decrease) in cash held		(51,887)	58,860
Cash at the beginning of the financial year		<u>1,008,745</u>	<u>949,885</u>
Cash at the end of the financial year	6	<u>956,858</u>	<u>1,008,745</u>

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

Note 1: Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirement of the Workplace Relations Act 1996.

The financial report has been prepared on an accruals basis and is based on historical cost and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) **Income Tax**
No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50 -15 of the Income Tax Assessment Act 1997.

(b) **Property, Plant and Equipment**
Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Union to ensure it is not excess of the recoverable amount from those 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 present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Assets	Depreciation Rate
Leasehold improvements	20%
Plant and equipment	20% - 40%

(c) **Leases**
Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

Note 1: Statement 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 to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave which will be settled after one year, have been measured at their nominal amount.

Annual leave has been calculated for all employees and officials on the basis of their terms of employment.

Long service leave has been calculated under the terms of the awards set by the Victorian Public Service Determination Board.

(e) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(f) Revenue

Revenue from membership subscriptions is recognised on a cash basis in accordance with Section 252(4) of the Workplace Relations Act Schedule 1B.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax (GST)

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

Note 2: Information To Be Provided To Members Or Registrar

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274, which read as follows:-

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

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

(3) A reporting unit must comply with an application made under subsection (1).

This subsection is a civil penalty provision under section 305.

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
Note 3: Revenue		
Operating activities		
Subscriptions	1,638,059	1,478,665
Interest received	42,655	34,048
Other	<u>32,328</u>	<u>25,608</u>
Total revenue	<u>1,713,042</u>	<u>1,538,321</u>

Note 4: Profit from ordinary activities

Profit from ordinary activities before income tax expense has been determined after:

EXPENSES

Affiliation, capitation fees and compulsory levies

Affiliation fees:

- APHEDA	236	-
- Australian Labor Party	20,650	19,900
- Trades and Labor Councils		
-Ballarat	1,707	1,705
-Bendigo	348	116
-Geelong	310	310
-Gippsland	320	-
-Goulburn Valley	121	116
-Mallee	60	-
-South West	198	198
-Victorian Trades Hall	9,347	9,013

Capitation fees:

- Health Services Union of Australia National Council	93,816	87,898
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Compulsory Levies:

- Victorian Trades Hall Council		
- campaign levy	1,087	950
- women's levy	596	522
	<u>128,796</u>	<u>120,728</u>

Borrowing expenses

Interest on hire purchase	3,108	873
	<u>3,108</u>	<u>873</u>

Depreciation and amortisation expenses

Depreciation of plant and equipment	65,151	54,238
Amortisation on Leasehold improvements	17,581	21,297
	<u>82,732</u>	<u>75,535</u>

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
Note 4: Profit from ordinary activities continued		
Employee benefits expense		
Salaries and allowances		
- elected officials	151,564	153,034
- employees	531,453	437,410
Superannuation contributions		
- elected officials	23,842	21,870
- employees	64,415	49,741
Provision for annual leave		
- elected officials	10,978	(5,714)
- employees	17,945	(3,144)
Provision for long service leave		
- elected officials	8,640	5,011
- employees	3,673	1,484
Other	73,659	64,660
	886,169	724,352
Included in administration / other expenses		
Deputations, conferences and meetings	77,129	53,270
Donations:		
- APHEDA International Aid Fund	11,122	4,301
- Anna Stewart Memorial Fund	500	-
- Ballarat Psychiatric	-	100
- Ballarat Sub Branch – Murray Clarke Medal	-	300
- Centre for Psychiatric Nursing Research and Practice	-	723
- TCFUA Geelong Wool Combing Dispute	2,000	-
Professional services		
- audit services	11,895	11,320
- consulting fees	41,523	17,540
- legal costs	53,363	47,597

NOTE 5: REMUNERATION AND RETIREMENT BENEFITS

Committee of Management

Remuneration

Income paid or payable to all committee of management of the Union by the Union and any related parties	177,491	178,061
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Number of committee of management whose income from the Union or any related parties was within the following bands

	No.	No.
\$0 - \$9,999	12	12
\$10,000 - \$19,999	1	1
\$20,000 - \$29,999	1	2
\$30,000 - \$39,999	1	-

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

2004
\$

2003
\$

NOTE 5: REMUNERATION AND RETIREMENT BENEFITS
continued

The names of committee of management of the Union who have held office during the financial year are:

Lloyd Williams
David Stephens
Jennifer Evans
Denise Guppy
Brian Addison
Natasha Markulev
Joanne Petrenko
Mavis Jack
Mande Oakes
Marie Coughlan
Diane Welton
John Murphy
Di Harpur
Peter McConville
Jodie Jackson

Note 6: Cash Assets

Cash on hand	640	650
Cash at bank	588,560	550,979
Cash on deposit	<u>367,658</u>	<u>457,116</u>
	<u>956,858</u>	<u>1,008,745</u>

Note 7: Receivables

CURRENT		
Other debtors	<u>8,254</u>	<u>8,429</u>
	<u>8,254</u>	<u>8,429</u>

Note 8: Other Assets

CURRENT		
Prepayments	<u>62,876</u>	<u>6,597</u>
	<u>62,876</u>	<u>6,597</u>

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Note 9: Property, Plant and Equipment		
Land and buildings		
Leasehold improvements at cost	166,120	162,920
Less: accumulated amortisation	<u>(95,315)</u>	<u>(77,736)</u>
	<u>70,805</u>	<u>85,184</u>
Plant and equipment		
Plant and equipment at cost	470,502	452,017
Less: accumulated depreciation	<u>(274,541)</u>	<u>(209,387)</u>
	<u>195,961</u>	<u>242,630</u>
	<u>286,766</u>	<u>327,814</u>

Movements in carrying amounts

	Land and buildings	Plant and equipment	Total
	\$	\$	\$
Balance at the beginning of year	85,184	242,630	327,814
Additions	3,202	18,482	21,684
Disposal	-	-	-
Amortisation/depreciation expense	(17,581)	(65,151)	(82,732)
Depreciation written back upon disposal	-	-	-
Carrying amount at the end of financial year	<u>70,805</u>	<u>195,961</u>	<u>266,766</u>

	2004	2003
	\$	\$

Note 10: Other financial assets

NON CURRENT

A.C.T.U Financial Services Pty Ltd at cost	3,365	3,365
Less: Provision for diminution in value of investment	<u>(3,365)</u>	<u>(3,365)</u>
	<u>-</u>	<u>-</u>

Note 11: Payables

CURRENT

Legal costs payable	4,142	3,120
Sundry creditors	<u>97,192</u>	<u>107,478</u>
	<u>101,334</u>	<u>110,598</u>

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Note 12: Interest Bearing Liabilities		
CURRENT		
Hire purchase liability	11,577	11,577
Less unexpired interest	<u>(2,456)</u>	<u>(3,109)</u>
	<u>9,121</u>	<u>8,468</u>
NON CURRENT		
Hire purchase liability	30,971	42,548
Less unexpired interest	<u>(2,967)</u>	<u>(5,424)</u>
	<u>28,004</u>	<u>37,124</u>

Note 13: Provisions

CURRENT		
Employee entitlements		
Provision for annual leave		
Selected officials	38,287	27,309
Employees	<u>53,216</u>	<u>35,271</u>
	<u>91,503</u>	<u>62,580</u>
Provision for long service leave		
Selected officials	59,537	50,897
Employees	<u>31,666</u>	<u>27,993</u>
	<u>91,203</u>	<u>78,890</u>
Total employee entitlements	<u>182,706</u>	<u>141,470</u>
Number of employees at year end	14	13

Note 14: Retained Profits

Retained profits at the beginning of the financial year	1,053,925	985,425
Net profit/(loss) attributable to members of the entity	<u>(80,336)</u>	<u>68,500</u>
Retained profits at the end of the financial year	<u>973,589</u>	<u>1,053,925</u>

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Note 15: Lease Commitments		
Lease Commitments		
Payable:		
- not later than 1 year	11,577	11,577
- later than 1 year but not later than 5 years	<u>30,971</u>	<u>42,547</u>
Minimum lease payment	42,548	54,124
Less future finance charges	<u>5,423</u>	<u>8,532</u>
Total Liability	<u><u>37,125</u></u>	<u><u>45,592</u></u>
Operating Lease Commitments		
Being for rent of office		
Payable:		
- not later than 1 year	43,000	50,500
- later than 1 year but not later than 5 years	<u>-</u>	<u>53,000</u>
	<u><u>43,000</u></u>	<u><u>103,500</u></u>

Note 16 - Segment Reporting

The Union operates predominantly in one industry, being health and community services sector. The business operates predominantly in one geographical area being Victoria, Australia.

	2004	2003
	\$	\$

Note 17: Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit/(Loss) from Ordinary Activities after income tax

Profit/(loss) from ordinary activities	(80,336)	68,500
Depreciation and amortisation	82,732	75,535
Gain/(Loss) on sale of non-current assets	-	190
Change in operating assets and liabilities:		
Increase/decrease in receivables	175	20,069
Increase/decrease in other operating assets	(56,279)	2,161
Increase/decrease/increase in payables	(9,263)	(28,660)
Increase/decrease (decrease) in other provisions	<u>41,236</u>	<u>(2,362)</u>
Net cash inflow from operating activities	<u><u>(21,735)</u></u>	<u><u>135,433</u></u>

(b) The Union has no credit stand-by or financing facilities in place.

(c) There were non non-cash financing or investing activities during the financial year.

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

Note 18: Financial Instruments

(a) Interest Rate Risk Exposures

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

	Note	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate Within 1 to 5 Years	Maturing Non- interest bearing	TOTAL
		%	\$	\$	\$	\$	\$
2004							
Financial Assets							
Cash	6	5.00	588,560	367,658	-	640	956,858
Receivables	7		-	-	-	8,254	8,254
Total Financial Assets			588,560	367,658	-	8,894	965,112
Financial Liabilities							
Hire Purchase Creditors	12	7.45	-	9,121	28,004	-	37,125
Payables	11		-	-	-	101,334	101,334
Total Financial Liabilities			-	9,121	28,004	101,334	138,459
Net Financial Assets/(Liabilities)			588,560	358,537	(28,004)	(92,440)	826,653

	Note	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate Within 1 to 5 Years	Maturing Non- interest bearing	TOTAL
		%	\$	\$	\$	\$	\$
2003							
Financial Assets							
Cash	6	4.50	550,979	457,116	-	650	1,008,745
Receivables	7		-	-	-	8,429	8,429
Total Financial Assets			550,979	457,116	-	9,079	1,017,174
Financial Liabilities							
Hire Purchase Creditors	12	7.45	-	8,468	37,124	-	45,592
Payables	11		-	-	-	110,598	110,598
Total Financial Liabilities			-	8,468	37,124	110,598	156,190
Net Financial Assets/(Liabilities)			550,979	448,648	(37,124)	(101,519)	860,984

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

2004 2003
\$ \$

Note 18: Financial Instruments continued

(a) Interest Rate Risk Exposures continued

Reconciliation of Net Financial Assets to Net Assets

Net Financial assets per page 13		826,653	860,984
Non-Financial assets and liabilities			
Prepayments	8	62,876	6,597
Property, plant and equipment	9	266,766	327,814
Employee entitlements	13	<u>(182,706)</u>	<u>(141,470)</u>
Net assets per statement of financial position		<u>973,589</u>	<u>1,053,925</u>

(b) Credit Risk Exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

(c) Net Fair Values of Financial Assets and Liabilities

For all financial assets and liabilities listed in Note 18(a) above, the net fair value approximates their carrying amounts. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Note 19: Entity Details

The registered office is:
Health Services Union of Australia
Victorian No: 2 Branch
Level 2
102 Victoria Street
Carlton South Vic. 3053

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
COMMITTEE OF MANAGEMENT CERTIFICATE**

On 17 August 2004 the Committee of Management of the Health Services Union of Australia Victorian No. 2 Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2004:

The Committee of Management declares in relation to the GPFR 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 Industrial Registrar;
- (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;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management 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 RAO Schedule and the RAO Regulations; and
 - (iv) as far as we are aware, the financial records for each of the other reporting units within the organisation are, as far as practicable kept in a manner consistent with this reporting unit ; and
 - (v) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) no orders have been requested for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: Lloyd Williams
Title of Office held: Secretary

Signature: 

Melbourne: 27 August 2004.

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO2 BRANCH
INDEPENDENT AUDITOR'S REPORT**

To the Members of the Health Services Union of Australia Victorian No: 2 Branch:

Scope

We have audited the financial report of the Health Services Union of Australia Victorian No: 2 Branch for the year ended 30 June 2004, as set out on pages 2 to 15. The Union's Committee of Management is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly, in accordance with Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) in Australia, the Workplace Relations Act 1996 and other statutory requirements, so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations and its cash flows.

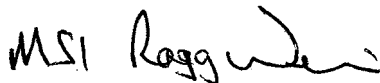
In our opinion the audit opinion expressed in this report has been formed on the above basis.

Qualification

The Union has recognised subscription income on a cash basis rather than an accrual basis. This is a departure from Australian Accounting Standards AAS 1 "Statement of financial Performance", which require that all items of revenue arising during a period be taken into account in determining the profit for that period. The effect of this departure on the Statement of Financial Performance cannot be qualified as the accounting system is not capable of providing accurate reports of subscriptions outstanding or subscriptions in advance.

Qualified Audit Opinion

In our opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of the Union as at 30 June 2004 and the results of its operation and its cash flows for the year then ended.



MSI RAGG WEIR
CHARTERED ACCOUNTANTS



TREVOR M. WEIR
PARTNER
Melbourne: 27 August 2004

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO2 BRANCH**

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2004**

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH**

OPERATING REPORT

Your Committee of Management present their operating report on the Union for the financial year ended 30 June 2004.

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

Lloyd Williams
David Stephens
Jennifer Evans
Denise Guppy
Brian Addison
Natasha Markulev
Joanne Petrenko
Mavis Jack

Mande Oakes
Marie Coughlan
Diane Welton
John Murphy
Di Harpur
Peter McConville
Jodie Jackson

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

No significant changes in the Union's state of affairs occurred during the financial year.

The principal activities of the Union during the financial year were industrial and professional interests of mental health and disability workers in the State of Victoria.

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

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.

No officer or member of the reporting unit:

- (a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (b) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

A member may resign his membership of the Union by notice in writing if:

- (a) the person ceases to be employed in or in connection with the industry of the Union: or
- (b) the notice is given not less than two weeks before the resignation is to take effect and all dues are paid to the date on which the resignation is to take effect.

Notice in writing of resignation shall be addressed to the Secretary of the Branch and delivered to the Secretary.

As at 30 June 2004 the number of members of the organisation was 5,622.

As at 30 June 2004 the number of employees was 14.

Signed in accordance with a resolution of the Committee of Management on the 17 August 2004:

For Committee of Management: Lloyd Williams
Title of Office held: State Secretary

Signature: 

Melbourne: 27 August 2004

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
Revenues from ordinary activities	1,713,042	1,538,321
Administration expense	(471,289)	(379,999)
Affiliation and capitation fees	(128,796)	(120,728)
Borrowing expense	(3,108)	(873)
Communication expense	(54,049)	(48,309)
Depreciation and amortisation expense	(82,732)	(75,535)
Employee benefits expense	(886,169)	(724,352)
Occupancy expense	(51,690)	(46,225)
Other expenses from ordinary activities	<u>(115,545)</u>	<u>(73,800)</u>
Profit/(loss) from ordinary activities before income tax expense	(80,336)	68,500
Income tax expense	<u>-</u>	<u>-</u>
Net profit/(loss) from ordinary activities after income tax expense attributable to members of the entity	<u>(80,336)</u>	<u>68,500</u>
Total changes in equity	<u>(80,336)</u>	<u>68,500</u>

Discussion and Analysis of Financial Performance

The net loss for the year was due to the increased expenditure incurred as a result of two industrial bargaining rounds. The main areas where expenditure increased were legal fees, postage, printing, stationery and employment of staff. The increase in membership income has been offset by the larger increase in expenditure. This is the Union's first loss for a number of years and overall the Union is in a strong financial position.

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004**

	2004 \$	2003 \$
Current Assets		
Cash assets	956,858	1,008,745
Receivables	8,254	8,429
Other	<u>62,876</u>	<u>6,597</u>
Total Current Assets	<u>1,027,988</u>	<u>1,023,771</u>
Non-current Assets		
Property, plant and equipment	266,766	327,814
Other financial assets	<u>-</u>	<u>-</u>
Total Non-current Assets	<u>266,766</u>	<u>327,814</u>
Total Assets	<u>1,294,754</u>	<u>1,351,585</u>
Current Liabilities		
Payables	101,334	110,598
Interest bearing liabilities	9,121	8,468
Provisions	<u>182,706</u>	<u>141,470</u>
Total Current Liabilities	<u>293,161</u>	<u>260,536</u>
Non Current Liabilities		
Interest bearing liabilities	<u>28,004</u>	<u>37,124</u>
Total Non-current liabilities	<u>28,004</u>	<u>37,124</u>
Total Liabilities	<u>321,165</u>	<u>297,660</u>
Net Assets	<u>973,589</u>	<u>1,053,925</u>
Equity		
Retained profits	<u>973,589</u>	<u>1,053,925</u>
Total Equity	<u>973,589</u>	<u>1,053,925</u>

Discussion and Analysis of the Financial Position

The total assets of the Union has decreased due to the reduction in cash assets and the depreciation of fixed assets and minor purchase of new assets.

The total liabilities of the Union has increased which is due to the increase in employee entitlements.

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Cash flows from operating activities		
Subscriptions receipts	1,808,610	1,478,665
Payments to suppliers and employees	(1,900,650)	(1,422,083)
Interest paid	(3,108)	(873)
Interest received	41,085	33,631
Other revenue	<u>32,328</u>	<u>46,093</u>
Net cash inflow provided by (used by) operating activities	<u>(21,735)</u>	<u>135,433</u>
Cash flows from investing activities		
Payment for property, plant and equipment	(21,684)	(139,166)
Proceeds from sale of property, plant and equipment	<u>-</u>	<u>17,000</u>
Net cash used by investing activities	<u>(21,684)</u>	<u>(122,166)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	48,578
Repayment of borrowings	<u>(8,468)</u>	<u>(2,985)</u>
Net Cash provided by (used by) financing activities	<u>(8,468)</u>	<u>45,593</u>
Net increase/(decrease) in cash held	(51,887)	58,860
Cash at the beginning of the financial year	<u>1,008,745</u>	<u>949,885</u>
Cash at the end of the financial year	<u><u>956,858</u></u>	<u><u>1,008,745</u></u>

Discussion and Analysis of the Statement of Cash Flow

Cash Flow From Operating Activities

An increase in receipts from members was offset by higher payments to suppliers and employees.

Cash Flow From Investing Activities

Decrease in fixed assets purchased this year and no assets were sold.

Cash Flow From Financing Activities

No new equipment financed this year and the repayments relate to the photocopier financed last year.

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

Note 1: Statement of Significant Accounting Policies

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Report and the Workplace Relations Act 1996.

The financial statements, specific disclosure and other information included in the concise financial report are derived from and are consistent with the full financial report of Health Services Union of Australia Victorian No. 2 Branch. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and investing activities of Health Services Union of Australia Victorian No. 2 Branch as the full financial report.

With the new legislation some changes in accounting policies have occurred as a result of the amendments to Schedule 1B of the Workplace Relations Act 1996 (RAO).

Note 2: Information To Be Provided To Members Or Registrar

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274, which read as follows:-

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

This subsection is a civil penalty provision under section 305.

Note 3: Financial Statements

The Union will provide a copy of the full financial report for the year ended 30 June 2004, free of charge to any member who requests it.

**HEALTH SERVICES UNION OF AUSTRALIA
VICTORIAN NO: 2 BRANCH
COMMITTEE OF MANAGEMENT CERTIFICATE**

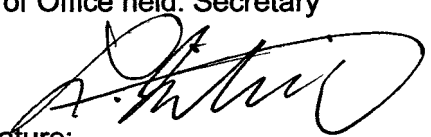
On 17 August 2004 the Committee of Management of the Health Services Union of Australia Victorian No. 2 Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2004:

The Committee of Management declares in relation to the GPFR 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 Industrial Registrar;
- (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;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management 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 RAO Schedule and the RAO Regulations; and
 - (iv) as far as we are aware, the financial records for each of the other reporting units within the organisation are, as far as practicable kept in a manner consistent with this reporting unit ; and
 - (v) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) no orders have been requested for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: Lloyd Williams
Title of Office held: Secretary

Signature:



Melbourne: 27 August 2004.

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

Scope

We have audited the concise report of Health Services Union of Australia Victorian No: 2 Branch for the year ended 30 June 2004, as set out on pages 2 to 6 in order to express an opinion on it to the members of the Union. The Union's Committee of Management is responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Health Services Union of Australia Victorian No: 2 Branch for the year ended 30 June 2004. Our audit report on the full financial report was signed on 27 August 2004, and was subject to a qualification.

Our procedures in respect of the audit of the concise report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standards AASB 1039: Concise Financial Reports.

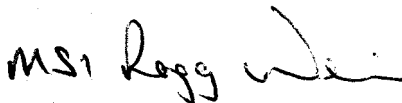
The audit opinion expressed in this report has been formed on the above basis.

Qualification

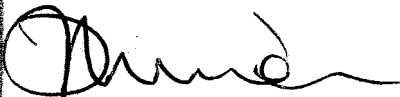
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Qualified Audit Opinion

In our opinion, except for the effects on the concise financial report of the matter referred to in the qualification paragraph, the concise financial report of Health Services Union of Australia Victorian No: 2 Branch complies with Accounting Standard AASB 1039: Concise Financial Reports.



MSI RAGG WEIR
CHARTERED ACCOUNTANTS



TREVOR M. WEIR
PARTNER
Melbourne: 27 August 2004