



FAIR WORK
COMMISSION

5 March 2013

Mr Lloyd Williams
State Secretary
Health Services Union - Victoria No. 2 Branch
PO Box 206
Carlton South
Victoria 3053

Cc: Mr Ian Hinds
BGL & Associates
PO Box 6094
St Kilda Road Central
VIC 8008

By email: hacsu@hacsu.asn.au; IHinds@bglassociates.com.au

Dear Mr Williams,

Re: Financial report of the Health Services Union – Victorian No. 2 Branch for year ended 30 June 2012 (FR2012/408)

I acknowledge receipt of the financial report of the Health Services Union – Victorian No. 2 Branch for the year ended 30 June 2012. The documents were lodged with Fair Work Australia (now the Fair Work Commission–FWC) on 25 October 2012.

I further acknowledge receipt on 5 February 2013 of a declaration by your auditor, Mr Ian Hinds of BGL & Associates advising that membership fees are accounted for on an accruals basis and confirming that no adjustments are required to the figures recorded in the Financial Report for the year ended 30 June 2012.

I also acknowledge receipt of emails from Mr Hinds dated 12, 19 and 25 February and 5 March 2013 clarifying and disaggregating capitation fees and levies for the 2012 financial year.

The financial report has now been filed.

Please contact me if you have any queries. I am available on 03 9655 7604 or via email sarah.wilkin@fwc.gov.au.

Yours sincerely

Sarah Wilkin
Regulatory Compliance Branch
Fair Work Commission

From: [Ian Hinds](#)
To: [WILKIN, Sarah](#)
Cc: LloydW@hacsu.asn.au
Subject: Health and Services Union Vic No 2 Branch - breakdown of Capitation Fees and Levies - for the year ended 30 June 2012
Date: Tuesday, 12 February 2013 11:40:37 AM
Attachments: [image001.jpg](#)

Sarah

Further to our conversation last week and as requested, I can now confirm that the Capitation Fees and Levies disclosed as part of Note 7, page 15 of the Health and Services Union Vic No 2 Branch Financial Statements for the year ended 30 June 2012 is made up of the following payments to the HSU National Office:

Capitation fees	\$ 47,576
ACTU Affiliation	15,021
Prior year amounts due	7,414

**Total paid to
HSU National Office** **\$ 70,011**

Regards

Ian Hinds



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Chartered Accountants

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MELBOURNE VIC 8008

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31 January 2013

Ms S Wilkins
Fair Work Commission
Regulatory Compliance Branch
11 Exhibition Street
MELBOURNE VIC 3000

Dear Ms. Wilkins

Re: Health Services Union, Victorian No. 2 Branch Financial Report - 30 June 2012

We refer to your letter dated 23 January 2013 and your query regarding the membership subscription revenue accounting policy. Unfortunately this note was not updated from the previous year and should have stated that membership fees are accounted for on an accruals basis. This will be corrected in the Financial Report for the year ended 30 June 2013.

We can confirm that AASB 101 (27) has been complied with in all material respects and that no adjustments are required to the figures recorded in the Financial Report for the year ended 30 June 2012.

Should you have any queries in relation to the above matter please do not hesitate to contact our Office.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ian Hinds', is written over a light blue circular stamp.

BGL & Associates

Ian Hinds - Partner





23rd October 2012

ref.: lw/ci120451

General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir,

Re: *Designated Officers Certificate - s268 Fair Work (Registered Organisations) Health Services Union of Australia Victoria No.2 Branch. Financial Statements for Year Ending 30 June 2012*

I, Lloyd Williams, being the Branch Secretary of the Victoria No. 2 Branch of the Health Services Union, 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 2012 referred to in s265 of the Fair Work (Registered Organisations) Act 2009; and
2. That these documents were presented to and accepted by our Branch Committee of Management meeting on the 23rd August 2012. The Branch Committee of Management at this meeting also determined to distribute a concise report to members in accordance with s265; and
3. That the Concise Report was published to members on the 6th September 2012; and
4. That the full report was presented to and accepted at a General Meeting of members of the Branch (2nd meeting) on the 18th October 2012 in accordance with section 266 (1) (2).

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

Yours sincerely,

Lloyd Williams
State Secretary

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012**



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

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This financial report covers the Health Services Union Victorian No. 2 Branch as an individual entity. The financial report is presented in the Australian currency.

The Health Services Union Victorian No. 2 Branch is a registered trade union under the *Fair Work (Registered Organisations) Act 2009*. The purpose of the entity is to protect and improve conditions and entitlements for members. Its principle activities are the pursuit of the Objects of the Union's Rules. Specifically, the main activities of the Branch are to regulate and protect the employment conditions of its members, including: negotiating certified agreements and award variations; upholding members' rights as employees, taking all necessary steps to advance the health and safety of members in the workplace and representing members individually and collectively in the Australian Industrial Relations Commission, the Equal Opportunity Commission and the Victorian Civil and Administrative Tribunal in relation to employment matters

The principal place of business is:

Health Services Union Victorian No. 2 Branch
7 Grattan Street
CARLTON VIC 3053

The financial report was authorised for issue by the Committee of Management on 23 August 2012.

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

OPERATING REPORT

Your Branch committee of Management present their report on the union for the financial year ended 30 June 2012.

Members of branch committee

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

<i>Name</i>	<i>Position</i>	
Debbie Gunn	President	Appointed on 8 December 2011
Paul Healey	President	Resigned on 12 October 2011
Brian Addison	Senior Vice President	Appointed on 8 December 2011
Debbie Gunn	Senior Vice President	Resigned on 8 December 2011
Bella Anderson	Junior Vice President	Appointed on 8 December 2011
Brian Addison	Junior Vice President	Resigned on 8 December 2011
Lloyd Williams	State Secretary	
Paul Healey	Assistant State Secretary	Appointed on 12 October 2011
Denise Guppy	Assistant State Secretary	Resigned on 12 October 2011
Kim Lindsay	Trustee	
Dianne Welton	Trustee	
Sarah Barnard	Ordinary Member	
Katy Curtis	Ordinary Member	
Bernadette Gambin	Ordinary Member	Appointed on 8 December 2011
Michelle Henry	Ordinary Member	Appointed on 8 December 2011
Mavis Jack	Ordinary Member	
John Murphy	Ordinary Member	
Patrick Nuzum	Ordinary Member	
Kerrie Oldham	Ordinary Member	
Bella Anderson	Ordinary Member	Resigned on 8 December 2011
Angela Landmann	Ordinary Member	Resigned on 8 December 2011

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

Review of principal activities and results of operation

Health Services Union Victorian No. 2 Branch is a member based, federally registered trade union. The principal activity of the union during the financial year was the protection and improvement of employment conditions for its members who are employed as mental health and disability workers in Victoria.

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

Significant changes in state of financial affairs

No significant changes in the state of financial affairs of the Branch occurred during the financial year.

After balance date events

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.

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

OPERATING REPORT (Continued)

Membership and employee numbers

As at 30 June 2012, the total number of members was 6,650 (2011: 6,269) members and 21 full time equivalent (2011: 20) employees.

Right of members to resign

Pursuant to the Reporting Unit rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (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;which is the later, or
- (b) in any other cases:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the notice

whichever is the later.

Directorships of superannuation fund

To the best of our knowledge and belief, the following officer or member of the organisation, by virtue of their office or membership of the Health Services Union Victorian No. 2 Branch is:

<u>Name</u>	<u>Position</u>	<u>Company</u>
Lloyd Williams	Director	HESTA Pty Ltd

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

Designated Officer



Lloyd Williams

Dated this *23 August 2012*

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue from continuing operations	4	3,245,538	3,026,788
Expenses			
Administration expense		(654,146)	(588,598)
Affiliation and capitation fees	7	(103,765)	(153,585)
Communication expense		(23,726)	(28,566)
Depreciation and amortisation expenses		(104,269)	(88,314)
Educator expenses		(16,479)	-
Employee benefits expense	8	(1,756,333)	(1,833,563)
Legal and professional fees		(305,971)	(155,157)
Loss on disposal of fixed assets		(1,902)	(36,474)
Members benefit expenses		(67,555)	(20,315)
Occupancy expenses		(41,837)	(68,865)
Borrowing costs		(79,615)	(69,994)
		<u>(3,155,598)</u>	<u>(3,043,431)</u>
Surplus (Deficit) for the year	5	<u>89,940</u>	<u>(16,643)</u>
Surplus (Deficit) attributable to members of the entity		89,940	(16,643)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to the members		<u>89,940</u>	<u>(16,643)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

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

BALANCE SHEET
AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	723,089	615,366
Trade and other receivables	10	81,691	197,452
Inventories	11	25,493	-
Total current assets		<u>830,273</u>	<u>812,818</u>
Non-current assets			
Property, plant and equipment	12	2,311,970	2,347,607
Total non-current assets		<u>2,311,970</u>	<u>2,347,607</u>
Total assets		<u>3,142,243</u>	<u>3,160,425</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	174,923	191,971
Provisions	14	285,680	302,198
Borrowings	15	26,670	23,796
Total current liabilities		<u>487,273</u>	<u>517,965</u>
Non-current liabilities			
Provisions	15	961,520	1,038,950
Total non-current liabilities		<u>961,520</u>	<u>1,038,950</u>
Total liabilities		<u>1,448,793</u>	<u>1,556,915</u>
Net assets		<u>1,693,450</u>	<u>1,603,510</u>
MEMBERS' FUND			
Accumulated surplus	16	1,693,450	1,603,510
Total members' fund		<u>1,693,450</u>	<u>1,603,510</u>

The above balance sheet should be read in conjunction with the accompanying notes.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Accumulated surplus \$	Total \$
Balance at 1 July 2010	1,620,153	1,620,153
Total comprehensive income for the year	<u>(16,643)</u>	<u>(16,643)</u>
Balance at 30 June 2011	<u>1,603,510</u>	<u>1,603,510</u>
Balance at 1 July 2011	1,603,510	1,603,510
Total comprehensive income for the year	<u>89,940</u>	<u>89,940</u>
Balance at 30 June 2012	<u>1,693,450</u>	<u>1,693,450</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Subscriptions receipts		3,187,569	2,522,449
Sundry receipts		366,696	415,001
Payments to suppliers and employees		(3,252,381)	(2,985,152)
Interest received		30,544	51,228
Interest paid		<u>(79,615)</u>	<u>(64,594)</u>
Net cash inflow (outflow) from operating activities	20	<u>252,813</u>	<u>(61,068)</u>
Cash flows from investing activities			
Proceeds from sales of assets		23,182	-
Payments for property, plant and equipment		<u>(93,716)</u>	<u>(2,259,548)</u>
Cash outflow from investing activities		<u>(70,534)</u>	<u>(2,259,548)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	1,080,000
Repayment of borrowings		<u>(74,556)</u>	<u>(17,254)</u>
Net cash (outflow) inflow from financing activities		<u>(74,556)</u>	<u>1,062,746</u>
Net increase (decrease) in cash and cash equivalents		107,723	(1,257,870)
Cash and cash equivalents at beginning of financial year		<u>615,366</u>	<u>1,873,236</u>
Cash and cash equivalents at end of financial year	9	<u>723,089</u>	<u>615,366</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statement covers the Health Services Union Victorian No. 2 Branch (The Branch).

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009. The Health Services Union Victorian No. 2 Branch (The Branch) is a not-for-profit entity for the purpose of preparing the financial statements.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the Branch comply with the Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

New and amended standards adopted by the Branch

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2011 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, the adoption of the revised AASB 124 *Related Party Disclosures* resulted in the disclosure of additional related party transactions and required the restatement of some comparative information in note 21, and the adoption of AASB 1054 *Australian Additional Disclosures* and AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* enabled the removal of certain disclosures in relation to commitments and the franking of dividends.

Early adoption of standards

The Branch has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2011.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Branch's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies (Continued)

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Branch recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Branch's activities as described below. The Branch bases its estimates on historical results, taking into consideration the type of member, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

Membership subscriptions

Subscription revenue is recognised only when received, rather than on an accruals basis due to the uncertainty of receipts from members. Subscriptions identifiable as being received in advance for next year are recorded as such in the balance sheet.

Grants, Donations, Contribution and Funding

Revenue is recognised when the Branch obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon when their receipt or upon prior notification that a grant has been secured, and the timing of commencement of control depends upon the arrangements that exist between the contributors and the Branch.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Branch reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(c) Income tax

In accordance with section 50-15 of the Income Tax Assessment Act, the Branch is exempt from income tax.

(d) Cash and cash equivalents

For the Statement of Cash Flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies (Continued)

(e) Inventories

Inventory, consisting mainly of movie tickets, gift cards and clothing, is measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs. Net realisable value is the estimate of the selling price in the ordinary course of activities less the estimated costs of the estimated costs necessary to make the sale.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation

The depreciable amount of all fixed assets including buildings are depreciated over their estimated useful lives to the Branch commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rate	Depreciation basis
Plant and equipment	10 - 40%	Diminishing value
Building and improvements	2.5 – 12.5%	Diminishing value
Motor vehicles	18.75%	Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(g) Investment in other financial assets

Classification

The Branch classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

The Branch does not hold any investments in the following categories: financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies (Continued)

(g) Investment in other financial assets (Continued)

Recognition and derecognition

Regular purchases and sales of investments are recognised on trade-date - the date on which The Branch commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and The Branch has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Statement of Comprehensive Income as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), The Branch establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Branch assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the Statement of Comprehensive Income on equity instruments are not reversed through the Statement of Comprehensive Income.

(h) Fair value measurements

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Branch is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies (Continued)

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Branch prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(j) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow.

(k) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave, RDO and associated leave loading expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave, RDO and associated leave loading is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies (Continued)

(l) Functional and presentation currency

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is the Branch's functional and presentation currency.

(m) Comparative figures

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

(n) Impairment of assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

2: Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Branch and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Critical judgments in applying the branch's accounting policies

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries
- future on-cost rates; and
- experience of employee departures and period of service

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

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsection (1), (2) and (3) of section 272 which read as follows:

- (1) a member of a reporting unit, or the General Manager, 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 made in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) a reporting unit must comply with an application made under subsection (1).

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

4: Revenue

	2012	2011
	\$	\$
From continuing operations		
<i>Service revenue</i>		
Membership subscriptions	2,897,790	2,506,929
<i>Other revenue</i>		
- interest	30,544	47,195
- directors fee	16,390	-
- grants received	124,453	287,322
- merchandise income	62,831	16,476
- other revenue	113,530	168,866
	<u>3,245,538</u>	<u>3,026,788</u>

5: Expenses

	2012	2011
	\$	\$
The surplus(deficit) for the year includes the following specific expenses:		
<i>Depreciation</i>		
- plant and equipment	54,738	47,497
- building	49,531	40,817
	<u>104,269</u>	<u>88,314</u>
<i>Meeting expenses</i>	68,653	48,465
<i>Legal fees</i>	239,880	96,911
<i>Donations (>\$1000 each)</i>	-	9,000
<i>Donations (<\$1000 each)</i>	202	91

6. Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor and non-related audit firms:

	2012	2011
	\$	\$
(a) Audit and other assurance services		
Audit of the financial report	14,500	14,995
Other services	-	-
	<u>14,500</u>	<u>14,955</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

7: Affiliation and capitation fees

	2012	2011
	\$	\$
Affiliation fee		
- APHEDA	-	236
- Australian Labor Party	25,379	24,129
- Trades and Labor Councils	8,375	13,126
Capitation fee & levies		
- Health Services Union of Australian National Council	70,011	116,094
	<u>103,765</u>	<u>153,585</u>

8: Employee benefits expenses

	2012	2011
	\$	\$
Employee benefits - employees	1,340,873	1,456,211
Employee benefits – elected officials	304,183	237,979
Other staff costs	111,277	139,373
	<u>1,756,333</u>	<u>1,833,563</u>

9: Current assets – Cash and cash equivalents

	2012	2011
	\$	\$
Cash at bank	722,039	614,266
Cash on hand	1,050	1,100
	<u>723,089</u>	<u>615,366</u>

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Balances as above	<u>723,089</u>	615,366
Balances per Statement of Cash Flows	<u>723,089</u>	<u>615,366</u>

10: Current assets – Trade and other receivables

	2012	2011
	\$	\$
Other receivables	60,803	98,522
Amount due from HSU National Office	4,817	-
Amount due from HSU Tasmania Branch	9,063	-
Prepayments	7,008	98,930
	<u>81,691</u>	<u>197,452</u>

(a) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Branch. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

11: Inventories

	2012 \$	2011 \$
Movie tickets, gift cards & clothing on hand – at cost	<u>25,493</u>	<u>-</u>

(a) Inventory expense

Inventories recognised as expense during the year ended 30 June 2012 and included in members benefit expenses amounted to \$66,205 (2011 – \$18,815). No write-downs of inventories to net realisable value during the year.

12: Non-current assets – Property, plant and equipment

	2012 \$	2011 \$
Building and improvements		
At cost	2,123,065	2,117,754
Less accumulated depreciation	<u>(95,228)</u>	<u>(40,817)</u>
	<u>2,027,837</u>	<u>2,076,937</u>
Plant and equipment		
At cost	319,438	296,480
Less accumulated depreciation	<u>(186,863)</u>	<u>(178,314)</u>
	<u>132,575</u>	<u>118,166</u>
Motor vehicles		
At cost	222,352	238,417
Less accumulated depreciation	<u>(70,794)</u>	<u>(85,913)</u>
	<u>151,558</u>	<u>152,504</u>
Total property, plant and equipment	<u>2,311,970</u>	<u>2,347,607</u>

(a) Non-current assets pledged as security

See Note 15 for security details.

(b) Movements in carrying amounts

2011	Building and improvements \$	Leasehold improvement \$	Plant & equipment \$	Total \$
Opening net book amount	-	19,472	193,375	212,847
Additions	2,117,754	-	141,794	2,259,548
Disposals	-	(19,472)	(17,002)	(36,474)
Depreciation	<u>(40,817)</u>	-	<u>(47,497)</u>	<u>(88,314)</u>
Closing net book amount	<u>2,076,937</u>	<u>-</u>	<u>270,670</u>	<u>2,347,607</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

12: Non-current assets – Property, plant and equipment (Continued)

(b) Movements in carrying amounts

2012	Building and improvements	Plant & equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Opening net book amount	2,076,937	118,166	152,504	2,347,607
Additions	5,312	36,575	51,829	93,716
Disposals	-	(1,636)	(23,448)	(25,084)
Depreciation	(54,412)	(20,530)	(29,327)	(104,269)
Closing net book amount	<u>2,027,837</u>	<u>132,575</u>	<u>151,558</u>	<u>2,311,970</u>

13: Current liabilities – Trade and other payables

	2012	2011
	\$	\$
<i>Unsecured</i>		
Other payables	123,497	127,971
Amount payables to:		
- HSU National Office	-	64,000
- HSU Tasmania Branch	532	-
Legal fee payables	<u>50,894</u>	<u>-</u>
	<u>174,923</u>	<u>191,971</u>

14: Current liabilities – Provisions

	2012	2011
	\$	\$
Employee benefits – elected official	115,956	112,427
Employee benefits – employees	<u>169,724</u>	<u>189,771</u>
	<u>285,680</u>	<u>302,198</u>

15: Borrowings

	2012	2011
	\$	\$
Current		
Bank loan	<u>26,670</u>	<u>23,796</u>
Non-Current		
Bank loan	<u>961,520</u>	<u>1,038,950</u>
Total borrowing	<u>988,190</u>	<u>1,062,746</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012

15: Borrowings (Continued)

Security over the bank loan includes a first registered mortgage over the property located at 1 – 7 Grattan Street Carlton Victoria, shown in the financial statement under Note 12 Building and improvement with a carrying amount of \$2,027,837 at 30 June 2012.

16: Accumulated surplus

	2012 \$	2011 \$
Movements in the accumulated surplus were as follows:		
Balance 1 July	1,603,510	1,620,153
Net surplus (deficit) for the year	<u>89,940</u>	<u>(16,643)</u>
Balance 30 June	<u>1,693,450</u>	<u>1,603,510</u>

17: Contingencies

There are no known contingent assets or liabilities at 30 June 2012.

18: Commitments

There are no known commitments at 30 June 2012.

19: Events occurring after the reporting period

No other matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Branch, the results of those activities or the state of affairs of the Branch in the ensuing or any subsequent financial year.

20: Cash flow information

	2012 \$	2011 \$
Reconciliation of cash flow from operations with surplus (deficit) for the year		
Surplus (deficit) for the year	89,940	(16,643)
Non cash flows in surplus (deficit)		
Depreciation	104,269	88,314
Net loss on disposal of fixed assets	1,902	36,474
<i>Changes in assets and liabilities</i>		
Decrease (Increase) in receivables	115,761	(132,959)
(Increase) in inventories	(25,493)	-
(Decrease) in payables	(17,048)	(55,950)
(Decrease) Increase in provisions	<u>(16,518)</u>	<u>19,696</u>
Cash flows from operations	<u>252,813</u>	<u>(61,068)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

21: Related party transactions

(a) The members of the Branch Committee of Management during the year were:

<i>Name</i>	<i>Position</i>	
Debbie Gunn	President	Appointed on 8 December 2011
Paul Healey	President	Resigned on 12 October 2011
Brian Addison	Senior Vice President	Appointed on 8 December 2011
Debbie Gunn	Senior Vice President	Resigned on 8 December 2011
Bella Anderson	Junior Vice President	Appointed on 8 December 2011
Brian Addison	Junior Vice President	Resigned on 8 December 2011
Lloyd Williams	State Secretary	
Paul Healey	Assistant State Secretary	Appointed on 12 October 2011
Denise Guppy	Assistant State Secretary	Resigned on 12 October 2011
Kim Lindsay	Trustee	
Dianne Welton	Trustee	
Sarah Barnard	Ordinary Member	
Katy Curtis	Ordinary Member	
Bernadette Gambin	Ordinary Member	Appointed on 8 December 2011
Michelle Henry	Ordinary Member	Appointed on 8 December 2011
Mavis Jack	Ordinary Member	
John Murphy	Ordinary Member	
Patrick Nuzum	Ordinary Member	
Kerrie Oldham	Ordinary Member	
Bella Anderson	Ordinary Member	Resigned on 8 December 2011
Angela Landmann	Ordinary Member	Resigned on 8 December 2011

	2012	2011
	\$	\$
(b) Key management personnel compensation		
Short-term benefits – elected officials	300,654	237,647
Short-term benefits – Committee member	49,908	150,904

(c) Other transactions

There were no transactions between the officers of the union other than those relating to reimbursement by the branch 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 is reasonable to expect would have been adopted by parties at arm's length.

(d) Loans to key management personnel

There are no loans between key management personnel and the Branch.

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

STATEMENT BY COMMITTEE OF MANAGEMENT

On 23rd August 2012 the Committee of Management of the Health Services Union Victorian No. 2 Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2012:

The Committee of Management declares in relation to the GPFR that in its opinion;

1. the financial statements and notes, as set out on pages 4 to 19 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 4 to 19 comply with the reporting guidelines of the General Manager of FWA;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Health Services Union Victorian No. 2 Branch for the financial year to which they relate;
4. there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and:
5. during the financial year to which the general purpose financial report relates and since the end of 30 June 2012
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
 - b. the financial affairs of the Health Services Union Victorian No. 2 Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of the Health Services Union Victorian No. 2 Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - d. the financial records of the Health Services Union Victorian No. 2 Branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the union; and
 - e. the information sought in any request of a member of the Health Services Union Victorian No. 2 Branch or the General Manager of FWA under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of FWA; and
 - f. No orders have been made by the FWA under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
6. There were no wage recovery activities undertaken during the year.

For the Committee of Management



Designated officer – Lloyd Williams

Dated this 23 day of August

2012



B.G.L. & Associates Pty. Ltd.

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

Report on the financial report

We have audited the accompanying general purpose financial report of Health Services Union Victorian No. 2 Branch, which comprises the balance sheet as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Committee of Management.

Committee of Management 's responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Our audit did not involve an analysis of the prudence of business decisions made by the Committee of Management.

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





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

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Independence

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

Opinion

In our opinion, the general purpose financial reports of Health Services Union Victorian No. 2 Branch present fairly the financial position of Health Services Union Victorian No. 2 Branch as at 30 June 2012 and the results of its operations, its changes in equity and cash flows for the financial year then ended, in accordance with any of the following that apply to the entity:

- a) the Australian Accounting Standards – Reduced Disclosure Requirements; and
- b) the requirements imposed by Fair Work (Registered Organisations) Act 2009.

BGL & Associates
Chartered Accountants

I. A. Hinds - A.C.A. - Partner
Member of The Institute of Chartered Accountants in Australia and
holder of current Public Practice Certificate

23 August 2012
Melbourne



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

**ANNUAL CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012**



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

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Relationship of the concise financial report to the full financial reports

The financial report is an extract from the full financial report for the year ended 30 June 2012. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report. These concise financial statements cover the Health Services Union Victorian No. 2 Branch as an individual entity.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Health Services Union Victorian No. 2 Branch as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. Please contact the Health Services Union Victorian No. 2 Branch and a copy will be forwarded to you.

The committee of management has resolved on 23rd of August 2012 that this concise report be provided in accordance with s265 (2) of the Fair Work (Registered Organisations) Act 2009.

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

DISCUSSION AND ANALYSIS OF FINANCIAL REPORT

Information on the Health Services Union Victorian No. 2 Branch Concise Financial Report

The concise financial report has been derived from the 2012 full financial report of the Health Services Union Victorian No. 2 Branch and cannot be expected to provide as full an understanding of the financial performance, financial position and investing activities of the reporting unit as the full report. A copy of the full financial report and the auditor's report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on the Health Services Union Victorian No. 2 Branch's financial statements and the information contained in the concise financial report has been derived from the full 2012 financial report of the Health Services Union Victorian No. 2 Branch.

Statement of Comprehensive Income

The surplus attributable to members for the year was \$89,940 compared with a \$16,643 deficit last year. This was despite expenses increasing from \$ 3,043,431 in 2011 to \$ 3,155,598 in 2012 as income increased by more than this rising from \$ 3,026,788 in 2011 to \$ 3,245,538 in 2012.

Income:

Income received from members increased by \$ 390,861 due to both an increase of membership numbers of the Branch as well as an increase in the subscription rates.

Expenses:

Member benefits expenses increased in line with increased income. In particular member benefit expenses from \$ 20,351 in 2011 to \$ 67,555 in 2012. In addition to this, legal and professional expenses were higher as the union launched legal cases on behalf of member.

Balance Sheet

Total assets decreased by 0.6% or \$18,182 from \$3,160,425 in 2011 to \$3,142,243 this year mainly due to a decrease in trade and other receivables at the year end. Total liabilities decreased by \$108,122 or 6.9% from \$1,556,915 in 2011 to \$1,448,793 in 2012. The net result was an overall increase in members' funds of \$89,940.

Statement of Cash Flows

Net cash inflows from operations increased by \$ 313,881 from a net outflow of \$61,068 in 2011 to a net inflow of \$252,813 in 2012. The better result was mainly due to an increase in funds received from members.

Overall cash balances increased by \$107,723 from last year, with cash on hand and at banks at 30 June 2012 being \$723,089 compared with \$615,366 in 2011.

Signed in accordance with a resolution of the Committee of Management



Designated Officer – Lloyd Williams

Dated this 2 August 2012

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

OPERATING REPORT

Your Branch committee of Management present their report on the union for the financial year ended 30 June 2012.

Members of branch committee

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

<i>Name</i>	<i>Position</i>	
Debbie Gunn	President	Appointed on 8 December 2011
Paul Healey	President	Resigned on 12 October 2011
Brian Addison	Senior Vice President	Appointed on 8 December 2011
Debbie Gunn	Senior Vice President	Resigned on 8 December 2011
Bella Anderson	Junior Vice President	Appointed on 8 December 2011
Brian Addison	Junior Vice President	Resigned on 8 December 2011
Lloyd Williams	State Secretary	
Paul Healey	Assistant State Secretary	Appointed on 12 October 2011
Denise Guppy	Assistant State Secretary	Resigned on 12 October 2011
Kim Lindsay	Trustee	
Dianne Welton	Trustee	
Sarah Barnard	Ordinary Member	
Katy Curtis	Ordinary Member	
Bernadette Gambin	Ordinary Member	Appointed on 8 December 2011
Michelle Henry	Ordinary Member	Appointed on 8 December 2011
Mavis Jack	Ordinary Member	
John Murphy	Ordinary Member	
Patrick Nuzum	Ordinary Member	
Kerrie Oldham	Ordinary Member	
Bella Anderson	Ordinary Member	Resigned on 8 December 2011
Angela Landmann	Ordinary Member	Resigned on 8 December 2011

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

Review of principal activities and results of operation

Health Services Union Victorian No. 2 Branch is a member based, federally registered trade union. The principal activity of the union during the financial year was the protection and improvement of employment conditions for its members who are employed as mental health and disability workers in Victoria.

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

Significant changes in state of financial affairs

No significant changes in the state of financial affairs of the Branch occurred during the financial year.

After balance date events

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.

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

OPERATING REPORT (Continued)

Membership and employee numbers

As at 30 June 2012, the total number of members was 6,650 (2011: 6,269) members and 21 full time equivalent (2011: 20) employees.

Right of members to resign

Pursuant to the Reporting Unit rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (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;which is the later, or
- (b) in any other cases:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the notice

whichever is the later.


Directorships of superannuation fund

To the best of our knowledge and belief, the following officer or member of the organisation, by virtue of their office or membership of the Health Services Union Victorian No. 2 Branch is:

<u>Name</u>	<u>Position</u>	<u>Company</u>
Lloyd Williams	Director	HESTA Pty Ltd

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

Designated Officer



Lloyd Williams

Dated this *23 August 2012*

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
Revenue from continuing operations	3	3,245,538	3,026,788
Expenses			
Administration expense		(654,146)	(588,598)
Affiliation and capitation fees		(103,765)	(153,585)
Communication expense		(23,726)	(28,566)
Depreciation and amortisation expenses		(104,269)	(88,314)
Educator expenses		(16,479)	-
Employee benefits expense		(1,756,333)	(1,833,563)
Legal and professional fees		(305,971)	(155,157)
Loss on disposal of fixed assets		(1,902)	(36,474)
Members benefit expenses		(67,555)	(20,315)
Occupancy expenses		(41,837)	(68,865)
Borrowing costs		(79,615)	(69,994)
		<u>(3,155,598)</u>	<u>(3,043,431)</u>
Surplus (Deficit) for the year		<u>89,940</u>	<u>(16,643)</u>
Surplus (Deficit) attributable to members of the entity		89,940	(16,643)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the members		<u>89,940</u>	<u>(16,643)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

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

**BALANCE SHEET
AS AT 30 JUNE 2012**

	2012 \$	2011 \$
ASSETS		
Current assets		
Cash and cash equivalents	723,089	615,366
Trade and other receivables	81,691	197,452
Inventories	25,493	-
Total current assets	<u>830,273</u>	<u>812,818</u>
Non-current assets		
Property, plant and equipment	2,311,970	2,347,607
Total non-current assets	<u>2,311,970</u>	<u>2,347,607</u>
Total assets	<u>3,142,243</u>	<u>3,160,425</u>
LIABILITIES		
Current liabilities		
Trade and other payables	174,923	191,971
Provisions	285,680	302,198
Borrowings	26,670	23,796
Total current liabilities	<u>487,273</u>	<u>517,965</u>
Non-current liabilities		
Provisions	961,520	1,038,950
Total non-current liabilities	<u>961,520</u>	<u>1,038,950</u>
Total liabilities	<u>1,448,793</u>	<u>1,556,915</u>
Net assets	<u>1,693,450</u>	<u>1,603,510</u>
MEMBERS' FUND		
Accumulated surplus	1,693,450	1,603,510
Total members' fund	<u>1,693,450</u>	<u>1,603,510</u>

The above balance sheet should be read in conjunction with the accompanying notes.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Accumulated surplus \$	Total \$
Balance at 1 July 2010	1,620,153	1,620,153
Total comprehensive income for the year	<u>(16,643)</u>	<u>(16,643)</u>
Balance at 30 June 2011	<u>1,603,510</u>	<u>1,603,510</u>
Balance at 1 July 2011	1,603,510	1,603,510
Total comprehensive income for the year	<u>89,940</u>	<u>89,940</u>
Balance at 30 June 2012	<u>1,693,450</u>	<u>1,693,450</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Cash flows from operating activities		
Subscriptions receipts	3,187,569	2,522,449
Sundry receipts	366,696	415,001
Payments to suppliers and employees	(3,252,381)	(2,985,152)
Interest received	30,544	51,228
Interest paid	(79,615)	(64,594)
Net cash inflow (outflow) from operating activities	<u>252,813</u>	<u>(61,068)</u>
Cash flows from investing activities		
Proceeds from sales of assets	23,182	-
Payments for property, plant and equipment	(93,716)	(2,259,548)
Cash outflow from investing activities	<u>(70,534)</u>	<u>(2,259,548)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	1,080,000
Repayment of borrowings	(74,556)	(17,254)
Net cash (outflow) inflow from financing activities	<u>(74,556)</u>	<u>1,062,746</u>
Net increase (decrease) in cash and cash equivalents	107,723	(1,257,870)
Cash and cash equivalents at beginning of financial year	<u>615,366</u>	<u>1,873,236</u>
Cash and cash equivalents at end of financial year	<u><u>723,089</u></u>	<u><u>615,366</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1: Summary of significant accounting policies

(a) Basis of preparation

The concise financial reports have been prepared in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 and Accounting Standard AASB 1039 "Concise Financial Reports".

A full general purpose financial report has been prepared for the Health Services Union Victorian No. 2 Branch (The Branch). The financial statements and specific disclosures included in the concise financial report have been derived from the general purpose financial report of the Branch. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the the Branch as the general purpose financial report of the the Branch.

(b) Basis of accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

(c) Presentation currency

The presentation currency used in this concise financial report is Australian dollars.

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

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 , the attention of members is drawn to the provisions of subsection (1), (2) and (3) of section 272 which read as follows:

(1) a member of a reporting unit, or the General Manager, 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 made in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

3: Revenue

	2012	2011
	\$	\$
From continuing operations		
<i>Service revenue</i>		
Membership subscriptions	2,897,790	2,506,929
<i>Other revenue</i>		
- interest	30,544	47,195
- directors fee	16,390	-
- grants received	124,453	287,322
- merchandise income	62,831	16,476
- other revenue	113,530	168,866
	<u>3,245,538</u>	<u>3,026,788</u>

4: Contingencies

There are no known contingent assets or liabilities at 30 June 2012.

5: Events occurring after the reporting period

No other matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Branch, the results of those activities or the state of affairs of the Branch in the ensuing or any subsequent financial year.

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

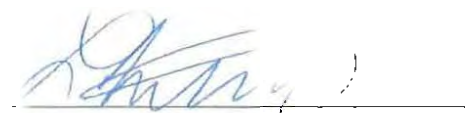
STATEMENT BY COMMITTEE OF MANAGEMENT

On *23rd August 2012* the Committee of Management of the Health Services Union Victorian No. 2 Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2012:

The Committee of Management declares in relation to the GPFR that in its opinion;

1. the financial statements and notes, as set out on pages 4 to 9 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 4 to 9 comply with the reporting guidelines of the General Manager of FWA;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Health Services Union Victorian No. 2 Branch for the financial year to which they relate;
4. there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and:
5. during the financial year to which the general purpose financial report relates and since the end of 30 June 2012
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
 - b. the financial affairs of the Health Services Union Victorian No. 2 Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of the Health Services Union Victorian No. 2 Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - d. the financial records of the Health Services Union Victorian No. 2 Branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the union; and
 - e. the information sought in any request of a member of the Health Services Union Victorian No. 2 Branch or the General Manager of FWA under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of FWA; and
 - f. No orders have been made by the FWA under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
6. There were no wage recovery activities undertaken during the year.

For the Committee of Management



Designated officer – Lloyd Williams

Dated this *23* day of *August* 2012



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

Report on the concise financial report

We have audited the accompanying concise financial report of the Health Services Union Victorian No. 2 Branch comprises the balance sheet as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of the Health Services Union Victorian No. 2 Branch for the year ended 30 June 2012. The concise financial report also includes discussion and analysis of results and Statement by Committee of Management. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Committee of Management's responsibility for the concise financial report

The Committee of Management is responsible for the preparation of the concise financial report in accordance with Australian Accounting Standards AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee of Management determine is necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Health Services Union Victorian No. 2 Branch for the year ended 30 June 2012. We expressed an unmodified audit opinion on the financial report in our report dated 23 August 2012. The Australian 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 for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the concise 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 controls. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis of results, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039 *Concise Financial Reports*.

Our audit did not involve an analysis of the prudence of business decisions made by the Committee of Management.

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



Chartered Accountants



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

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Independence

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

Opinion

In our opinion, the concise financial report, including the discussion and analysis of results and the Statement of Committee Management of the Health Services Union Victorian No. 2 Branch for the year ended 30 June 2012 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009.

BGL & Associates
Chartered Accountants

I. A. Hinds - A.C.A. - Partner
Member of The Institute of Chartered Accountants in Australia and
holder of current Public Practice Certificate

23 August 2012
Melbourne

