



**Australian Government**  
**Australian Industrial Registry**

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Email – andrew.schultz@air.gov.au

Mr Lloyd Williams  
Secretary  
Health Services Union  
Victorian No. 2 Branch  
Level 2, 102 Victoria Street  
CARLTON VIC 3053

Dear Mr Williams,

By email: hacsu@hacsu.asn.au

**Re: Financial Documents for year ended 30 June 2007 - FR2007/470**

**Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)**

I have received the Financial Report and Concise Report for the Victorian No 2 Branch of the HSU for the year ended 30 June 2007. The documents were lodged on 7 January 2008.

The report has been filed. However the following improvement is required in future years:

Resignation from membership

The Operating Report is required to give details of the right of members to resign under s174 of the RAO Schedule<sup>1</sup>.

The lodged Operating Report stated:

*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.*

.....

The underlined words do not appear to be consistent with s174 of the RAO Schedule (attached). They also do not appear to be consistent with Rule 13(c)(ii) of the HSU Rules.

Accordingly, please amend this part of the Operating Report in future years.

If you have any queries I may be contacted on (03) 8661 7990.

Yours faithfully,

Andrew Schultz  
Statutory Services Branch

26 February 2008

<sup>1</sup> See s254(2)(c) of the RAO Schedule.

**ATTACHMENT - S174 RAO (Registration and Accountability of Organisations)  
Schedule of the Workplace Relations Act 1996**

*174 Resignation from membership*

*(1) A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.*

*Note: The notice of resignation can be given electronically if the organisation's rules allow for this (see section 9 of the Electronic Transactions Act 1999).*

*(2) A notice of resignation from membership of an organisation takes effect:*

*(a) where the member ceases to be eligible to become a member of the organisation:*

*(i) on the day on which the notice is received by the organisation; or*

*(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;*

*whichever is later; or*

*(b) in any other case:*

*(i) at the end of 2 weeks, or such shorter period as is specified in the rules of the organisation, after the notice is received by the organisation; or*

*(ii) on the day specified in the notice;*

*whichever is later.*

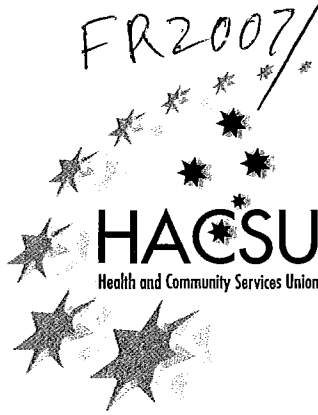
*(3) Any dues payable but not paid by a former member of an organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.*

*(4) A notice delivered to the person mentioned in subsection (1) is taken to have been received by the organisation when it was delivered.*

*(5) A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered in accordance with subsection (1).*

*(6) A resignation from membership of an organisation is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.*

*Note: Regulations may require employers who offer payroll deduction facilities to inform employees that cessation of payroll deduction by an employee does not constitute resignation (see section 359).*



3<sup>rd</sup> January 2007

Ref: 08002/lw/jg

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 2007**

I, Lloyd Williams, being the Branch Secretary of the Health Services Union of Australia, Victoria No. 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 30th June 2007 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 30<sup>th</sup> October 2007 (*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 3<sup>rd</sup> December 2007 ; and
4. 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 13<sup>th</sup> December 2007 in accordance with section 266 (3) of the RAO Schedule.

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

Yours sincerely,

**Lloyd Williams  
STATE SECRETARY**

HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2007



**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**OPERATING REPORT**

In accordance with Section 254 of the Registration and Accountability of Organizations (RAO) Schedule, the Committee of Management present their Operating Report on the Health Services Union of Australia, Victorian No. 2 Branch (the Union), the relevant Reporting Unit for the financial year ended 30 June 2007.

**Principal Activities**

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.

**Operating Result**

The operating profit of the Union for the financial year was \$151,112. No provision for tax was necessary as the Union is exempt from income tax.

**Significant change**

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

**Rights of Members**

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.

**Superannuation Officeholders**

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.

**Other Prescribed Information**

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations:

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the RAO Schedule and who are taken to be members of the Union under section 244 of the RAO Schedule was 6,009.
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 15.

HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

OPERATING REPORT continued

Other Prescribed Information continued

(c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

**Name**

Jennifer Evans	President
Denise Guppy	Assistant Branch Secretary
Mandee Oakes	Junior Vice President
Lloyd Williams	Branch Secretary
Brian Addison	Trustee
Diane Welton	Trustee
Natasha Markulev	Senior Vice President
Joanne Petrenko	Committee Member
Mavis Jack	" "
Tina Grimes	" "
John Murphy	" "
Wendy Williams	" "
Patrick Nuzum	" "
Bella Anderson	" "
Paul Healy	" "
Di Harpur (term expired 15 August 2006)	" "

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

Signed in accordance with a resolution of the Committee of Management.

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

Signature:



Melbourne: 30 October 2007

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
Revenue	3	2,363,885	2,164,838
Administration expense	4	(652,738)	(650,967)
Affiliation and capitation fees	4	(197,626)	(174,696)
Borrowing costs expense	4	(997)	(1,754)
Communication expense		(42,545)	(49,482)
Loss on disposal of fixed assets		(5,720)	(1,398)
Depreciation and amortisation expenses	4	(76,003)	(75,471)
Employee benefits expense	4	(1,169,473)	(988,426)
Occupancy expense		(60,648)	(59,519)
Other expenses		<u>(7,023)</u>	<u>(40,597)</u>
Profit before income tax expense		151,112	122,528
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit attributable to members		<u>151,112</u>	<u>122,528</u>

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**BALANCE SHEET  
AS AT 30 JUNE 2007**

	Note	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,303,506	1,244,892
Trade and other receivables	6	11,938	38,521
Other current assets	7	<u>75,485</u>	<u>75,830</u>
<b>TOTAL CURRENT ASSETS</b>		<u>1,390,929</u>	<u>1,359,243</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	262,819	280,008
Financial assets	9	<u>-</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>262,819</u>	<u>280,008</u>
<b>TOTAL ASSETS</b>		<u>1,653,748</u>	<u>1,639,251</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	117,302	199,019
Financial Liabilities	11	7,601	10,580
Short term provisions	12	<u>153,300</u>	<u>197,618</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>278,203</u>	<u>407,217</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities	11	<u>-</u>	<u>7,601</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>7,601</u>
<b>TOTAL LIABILITIES</b>		<u>278,203</u>	<u>414,818</u>
<b>NET ASSETS</b>		<u>1,375,545</u>	<u>1,224,433</u>
<b>EQUITY</b>			
Retained profits		<u>1,375,545</u>	<u>1,224,433</u>
<b>TOTAL EQUITY</b>		<u>1,375,545</u>	<u>1,224,433</u>

The accompanying notes form part of these financial statements.



HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2007

	Retained earnings general fund \$	Total \$
Balance at 1 July 2005	1,101,905	1,101,905
Profit attributable to members	122,528	122,528
Revaluation increment (decrement)	-	-
	-	-
<b>Balance at 30 June 2006</b>	<b>1,224,433</b>	<b>1,224,433</b>
Profit attributable to members	151,112	151,112
Revaluation increment (decrement)	-	-
	-	-
<b>Balance at 30 June 2007</b>	<b>1,375,545</b>	<b>1,375,545</b>

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions receipts		2,263,080	2,214,043
Payments to suppliers and employees		(2,255,743)	(2,082,968)
Interest paid		(997)	(1,754)
Interest received		69,129	60,945
Other revenue		<u>58,259</u>	<u>75,983</u>
Net cash provided by (used in) operating activities	18b	<u>133,728</u>	<u>266,249</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(80,027)	(77,670)
Proceeds on sale of fixed assets		<u>15,493</u>	<u>10,000</u>
Net cash provided by (used in) investing activities		<u>(64,534)</u>	<u>(67,670)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		<u>(10,580)</u>	<u>(9,823)</u>
Net cash used in financing activities		<u>(10,580)</u>	<u>(9,823)</u>
Net increase/(decrease) in cash held		58,614	188,756
Cash at beginning of year		<u>1,244,892</u>	<u>1,056,136</u>
Cash at end of year	18a	<u>1,303,506</u>	<u>1,244,892</u>

The accompanying notes form part of these financial statements.

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**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS - FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
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	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial report of the Health Services Union Of Australia, Victorian No. 2 Branch complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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.

**Basis of Preparation**

**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Accounting Policies**

- 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 is carried at cost or fair value less, where applicable, any accumulated depreciation.

Leasehold improvements and plant and equipment are measured on the cost basis.

The carrying amount of leasehold improvements and plant and equipment is reviewed annually by the committee of management to ensure it is not in 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 been discounted to present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

**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:

<b>Class of Fixed Assets</b>	<b>Depreciation Rate</b>
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.

d. **Employee Benefits**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

e. **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand and at call deposits with banks or financial institutions.

f. **Revenue**

Revenue from membership subscriptions is recognised on a cash basis.

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).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued**

**g. 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 Balance Sheet are shown inclusive of GST.

**h. Comparative Figures**

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

**i. Critical Accounting Estimates and Judgements**

The committee of management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

**Key Estimates**

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

**Key Judgements**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

**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 272 of RAO Schedule 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).

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$	\$
<b>NOTE 3: REVENUE</b>		
Operating activities		
Subscriptions	2,239,698	2,027,239
Interest received	65,928	61,616
Other	58,259	75,983
	2,363,885	2,164,838

**NOTE 4: PROFIT FOR YEAR**

Profit for year before income tax expense has been determined after:

**Expenses:**

**Administration expense**

Advertising	5,761	18,867
Bank Charges	45,427	21,239
Computer software & expenses	38,831	36,618
Deputations, conferences & meetings	109,982	109,212
Donations		
- APHEDA	11,113	14,359
- Gippsland Trades & Labour Council	454	-
- ACTU Mandurah	1,000	-
- May Day Committee	200	-
- 3CR Community Radio	200	-
Executive expenses	5,094	4,892
Insurance	78,288	72,154
Motor Vehicle Expenses & parking	67,341	69,313
Newspapers, awards & subscriptions	3,112	2,154
Office & building maintenance	2,153	16,904
Postage and Courier	40,785	61,968
Printing, stationery & publicity	87,210	102,616
Professional services		
- audit	12,500	12,650
- consultants	23,477	28,899
- legal	46,187	15,376
Promotion	37,576	21,365
Sponsorship	1,710	7,386
Staff Training	18,449	19,973
Sundry expenses	15,457	13,642
Travel – Members meetings	432	1,380
	652,738	650,967

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4: PROFIT FOR YEAR continued</b>		
<b>Affiliation, capitation fees and compulsory levies</b>		
Affiliation fees:		
- APHEDA	760	236
- Australian Labor Party	22,042	22,080
- Trades and Labor Councils		
-Ballarat	1,281	1,708
-Bendigo	232	232
-Geelong	419	503
-Gippsland	518	518
-Goulburn Valley	127	127
-Mallee	240	240
-South West	149	248
-Victorian Trades Hall	13,146	10,341
Capitation fees:		
- Health Services Union of Australia National Council	128,667	107,579
Compulsory Levies:		
- Victorian Trades Hall Council		
-campaign levy	-	1,081
-women's levy	-	600
-young unionists levy		522
ACTU Campaign Levy	30,045	28,681
	197,626	174,696
<b>Borrowing expenses</b>		
Interest on hire purchase	997	1,754
<b>Depreciation and amortisation expenses</b>		
Depreciation of plant and equipment	73,483	63,930
Amortisation on leasehold improvements	2,520	11,541
	76,003	75,471
<b>Employee benefits expense</b>		
Salaries and allowances		
- elected officials	162,671	170,248
- employees	845,076	619,896
Superannuation contributions		
- elected officials	15,961	26,504
- employees	97,738	73,847
Provision for annual leave		
- elected officials	(5,110)	(6,859)
- employees	(10,321)	(1,848)
Provision for long service leave		
- elected officials	(17,842)	6,431
- employees	(11,046)	7,961
Other	92,345	92,246
	1,169,473	988,426



HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	2,267	529
Cash at bank	868,884	834,441
Cash on deposit	432,355	409,922
	1,303,506	1,244,892

**NOTE 6: TRADE AND OTHER RECEIVABLES**

Sundry debtors	11,938	38,521
	11,938	38,521

**NOTE 7: OTHER CURRENT ASSETS**

Prepayments	75,485	75,830
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**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

**Leasehold improvements**

Leasehold improvements at cost	169,397	166,120
Less: accumulated amortisation	(131,188)	(121,017)
	38,209	45,103

**Plant and equipment**

Plant and equipment at cost	497,220	563,262
Less: accumulated depreciation	(272,610)	(328,357)
	224,610	234,905
	262,819	280,008

**a. Movements in carrying amounts**

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

	Leasehold improvements	Plant and equipment	Total
	\$	\$	\$
Balance at the beginning of year	45,103	234,905	280,008
Additions	3,277	76,750	80,027
Disposals	-	(21,213)	(21,213)
Depreciation expense	(10,171)	(65,832)	(76,003)
	38,209	224,610	262,819

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
<b>NOTE 9: FINANCIAL ASSETS</b>		
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>
 <b>NOTE 10: TRADE AND OTHER PAYABLES</b>		
Legal costs payable	-	869
Sundry creditors	<u>117,302</u>	<u>198,150</u>
	<u>117,302</u>	<u>199,019</u>
 <b>NOTE 11: FINANCIAL LIABILITIES</b>		
<b>CURRENT</b>		
Hire purchase liability	7,818	11,577
Less unexpired interest	<u>(217)</u>	<u>(997)</u>
	<u>7,601</u>	<u>10,580</u>
 <b>NON-CURRENT</b>		
Hire purchase liability	-	7,818
Less unexpired interest	<u>-</u>	<u>(217)</u>
	<u>-</u>	<u>7,601</u>
 <b>NOTE 12: PROVISIONS</b>		
Employee entitlements		
Provision for annual leave		
- elected officials	31,125	36,234
- employees	<u>32,897</u>	<u>43,218</u>
	<u>64,022</u>	<u>79,452</u>
 Provision for long service leave		
- elected officials	53,898	71,740
- employees	<u>35,380</u>	<u>46,426</u>
	<u>89,278</u>	<u>118,166</u>
Total employee entitlements	<u>153,300</u>	<u>197,618</u>
Number of employees at year end	<u>15</u>	<u>13</u>

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>2007</b>	<b>2006</b>
<b>\$</b>	<b>\$</b>

**NOTE 13: CONTINGENT LIABILITIES**

There are no contingent liabilities at the date of this report.

**NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION  
& RELATED PARTY TRANSACTIONS**

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

Jennifer Evans	President
Denise Guppy	Assistant Branch Secretary
Mandee Oakes	Junior Vice President
Lloyd Williams	Branch Secretary
Brian Addison	Trustee
Diane Welton	Trustee
Natasha Markulev	Senior Vice President
Joanne Petrenko	Committee Member
Mavis Jack	" "
Tina Grimes	" "
John Murphy	" "
Wendy Williams	" "
Patrick Nuzum	" "
Bella Anderson	" "
Paul Healy	" "
Di Harpur (term expired 15 August 2006)	" "

a. The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$162,671. (2006: \$170,248)

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$15,960. (2006: \$26,504)

b. The aggregate amount of remuneration paid as salaries to other persons on the committee of management in their capacity as professional officer of the union was as follows:

- salaries \$70,645 and superannuation \$11,303.

Remuneration paid to other persons on the committee of management in the form of honorariums was \$2,000 (2006: \$2,000)

c. There were no transactions between the officers of the Union other than those relating to their membership of the Union and reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 15: LEASING COMMITMENTS</b>		
<b>Finance Lease Commitments</b>		
Payable		
not later than 1 year	7,818	11,577
later than 1 year but not later than 5 years	-	7,818
Minimum lease payments	<u>7,818</u>	<u>19,395</u>
Less future finance charges	<u>217</u>	<u>1,214</u>
Total lease liability	<u>7,601</u>	<u>18,181</u>
<b>Operating Lease Commitments</b>		
Being for rent of office		
Payable:		
not later than 1 year	53,794	52,227
later than 1 year but not later than 5 years	<u>112,478</u>	<u>166,272</u>
	<u>166,272</u>	<u>218,499</u>

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 3% per annum. The lease allows for sub-letting of all lease areas.

**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.

HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007

**NOTE 17: ECONOMIC DEPENDENCE**

The principle source of income for the Union is from membership fees. The Union is economically dependent upon the membership levels and fees.

	2007	2006
	\$	\$

**NOTE 18: CASH FLOW INFORMATION**

**a. Reconciliation of Cash**

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand	2,267	529
Cash at bank	868,884	834,441
Cash on deposit	432,355	409,922
	1,303,506	1,244,892

**b. Reconciliation of Cash Flow from Operations with Net Profit attributable to members**

Net profit	151,112	122,528
Non-cash flows in profit:		
Depreciation	76,003	75,471
Net loss on disposal of plant and equipment	5,720	1,398
Non cash items	-	8,828
Changes in assets and liabilities:		
(Increase)/decrease in receivables	26,583	(22,050)
(Increase)/decrease in other assets	345	(10,520)
Increase/(decrease) in payables	(81,718)	84,909
Increase/(decrease) in other provisions	(44,318)	5,685
	133,728	266,249

c. The Union has no credit stand-by or financing facilities in place.

d. There were no non-cash financing or investing activities during the period.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 19: 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 those 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
		%	\$	\$	\$	\$	\$
<b>2007</b>							
<b>Financial Assets</b>							
Cash at bank	5	5.75	868,884	432,355	-	2,267	1,303,506
Receivables	6	-	-	-	-	11,938	11,938
<b>Total Financial Assets</b>			<b>868,884</b>	<b>432,355</b>	<b>-</b>	<b>14,205</b>	<b>1,315,444</b>
<b>Financial Liabilities</b>							
Hire Purchase Creditors	11	7.45	-	7,601	-	-	7,601
Payables	10		-	-	-	117,302	117,302
<b>Total Financial Liabilities</b>			<b>-</b>	<b>7,601</b>	<b>-</b>	<b>117,302</b>	<b>124,903</b>
<b>Net Financial Assets/(Liabilities)</b>			<b>868,884</b>	<b>424,754</b>	<b>-</b>	<b>(103,096)</b>	<b>1,190,541</b>

	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
		%	\$	\$	\$	\$	\$
<b>2006</b>							
<b>Financial Assets</b>							
Cash at bank	5	5.75	834,441	409,922	-	529	1,244,892
Receivables	6	-	-	-	-	38,521	38,521
<b>Total Financial Assets</b>			<b>834,441</b>	<b>409,922</b>	<b>-</b>	<b>39,050</b>	<b>1,283,413</b>
<b>Financial Liabilities</b>							
Hire Purchase Creditors	11	7.45	-	10,580	7,601	-	18,181
Payables	10		-	-	-	199,019	199,019
<b>Total Financial Liabilities</b>			<b>-</b>	<b>10,580</b>	<b>7,601</b>	<b>199,019</b>	<b>217,200</b>
<b>Net Financial Assets/(Liabilities)</b>			<b>834,441</b>	<b>399,342</b>	<b>(7,601)</b>	<b>(159,969)</b>	<b>1,066,213</b>

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 20: FINANCIAL INSTRUMENTS continued</b>		
<b>a. Interest Rate Risk Exposures continued</b>		
Reconciliation of Net Financial Assets to Net Assets		
Net Financial Assets	1,190,541	1,066,213
Non-Financial assets and liabilities		
Prepayments	7      75,485	75,830
Property, plant and equipment	8      262,819	280,008
Employee entitlements	12     (153,300)	(197,618)
	<u>1,375,545</u>	<u>1,224,433</u>
Net assets per statement of balance sheet		

**b. Credit Risk**

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 of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet 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**

For all financial assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

**NOTE 21: 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  
ABN 48 505 905 580**

**COMMITTEE OF MANAGEMENT CERTIFICATE**

On 30 October 2007 the Committee of Management of the Health Services Union of Australia Victorian No. 2 Branch ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

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; and
- (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) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organization; and
  - (v) the information 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 of Registrar; and
  - (vi) there has been compliance with any order for inspection of financial reports made by the Commission under section 273 of the RAO Schedule.



HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

COMMITTEE OF MANAGEMENT CERTIFICATE  
continued

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
  - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.
- (g that the members receive a copy of the concise financial report.  
)

Signed in accordance with a resolution of the Committee of Management:

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

Signature:



Melbourne: 30 October 2007

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

We have audited the accompanying financial report of Health Services Union of Australia Victorian No 2 Branch (the reporting unit), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the reporting unit during the financial year.

**Committee of management's responsibility for the financial report**

The reporting unit's committee of management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the committee also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to international Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

**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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, 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.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

**Auditor's opinion**

In our opinion the financial report of the reporting unit:

- (a) is in accordance with the provisions of the Workplace Relations Act 1996, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RAO Schedule, including:
  - (i) presenting fairly the reporting unit's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of the Industrial Registrar, including:
  - (i) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
  - (ii) any donations or other contributions deducted from recovered money.
- (c) the financial report also complies with International Financial reporting standards as disclosed in Note 1.

*MSI RaggWeir*

**MSI RAGG WEIR**  
Chartered Accountants

*L.S. Wong*

**L.S. WONG**  
Partner,  
Member of the Institute of Chartered Accountants in Australia and  
holder of a current public practice certificate

Melbourne 31 October 2007

**COMPILATION REPORT  
TO HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH**

**Scope**

On the basis of the information provided by the Committee of Management of Health Services Union of Australia Victorian No. 2 Branch we have complied, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report comprising the Detailed Profit and Loss Statement of Health Services Union of Australia Victorian No. 2 Branch for the year ended 30 June 2007 as set out on page 25.

The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the Committee of Management. No Accounting Standards and other mandatory professional reporting requirements have been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent and are appropriate to satisfy the needs of the Committee of Management.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the reporting unit, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the reporting unit and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

*MSI RaggWeir*

**MSI RAGG WEIR**  
Chartered Accountants

Melbourne: 31 October 2007

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HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2007



**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**OPERATING REPORT**

In accordance with Section 254 of the Registration and Accountability of Organizations (RAO) Schedule, the Committee of Management present their Operating Report on the Health Services Union of Australia, Victorian No. 2 Branch (the Union), the relevant Reporting Unit for the financial year ended 30 June 2007.

**Principal Activities**

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.

**Operating Result**

The operating profit of the Union for the financial year was \$151,112. No provision for tax was necessary as the Union is exempt from income tax.

**Significant change**

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

**Rights of Members**

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.

**Superannuation Officeholders**

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.

**Other Prescribed Information**

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations:

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the RAO Schedule and who are taken to be members of the Union under section 244 of the RAO Schedule was 6,009.
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 15.

HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

OPERATING REPORT continued

Other Prescribed Information continued

(c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

**Name**

Jennifer Evans	President
Denise Guppy	Assistant Branch Secretary
Mandee Oakes	Junior Vice President
Lloyd Williams	Branch Secretary
Brian Addison	Trustee
Diane Welton	Trustee
Natasha Markulev	Senior Vice President
Joanne Petrenko	Committee Member
Mavis Jack	" "
Tina Grimes	" "
John Murphy	" "
Wendy Williams	" "
Patrick Nuzum	" "
Bella Anderson	" "
Paul Healy	" "
Di Harpur (term expired 15 August 2006)	" "

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

Signed in accordance with a resolution of the Committee of Management.

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

Signature:



Melbourne: 30 October 2007

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
Revenue		2,363,885	2,164,838
Administration expense		(652,738)	(650,967)
Affiliation and capitation fees		(197,626)	(174,696)
Borrowing costs expense		(997)	(1,754)
Communication expense		(42,545)	(49,482)
Loss on disposal of fixed assets		(5,720)	(1,398)
Depreciation and amortisation expenses		(76,003)	(75,471)
Employee benefits expense		(1,169,473)	(988,426)
Occupancy expense		(60,648)	(59,519)
Other expenses		<u>(7,023)</u>	<u>(40,597)</u>
Profit before income tax expense		151,112	122,528
Income tax expense		<u>-</u>	<u>-</u>
Net profit attributable to members		<u>151,112</u>	<u>122,528</u>

**Discussion and analysis of Income Statement**

Net profits for the year have increased by \$28,584. This is due primarily to increased member subscriptions of \$212,459 which was offset by increased affiliation and computer fees of \$22,930 and employee benefits expense of \$181,047.

The accompanying notes form part of these financial statements.



**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**BALANCE SHEET  
AS AT 30 JUNE 2007**

	Note	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,303,506	1,244,892
Trade and other receivables		11,938	38,521
Other current assets		<u>75,485</u>	<u>75,830</u>
<b>TOTAL CURRENT ASSETS</b>		<u>1,390,929</u>	<u>1,359,243</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		262,819	280,008
Financial assets		<u>-</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>262,819</u>	<u>280,008</u>
<b>TOTAL ASSETS</b>		<u>1,653,748</u>	<u>1,639,251</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		117,302	199,019
Financial liabilities		7,601	10,580
Short term provisions		<u>153,300</u>	<u>197,618</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>278,203</u>	<u>407,217</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities		<u>-</u>	<u>7,601</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>7,601</u>
<b>TOTAL LIABILITIES</b>		<u>278,203</u>	<u>414,818</u>
<b>NET ASSETS</b>		<u>1,375,545</u>	<u>1,224,433</u>
<b>EQUITY</b>			
Retained profits		<u>1,375,545</u>	<u>1,224,433</u>
<b>TOTAL EQUITY</b>		<u>1,375,545</u>	<u>1,224,433</u>

**Discussion and analysis of Balance Sheet**

The total assets and net assets of the Union increased by \$14,497 and \$151,112 respectively. This is due to increased net earnings as discussed in page 3. The Union is in a strong financial position with cash and cash equivalents of \$1,303,506 and net assets of \$1,375,545.

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2007

	Retained earnings general fund \$	Total \$
Balance at 1 July 2005	1,101,905	1,101,905
Profit attributable to members	122,528	122,528
Revaluation increment (decrement)	-	-
	<hr/>	<hr/>
<b>Balance at 30 June 2006</b>	1,224,433	1,224,433
Profit attributable to members	151,112	151,112
Revaluation increment (decrement)	-	-
	<hr/>	<hr/>
<b>Balance at 30 June 2007</b>	1,375,545	1,375,545

**Discussion and analysis of Statement of Changes in Equity**

The equity of the Union has increased by \$151,112 from \$1,224,433 to \$1,375,545

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions receipts		2,263,080	2,214,043
Payments to suppliers and employees		(2,255,743)	(2,082,968)
Interest paid		(997)	(1,754)
Interest received		69,129	60,945
Other revenue		58,259	75,983
Net cash provided by (used in) operating activities		133,728	266,249
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(80,027)	(77,670)
Proceeds on sale of fixed assets		15,493	10,000
Net cash provided by (used in) investing activities		(64,534)	(67,670)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(10,580)	(9,823)
Net cash used in financing activities		(10,580)	(9,823)
Net increase/(decrease) in cash held		58,614	188,756
Cash at beginning of year		1,244,892	1,056,136
Cash at end of year		1,303,506	1,244,892

**Discussion and analysis of Statement of Cash Flows**

Cashflows have increased by \$58,614 arising from increased member subscriptions.

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS - FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
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	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**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.

**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 272 of RAO Schedule, 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).

**NOTE 3: FINANCIAL STATEMENTS**

The Union will provide a copy of the full financial report for the year ended 30 June 2007, free of charge to any member who requests it.

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**COMMITTEE OF MANAGEMENT CERTIFICATE**

On 30 October 2007 the Committee of Management of the Health Services Union of Australia Victorian No. 2 Branch ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

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; and
- (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) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organization; and
  - (v) the information 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 of Registrar; and
  - (vi) there has been compliance with any order for inspection of financial reports made by the Commission under section 273 of the RAO Schedule.

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VICTORIAN NO. 2 BRANCH  
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COMMITTEE OF MANAGEMENT CERTIFICATE  
continued

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
  - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.
- (g) that the members receive a copy of the concise financial report.

Signed in accordance with a resolution of the Committee of Management:

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

Signature:



Melbourne: 30 October 2007

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

**Scope**

We have audited the concise financial report of Health Services Union of Australia Victorian No. 2 Branch for the year ended 30 June 2007, as set out on pages 3 to 10 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 2007. Our audit report on the full financial report was signed on 23 October 2007 and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial 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 and the Workplace Relations Act 1996.

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

**Independence**

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

**Audit Opinion**

In our opinion, the concise financial report of Health Services Union of Australia Victorian No. 2 Branch complies with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.



**MSI RAGG WEIR**  
Chartered Accountants



**L S WONG CA**

Partner

Member of the Institute of Chartered Accountants in Australia and  
holder of a current public practice certificate

Melbourne: 31 October 2007