



FairWork
Commission

23 March 2014

Mr Lloyd Williams
State Secretary
Health Services Union-Victorian No. 2 Branch

Sent by email: lloydw@hacsu.asn.au

Dear Mr Williams,

Health Services Union, Victorian No. 2 Branch - Financial Report for year ended 30 June 2013 - (FR2013/315)

I refer to the financial report of the Health Services Union, Victorian No. 2 Branch (the reporting unit). The documents were lodged with the Fair Work Commission on 29 October 2013. The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

If you have any queries regarding this letter, I may be contacted on (02) 6723 723 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

Stephen Kellett

Senior Adviser, Regulatory Compliance Branch

From: KELLETT, Stephen
To: ["Corinnel@hacsu.asn.au"](mailto:Corinnel@hacsu.asn.au)
Cc: ["lloydw@hacsu.asn.au"](mailto:lloydw@hacsu.asn.au)
Subject: Financial report - HSU Vic No 2 Branch - for y/e 30 June 2013 - filing
Date: Sunday, 23 March 2014 5:36:00 PM
Attachments: [HSU VIC 2 FR2013 315 \(primary final\).pdf](#)

Dear Ms Ioannou,

Please see attached my letter in relation to the above.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au

From: KELLETT, Stephen
To: [KELLETT, Stephen](mailto:KELLETT.Stephen)
Subject: FW: [Kellett] ON CMS - Health Services Union of Australian - Victoria No.2 Branch FR for 30/6/2013
Date: Saturday, 22 March 2014 8:05:00 AM
Attachments: [DOC002.PDF](#)

[FR2013/315](#)

From: Corinne Ioannou [<mailto:CorinneI@hacsu.asn.au>]
Sent: Tuesday, 29 October 2013 10:45 AM
To: General Manager
Subject: Financial Statement for year ending 30 June 2013 - Health Services Union of Australian Victoria No.2 Branch

Dear General Manager,

Please find attached our Full Financial Report and our Concise Financial report for the year ending 30th June 2013.

Hard copy is in the mail.

Yours Sincerely,

Corinne Ioannou
[Executive Assistant to Lloyd Williams](#)

Health and Community Services Union (HACSU)
7 Grattan Street
Carlton VIC 3053
Phone: 03 9340 4125 - Toll free: 1300 651 931 - Fax 03 9650 8122 - Email: corinnei@hacsu.asn.au

This communication is intended only to be read or used by the addressee. The information contained in this communication may be confidential information. If you are not the intended recipient, any use, interference with, distribution, disclosure or copying of this material is unauthorised and prohibited. The confidentiality attached to this communication is not waived or lost by reason of the mistaken delivery to you. If you have received this communication in error, please destroy it and notify HACSU on 03 9340 4100



28th October 2013

ref.: lw/ci130487

General Manager
Fair Work Commission
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 2013***

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 2013 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 29th August 2013. 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 30th August 2013; and
4. That the full report was presented to and accepted at a General Meeting of members of the Branch on the 24th October 2013 in accordance with section 266 (1) (2).

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

Yours sincerely,

**Lloyd Williams
Branch Secretary**

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**



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

TABLE OF CONTENTS

Operating Report	1
Financial Report	
Statement of Comprehensive Income	3
Balance Sheet	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 – 28
Committee of Management Statement	29
Independent Auditor's Report	30

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 29 August 2013.

**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 2013.

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	
Brian Addison	Senior Vice President	
Bella Anderson	Junior Vice President	
Lloyd Williams	Branch Secretary	
Paul Healey	Assistant Branch Secretary	
Kim Lindsay	Trustee	
Dianne Welton	Trustee	
Sarah Barnard	Ordinary Member	
Katy Curtis	Ordinary Member	
Bernadette Gambin	Ordinary Member	
Michelle Henry	Ordinary Member	Resigned on 9 June 2013
Mavis Jack	Ordinary Member	Resigned on 30 May 2013
John Murphy	Ordinary Member	
Patrick Nuzum	Ordinary Member	
Kerrie Oldham	Ordinary Member	
Joanne Tomlins	Ordinary Member	Appointed on 30 May 2013

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, the results of those activities and any significant changes in the nature of those activities during the year

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 financial affairs

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

Union Details

Number of employees

As at 30 June 2013, the Branch has 21 full time equivalent (2012: 21) employees.

Number of members

As at 30 June 2013, the total number of members was 6,767 (2012: 6,650) members.

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

OPERATING REPORT (Continued)

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 and employee of the Branch is superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee by virtue of their position in the Branch:

Officer /Employee	Trustee Company	Name of Entity	Position
Lloyd Williams	H.E.S.T. Australia Ltd	HESTA	Director

Directorships of company or a member of a board

To the best of our knowledge and belief, the following officers and employees of the Branch are directors of a company or a member of a board by virtue of their position in the Branch or by being nominated by the Branch or by a peak council:

Officer /Employee	Name of Entity	Principal Activities	Position
Paul Healey	6 th Melbourne Scout Group	Community Scout Group	Chairman
Lloyd Williams	Victorian Trades Hall Council	State based peak Union body representing Victorian affiliated Unions	Executive Member

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

Signature of designated officer:



Name of designated officer: Lloyd Williams

Title of designated officer: Branch Secretary

Dated this 29 AUGUST 2013

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Revenue from continuing operations	4	3,446,136	3,245,538
Expenses			
Administration expense		(614,893)	(654,146)
Affiliation and capitation fees	6	(164,934)	(103,765)
Communication expense		(26,779)	(23,726)
Depreciation and amortisation expenses		(105,325)	(104,269)
Educator expenses		(31,011)	(16,479)
Employee benefits expense	7	(1,997,740)	(1,756,333)
Grant expenses		(1,925)	-
Legal and professional fees		(57,761)	(305,971)
Loss on disposal of fixed assets		(12,387)	(1,902)
Members benefit expenses		(106,260)	(67,555)
Occupancy expenses		(49,570)	(41,837)
Borrowing costs		(56,533)	(79,615)
		<u>(3,225,118)</u>	<u>(3,155,598)</u>
Surplus for the year	5	<u>221,018</u>	<u>89,940</u>
Surplus attributable to members of the entity		221,018	89,940
Other comprehensive income		-	-
Total comprehensive income for the year attributable to the members		<u>221,018</u>	<u>89,940</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 2013

	Note	2013 \$	2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	830,034	723,089
Trade and other receivables	10	77,209	81,691
Inventories	11	<u>34,805</u>	<u>25,493</u>
Total current assets		<u>942,048</u>	<u>830,273</u>
Non-current assets			
Property, plant and equipment	12	<u>2,284,850</u>	<u>2,311,970</u>
Total non-current assets		<u>2,284,850</u>	<u>2,311,970</u>
Total assets		<u>3,226,898</u>	<u>3,142,243</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	211,056	174,923
Provisions	14	291,834	285,680
Borrowings	15	<u>30,225</u>	<u>26,670</u>
Total current liabilities		<u>533,115</u>	<u>487,273</u>
Non-current liabilities			
Borrowings	15	<u>779,315</u>	<u>961,520</u>
Total non-current liabilities		<u>779,315</u>	<u>961,520</u>
Total liabilities		<u>1,312,430</u>	<u>1,448,793</u>
Net assets		<u>1,914,468</u>	<u>1,693,450</u>
MEMBERS' FUND			
Accumulated surplus	16	<u>1,914,468</u>	<u>1,693,450</u>
Total members' fund		<u>1,914,468</u>	<u>1,693,450</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 2013

	Accumulated surplus \$	Other funds \$	Total \$
Balance at 1 July 2011	1,603,510	-	1,603,510
Total comprehensive income for the year	<u>89,940</u>	<u>-</u>	<u>89,940</u>
Balance at 30 June 2012	<u>1,693,450</u>	<u>-</u>	<u>1,693,450</u>
Balance at 1 July 2012	1,693,450	-	1,693,450
Total comprehensive income for the year	<u>221,018</u>	<u>-</u>	<u>221,018</u>
Balance at 30 June 2013	<u>1,914,468</u>	<u>-</u>	<u>1,914,468</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 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Subscriptions receipts		3,482,481	3,187,569
Merchandise income		95,810	69,114
Grants received		79,663	155,376
Sundry receipts		58,222	117,821
Receipts from other reporting units			
- HSU National Office		10,764	13,460
- HSU Tas Branch		29,625	10,925
Receipts from controlled entities		-	-
Payments to suppliers and employees		(3,212,805)	(3,136,342)
Payments to other reporting units			
- HSU National Office		(112,312)	(113,230)
- HSU Tas Branch		(25,355)	(2,809)
Payments to controlled entities		-	-
Interest received		26,627	30,544
Interest paid		(56,533)	(79,615)
Net cash inflow from operating activities	20	<u>376,187</u>	<u>252,813</u>
Cash flows from investing activities			
Proceeds from sales of assets		21,182	23,182
Payments for property, plant and equipment		(111,774)	(93,716)
Cash (outflow) from investing activities		<u>(90,592)</u>	<u>(70,534)</u>
Cash flows from financing activities			
Repayment of borrowings		(178,650)	(74,556)
Net cash (outflow) from financing activities		<u>(178,650)</u>	<u>(74,556)</u>
Net increase in cash and cash equivalents		106,945	107,723
Cash and cash equivalents at beginning of financial year		<u>723,089</u>	<u>615,366</u>
Cash and cash equivalents at end of financial year	9	<u>830,034</u>	<u>723,089</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 2013

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.

Statement of compliance

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). A statement of compliance with AIFRS cannot be made due to the Health Services Union Victoria No. 4 Branch applying the not-for-profit sector requirements contained in AIFRS.

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 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

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 2012.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1: Summary of significant accounting policies (Continued)

(b) Revenue recognition (Continued)

Revenue is recognised for the major operating activities as follows:

Membership subscriptions

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

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1: Summary of significant accounting policies (Continued)

(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 2013

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 2013

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 2013

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.

(o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 Financial Instruments, AASB 2009- 11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the Branch's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. There will be no impact on the Branch's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Branch does not have any such liabilities. The derecognition rules have been transferred from AASB139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Branch has not yet decided when to adopt AASB 9.

In December 2012, the IASB delayed the application date of IFRS 9 to 1 January 2015. The AASB is expected to make an equivalent amendment to AASB 9 shortly

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1: Summary of significant accounting policies (Continued)

(o) New accounting standards and interpretations (Continued)

(ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2012-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

In August 2012, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. While the Branch does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. The Branch's investment in the joint venture partnership will be classified as a joint venture under the new rules. As the Branch already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Branch will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Branch's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The Branch is still assessing the impact of these amendments.

The Branch does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1: Summary of significant accounting policies (Continued)

(o) New accounting standards and interpretations (Continued)

(iii) AASB 13 Fair Value Measurement and AASB 2012-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2012. It explains how to measure fair value and aims to enhance fair value disclosures. The Branch has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Branch does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(iv) Revised AASB 119 Employee Benefits, AASB 2012-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2012) and AASB 2012-11 Amendments to AASB 119 (September 2012) arising from Reduced Disclosure Requirements (effective 1 January 2013)

In September 2012, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. This standard does not impact the Branch as the Branch does not have any employees.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

3: Section 272 Fair Work (Registered Organisations) Act 2009

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) to (3) of sections 272, which read as follows:

Information to be provided to members or the General Manager of Fair Work Commission:

- (1) a member of a reporting unit, or the General Manager of Fair Work Commission, 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 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).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

4: Revenue

	2013 \$	2012 \$
From continuing operations		
<i>Service revenue</i>		
- Membership subscriptions	3,148,283	2,897,790
- voluntary contributions	17,114	-
- capitation fees – other reporting units	-	-
- levies	-	-
 <i>Other revenue</i>		
- interest	26,627	30,544
- directors fee	33,001	16,390
- grants received	59,011	124,453
- donation received	-	-
- financial support from another reporting unit	-	-
- merchandise income	87,100	62,831
- other revenue	75,000	113,530
	<u>3,446,136</u>	<u>3,245,538</u>

5: Expenses

	2013 \$	2012 \$
The surplus for the year includes the following specific expenses:		
<i>Depreciation</i>		
- plant and equipment	57,033	54,738
- building	48,292	49,531
	<u>105,325</u>	<u>104,269</u>
Compulsory levies	-	-
Consideration to employers for payroll deduction	-	-
Donations (<\$1000 each)	1,867	202
Donations (>\$1000 each)	7,798	-
Fees/allowances – meeting and conferences	-	-
Grants paid	-	-
<i>Legal fees</i>		
- litigation	29,046	239,880
- other legal matters	2,250	-
<i>Meeting expenses</i>	54,284	68,653
Penalties – via RO Act or RO Regulations	-	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

6: Affiliation and capitation fees

	2013	2012
	\$	\$
Affiliation fee		
- Australian Labor Party	25,705	25,379
- APHEDA	236	236
- Ballarat Regional Trades & Labour Council	2,563	3,153
- Bendigo Trades Hall Council	174	248
- Geelong Trades Hall Council	2,465	1,584
- Gippsland TLC	549	703
- Goulburn TLC	221	127
- NE Trades & Labour Council	400	856
- South West T.L.C. Inc	297	223
- Sunraysia T. & L. C.	218	218
- VTHC	40,336	1,027
Capitation fee & levies		
- Health Services Union of Australian National Council	91,770	70,011
	<u>164,934</u>	<u>103,765</u>

7: Employee benefits expenses

	2013	2012
	\$	\$
Employees other than holders of office		
- wages and salaries	1,396,800	1,232,400
- superannuation	143,712	128,520
- leave and other entitlements	8,821	(20,047)
- separation and redundancies	-	-
- other employee expenses	-	-
Holders of office		
- wages and salaries	239,965	262,390
- superannuation	34,840	38,264
- leave and other entitlements	11,107	3,529
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs	162,495	111,277
	<u>1,997,740</u>	<u>1,756,333</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

8. Auditor's remuneration

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

	2013	2012
	\$	\$
(a) Audit and other assurance services		
Audit of the financial report	10,000	14,500
Other audit services	1,100	-
Other services	4,400	-
	<u>15,500</u>	<u>14,500</u>

9: Current assets – Cash and cash equivalents

	2013	2012
	\$	\$
Cash at bank	828,984	722,039
Cash on hand	1,050	1,050
	<u>830,034</u>	<u>723,089</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>830,034</u>	<u>723,089</u>
Balances per Statement of Cash Flows	<u>830,034</u>	<u>723,089</u>

10: Current assets – Trade and other receivables

	2013	2012
	\$	\$
Other receivables	60,277	60,803
Receivable from other reporting units		
- HSU National Office	1,506	4,817
- HSU Tasmania Branch	-	9,063
Prepayments	15,426	7,008
	<u>77,209</u>	<u>81,691</u>

11: Inventories

	2013	2012
	\$	\$
Movie tickets, gift cards & clothing on hand – at cost	<u>34,805</u>	<u>25,493</u>

(a) Inventory expense

Inventories recognised as expense during the year ended 30 June 2013 and included in members benefit expenses amounted to \$87,451 (2012 – \$66,205). No write-downs of inventories to net realisable value during the year.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2013

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

	2013 \$	2012 \$
Building and improvements		
At cost	2,135,240	2,123,065
Less accumulated depreciation	<u>(148,574)</u>	<u>(95,228)</u>
	<u>1,986,666</u>	<u>2,027,837</u>
 Plant and equipment		
At cost	297,731	319,438
Less accumulated depreciation	<u>(146,027)</u>	<u>(186,863)</u>
	<u>151,704</u>	<u>132,575</u>
 Motor vehicles		
At cost	213,741	222,352
Less accumulated depreciation	<u>(67,261)</u>	<u>(70,794)</u>
	<u>146,480</u>	<u>151,558</u>
 Total property, plant and equipment	 <u>2,284,850</u>	 <u>2,311,970</u>

(a) Non-current assets pledged as security

See Note 15 for security details.

(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	<u>(54,412)</u>	<u>(20,530)</u>	<u>(29,327)</u>	<u>(104,269)</u>
Closing net book amount	<u>2,027,837</u>	<u>132,575</u>	<u>151,558</u>	<u>2,311,970</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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

(b) Movements in carrying amounts

2013	Building and improvements	Plant & equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Opening net book amount	2,027,837	132,575	151,558	2,311,970
Additions	12,175	48,233	51,366	111,774
Disposals	-	(6,675)	(26,894)	(33,569)
Depreciation	(53,346)	(22,429)	(29,550)	(105,325)
Closing net book amount	<u>1,986,666</u>	<u>151,704</u>	<u>146,480</u>	<u>2,284,850</u>

13: Current liabilities – Trade and other payables

	2013	2012
	\$	\$
<i>Unsecured</i>		
Other payables	188,450	123,497
Amount payables to other reporting units		
- HSU National Office	3,014	-
- HSU Tasmania Branch	15,000	532
Legal fee payables	4,592	50,894
	<u>211,056</u>	<u>174,923</u>

14: Current liabilities – Provisions

	2013	2012
	\$	\$
Employee provisions:		
<i>Office holders:</i>		
Annual leave	32,261	34,904
Long service leave	94,801	81,052
Separations and redundancies	-	-
Other	-	-
	<u>127,062</u>	<u>115,956</u>
<i>Employees other than office holders:</i>		
Annual leave	125,627	116,054
Long service leave	39,145	53,670
Separations and redundancies	-	-
Other	-	-
	<u>164,772</u>	<u>169,724</u>
Total employee provisions	<u>291,834</u>	<u>285,680</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

14: Current liabilities – Provisions (Continued)

(a) Employee benefits - long service leave

Included in the employee benefits provision is a provision that has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits has been included in Note 1.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Branch does not have an unconditional right to defer settlement.

15: Borrowings

	2013 \$	2012 \$
Current		
Bank loan	<u>30,225</u>	<u>26,670</u>
Non-Current		
Bank loan	<u>779,315</u>	<u>961,520</u>
Total borrowing	<u>809,540</u>	<u>988,190</u>

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 \$1,986,666 at 30 June 2013.

16: Accumulated surplus

	2013 \$	2012 \$
Movements in the accumulated surplus were as follows:		
Balance 1 July	1,693,450	1,603,510
Net surplus for the year	<u>221,018</u>	<u>89,940</u>
Balance 30 June	<u>1,914,468</u>	<u>1,693,450</u>

No specific funds or accounts have been operated in respect of compulsory levies or voluntary contributions.

17: 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

18: Contingencies

There are no known contingent assets or liabilities at 30 June 2013.

19: Commitments

Non-cancellable operating leases

The Branch leases office equipment under non-cancellable operating leases expiring within 5 years.

	2013	2012
	\$	\$
Lease commitments		
Later than one year but less than five years	39,312	-
Later than five years	-	-
	<u>39,312</u>	<u>-</u>

20: Cash flow information

	2013	2012
	\$	\$
Reconciliation of cash flow from operations with surplus for the year		
Surplus for the year	221,018	89,940
Non cash flows in surplus		
Depreciation	105,325	104,269
Net loss on disposal of fixed assets	12,387	1,902
<i>Changes in assets and liabilities</i>		
Decrease in receivables	4,482	115,761
(Increase) in inventories	(9,312)	(25,493)
Increase (Decrease) in payables	36,133	(17,048)
Increase (Decrease) in provisions	6,154	(16,518)
Cash flows from operations	<u>376,187</u>	<u>252,813</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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	
Brian Addison	Senior Vice President	
Bella Anderson	Junior Vice President	
Lloyd Williams	Branch Secretary	
Paul Healey	Assistant Branch Secretary	
Kim Lindsay	Trustee	
Dianne Welton	Trustee	
Sarah Barnard	Ordinary Member	
Katy Curtis	Ordinary Member	
Bernadette Gambin	Ordinary Member	
Michelle Henry	Ordinary Member	Resigned on 9 June 2013
Mavis Jack	Ordinary Member	Resigned on 30 May 2013
John Murphy	Ordinary Member	
Patrick Nuzum	Ordinary Member	
Kerrie Oldham	Ordinary Member	
Joanne Tomlins	Ordinary Member	Appointed on 30 May 2013

	2013	2012
	\$	\$
(b) Key management personnel compensation		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	239,965	262,390
Annual leave accrued	<u>(2,643)</u>	<u>14,610</u>
Total short-term employee benefits	<u>237,322</u>	<u>277,000</u>
Post-employment benefits:		
Superannuation	<u>34,840</u>	<u>38,264</u>
Total post-employment benefits	<u>34,840</u>	<u>38,264</u>
Other long-term benefits:		
Long-service leave	<u>13,749</u>	<u>(11,082)</u>
Total other long-term benefits	<u>13,749</u>	<u>(11,082)</u>
Termination benefits	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total	<u>285,911</u>	<u>304,182</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

21: Related party transactions (Continued)

(c) Other transactions

- As part of directorship arrangement, any officers/employees who are directors of a company or trustee of superannuation scheme due to their positions of the Branch, all director fees are paid to the Branch directly and the superannuation related to the fee paid are paid to the officer's superannuation fund.
- There were no transactions between the officers of the branch 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.

(e) Transactions with related parties

	2013	2012
	\$	\$
Capitation fee paid to HSU National Office	91,770	70,011
Consultancy fee paid to HSU Tas Branch	4,894	3,299

22: Other information

(i) Going Concern

The Branch's ability to continue as a going concern is not reliant on financial support from another reporting unit.

(ii) Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

(iii) Acquisition of assets and liability under specific sections:

The Branch did not acquire any asset or a liability during the financial year as a result of:

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act;

(iv) Acquisition of assets and liability as part of a business combination:

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

23: Wage recovery activities

All wage recovery activity has resulted in payments being made directly to members by employers. The Branch has not derived any revenue in respect of these activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

24: Financial Risk Management

The Branch's financial instruments consist mainly of deposits with banks, receivables, payables and bank loan.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2013 \$	2012 \$
Financial assets			
Cash on hand	9	830,034	723,089
Trade and other receivables	10	61,783	74,683
Total financial assets		891,817	797,772
Financial liabilities			
Trade and other payables	13	211,056	174,923
Bank loan	15	809,540	988,190
Total financial liabilities		1,020,596	1,163,113

Financial Risk Management Policies

The committee of management is responsible for monitoring and managing the Branch's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the Branch in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Branch is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Branch.

The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of membership subscription.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 10.

The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the branch committee in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

24: FINANCIAL RISK MANAGEMENT (Continued)

a. Credit risk (Continued)

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2013 \$	2012 \$
Cash at banks			
- AA rated	9	828,984	722,039

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Branch manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
<i>Financial liabilities due for payment</i>								
Trades and other payables (excluding estimated annual leave and deferred income)	211,056	174,923	-	-	-	-	211,056	174,923
Bank loan	30,225	26,670	151,125	133,350	628,190	828,170	809,540	988,190
Total expected outflows	241,281	201,593	151,125	133,350	628,190	828,170	1,020,596	1,163,113

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2013

24: Financial risk management (Continued)

Liquidity risk (Continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial assets – cash flows realisable</i>								
Cash on hand	830,034	723,089	-	-	-	-	830,034	723,089
Trade and other receivables	61,783	74,683					61,783	74,683
Total anticipated inflows	891,817	797,772	-	-	-	-	891,817	797,772
Net inflow(outflow) on financial instruments	650,536	596,179	(151,125)	(133,350)	(628,190)	(828,170)	(128,779)	(365,341)

c. Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Branch to interest rate risk are limited to fixed interest securities, cash on hand and bank loan.

Interest rate risk is managed using a mix of fixed and floating rate debt.

The Branch also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held. The Branch does not expose to other price risk.

Sensitivity analysis

The following table illustrates sensitivities to the Branch's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit		Equity	
	2013	2012	2013	2012
	\$	\$	\$	\$
Change 2% in interest rates	532	532	87	611

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

24: Financial risk management (Continued)

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Branch. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Branch.

	Note	2013		2012	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash on hand	(i)	830,034	830,034	723,089	723,089
Trade and other receivables	(i)	61,783	61,783	74,683	74,683
Total financial assets		891,817	891,817	797,772	797,772
Financial liabilities					
Trade and other payables	(i)	211,056	211,056	174,923	174,923
Bank loan		809,540	809,540	988,190	988,190
Total financial liabilities		1,020,596	1,020,596	1,163,113	1,163,113

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Branch for similar financial instruments. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant.

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

COMMITTEE OF MANAGEMENT STATEMENT

On 29 August 2013 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 2013:

The Committee of Management declares that in its opinion;

1. the financial statements and notes comply with Australian Accounting Standards,
2. the financial statements and notes, comply with the reporting guidelines of the General Manager;
3. 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;
4. 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:
5. during the financial year to which the GPFR relates and since the end of that year:
 - a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - b. 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
 - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation ; and
 - e. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
6. All wage recovery activity has resulted in payments being made directly to members by employers. The Branch has not derived any revenue in respect of these activities.

This declaration is made in accordance with a resolution of the Committee of Management

Designated Officer



Lloyd Williams – Branch Secretary

Dated this 29 day of AUGUST 2013

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 2013, 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 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.

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

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

Opinion

In our opinion:

- the general purpose financial report of Health Services Union Victoria No. 2 Branch presents fairly, in all material respects, the financial position of Health Services Union Victoria No. 2 Branch as at 30 June 2013 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:
 - a) the Australian Accounting Standards; and
 - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.
- the Committee of Management's use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.



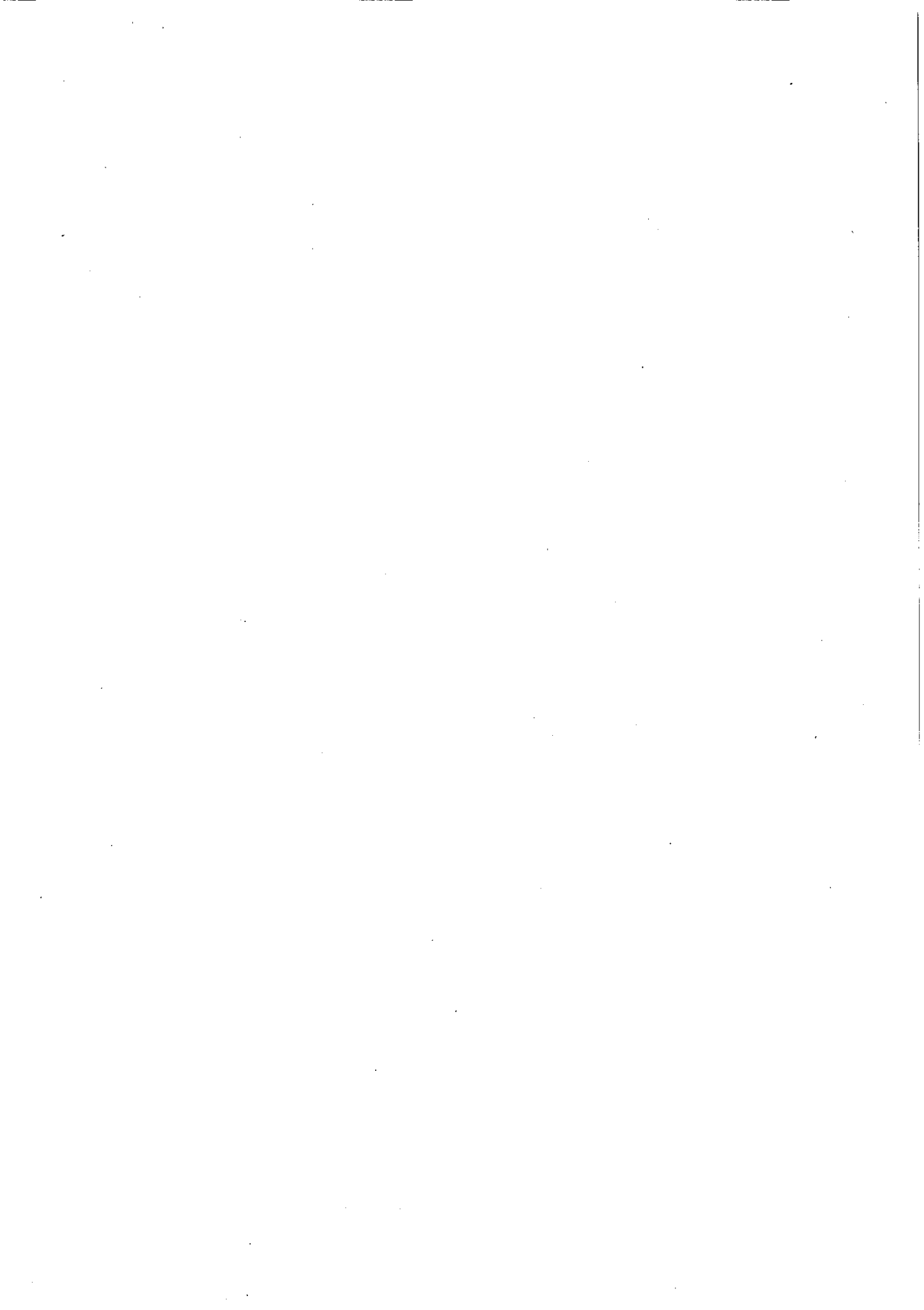
BGL Partners
Chartered Accountants



I. A. Hinds - A.C.A. - Partner

Member of The Institute of Chartered Accountants in Australia and
holder of current Public Practice Certificate

29 August 2013
Melbourne



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

**ANNUAL CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**



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

TABLE OF CONTENTS

Discussion and analysis of financial report	1
Operating Report	2 - 3
Financial Report	
Statement of Comprehensive Income	4
Balance Sheet	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 9
Committee of Management Statement	10
Independent Auditor's Report	11

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 2013. 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 29th August 2013 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 2013 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 2013 financial report of the Health Services Union Victorian No. 2 Branch.

Statement of Comprehensive Income

The surplus attributable to members for the year was \$221,018 compared with \$89,940 for last year. This increase was despite expenses rising from \$ 3,155,598 in 2012 to \$ 3,225,118 in 2013 and was a result of income increasing by \$ 200,598 from \$ 3,245,538 in 2012 to \$ 3,446,136 in 2013 which is more than the increase in expenses.

Balance Sheet

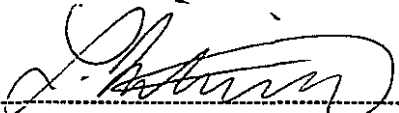
Total assets increased by 2.7% or \$84,655 from \$3,142,243 in 2012 to \$3,226,898 this year mainly due to an increase in cash at bank at the year end. Total liabilities decreased by \$136,363 or 9.4% from \$1,448,793 in 2012 to \$1,312,430 in 2013 mainly due to reduction of bank loan outstanding at the year end. The net result was an overall increase in members' funds of \$221,018.

Statement of Cash Flows

Net cash inflows from operations increased by \$ 123,374 from a net inflow of \$252,813 in 2012 to a net inflow of \$376,187 in 2013. The better result was mainly due to an increase in funds received from members.

Overall cash balances increased by \$106,945 from last year, with cash and cash equivalents on hand at 30 June 2013 being \$830,034 compared with \$723,089 in 2012.

Signed in accordance with a resolution of the Committee of Management



Designated Officer – Lloyd Williams

Dated this 29 AUGUST 2013

**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 2013.

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	
Brian Addison	Senior Vice President	
Bella Anderson	Junior Vice President	
Lloyd Williams	Branch Secretary	
Paul Healey	Assistant Branch Secretary	
Kim Lindsay	Trustee	
Dianne Welton	Trustee	
Sarah Barnard	Ordinary Member	
Katy Curtis	Ordinary Member	
Bernadette Gambin	Ordinary Member	
Michelle Henry	Ordinary Member	Resigned on 9 June 2013
Mavis Jack	Ordinary Member	Resigned on 30 May 2013
John Murphy	Ordinary Member	
Patrick Nuzum	Ordinary Member	
Kerrie Oldham	Ordinary Member	
Joanne Tomlins	Ordinary Member	Appointed on 30 May 2013

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, the results of those activities and any significant changes in the nature of those activities during the year

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 financial affairs

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

Union Details

Number of employees

As at 30 June 2013, the Branch has 21 full time equivalent (2012: 21) employees.

Number of members

As at 30 June 2013, the total number of members was 6,767 (2012: 6,650) members.

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

OPERATING REPORT (Continued)

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 and employee of the Branch is superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee by virtue of their position in the Branch:

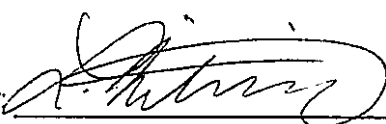
Officer /Employee	Trustee Company	Name of Entity	Position
Lloyd Williams	H.E.S.T. Australia Ltd	HESTA	Director

Directorships of company or a member of a board

To the best of our knowledge and belief, the following officers and employees of the Branch are directors of a company or a member of a board by virtue of their position in the Branch or by being nominated by the Branch or by a peak council:

Officer /Employee	Name of Entity	Principal Activities	Position
Paul Healey	6 th Melbourne Scout Group	Community Scout Group	Chairman
Lloyd Williams	Victorian Trades Hall Council	State based peak Union body representing Victorian affiliated Unions	Executive Member

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

Signature of designated officer: 
Name of designated officer: Lloyd Williams
Title of designated officer: Branch Secretary

Dated this 29 AUGUST 2013

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenue from continuing operations	3	3,446,136	3,245,538
Expenses			
Administration expense		(614,893)	(654,146)
Affiliation and capitation fees		(164,934)	(103,765)
Communication expense		(26,779)	(23,726)
Depreciation and amortisation expenses		(105,325)	(104,269)
Educator expenses		(31,011)	(16,479)
Employee benefits expense		(1,997,740)	(1,756,333)
Grant expenses		(1,925)	-
Legal and professional fees		(57,761)	(305,971)
Loss on disposal of fixed assets		(12,387)	(1,902)
Members benefit expenses		(106,260)	(67,555)
Occupancy expenses		(49,570)	(41,837)
Borrowing costs		(56,533)	(79,615)
		<u>(3,225,118)</u>	<u>(3,155,598)</u>
Surplus for the year		<u>221,018</u>	<u>89,940</u>
Surplus attributable to members of the entity		221,018	89,940
Other comprehensive income		-	-
Total comprehensive income for the year attributable to the members		<u>221,018</u>	<u>89,940</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 2013**

	2013 \$	2012 \$
ASSETS		
Current assets		
Cash and cash equivalents	830,034	723,089
Trade and other receivables	77,209	81,691
Inventories	34,805	25,493
Total current assets	<u>942,048</u>	<u>830,273</u>
Non-current assets		
Property, plant and equipment	2,284,850	2,311,970
Total non-current assets	<u>2,284,850</u>	<u>2,311,970</u>
Total assets	<u>3,226,898</u>	<u>3,142,243</u>
LIABILITIES		
Current liabilities		
Trade and other payables	211,056	174,923
Provisions	291,834	285,680
Borrowings	30,225	26,670
Total current liabilities	<u>533,115</u>	<u>487,273</u>
Non-current liabilities		
Borrowings	779,315	961,520
Total non-current liabilities	<u>779,315</u>	<u>961,520</u>
Total liabilities	<u>1,312,430</u>	<u>1,448,793</u>
Net assets	<u>1,914,468</u>	<u>1,693,450</u>
MEMBERS' FUND		
Accumulated surplus	1,914,468	1,693,450
Total members' fund	<u>1,914,468</u>	<u>1,693,450</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 2013

	Accumulated surplus \$	Other funds \$	Total \$
Balance at 1 July 2011	1,603,510	-	1,603,510
Total comprehensive income for the year	<u>89,940</u>	<u>-</u>	<u>89,940</u>
Balance at 30 June 2012	<u>1,693,450</u>	<u>-</u>	<u>1,693,450</u>
Balance at 1 July 2012	1,693,450	-	1,693,450
Total comprehensive income for the year	<u>221,018</u>	<u>-</u>	<u>221,018</u>
Balance at 30 June 2013	<u>1,914,468</u>	<u>-</u>	<u>1,914,468</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 2013**

	2013 \$	2012 \$
Cash flows from operating activities		
Subscriptions receipts	3,482,481	3,187,569
Merchandise income	95,810	69,114
Grants received	79,663	155,376
Sundry receipts	58,222	117,821
Receipts from other reporting units		
- HSU National Office	10,764	13,460
- HSU Tas Branch	29,625	10,925
Receipts from controlled entities	-	-
Payments to suppliers and employees	(3,212,805)	(3,136,342)
Payments to other reporting units		
- HSU National Office	(112,312)	(113,230)
- HSU Tas Branch	(25,355)	(2,809)
Payments to controlled entities	-	-
Interest received	26,627	30,544
Interest paid	(56,533)	(79,615)
Net cash inflow from operating activities	<u>376,187</u>	<u>252,813</u>
Cash flows from investing activities		
Proceeds from sales of assets	21,182	23,182
Payments for property, plant and equipment	(111,774)	(93,716)
Cash (outflow) from investing activities	<u>(90,592)</u>	<u>(70,534)</u>
Cash flows from financing activities		
Repayment of borrowings	(178,650)	(74,556)
Net cash (outflow) from financing activities	<u>(178,650)</u>	<u>(74,556)</u>
Net increase in cash and cash equivalents	106,945	107,723
Cash and cash equivalents at beginning of financial year	723,089	615,366
Cash and cash equivalents at end of financial year	<u>830,034</u>	<u>723,089</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 2013

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: Section 272 Fair Work (Registered Organisations) Act 2009

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) to (3) of sections 272, which read as follows:

Information to be provided to members or the General Manager of Fair Work Commission:

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, 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 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 2013

3: Revenue

	2013	2012
	\$	\$
From continuing operations		
<i>Service revenue</i>		
- Membership subscriptions	3,148,283	2,897,790
- voluntary contributions	17,114	-
- capitation fees – other reporting units	-	-
- levies	-	-
 <i>Other revenue</i>		
- interest	26,627	30,544
- directors fee	33,001	16,390
- grants received	59,011	124,453
- donation received	-	-
- financial support from another reporting unit	-	-
- merchandise income	87,100	62,831
- other revenue	75,000	113,530
	<u>3,446,136</u>	<u>3,245,538</u>

4: 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.

5: Contingencies

There are no known contingent assets or liabilities at 30 June 2013.

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

COMMITTEE OF MANAGEMENT STATEMENT

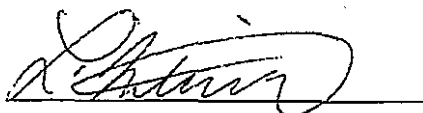
On *29 August 2013* the Committee of Management of the Health Services Union Victorian No. 2 Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2013:

The Committee of Management declares that in its opinion;

1. the financial statements and notes comply with Australian Accounting Standards,
2. the financial statements and notes, comply with the reporting guidelines of the General Manager;
3. 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;
4. 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
5. during the financial year to which the GPFR relates and since the end of that year:
 - a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - b. 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
 - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation ; and
 - e. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
6. All wage recovery activity has resulted in payments being made directly to members by employers. The Branch has not derived any revenue in respect of these activities.

This declaration is made in accordance with a resolution of the Committee of Management

Designated Officer



Lloyd Williams – Branch Secretary

Dated this

29 day of *AUGUST*

2013

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 2013, 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 2013. 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 2013. We expressed an unmodified audit opinion on the financial report in our report dated 29 August 2013. 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*.

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

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.

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 2013 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009
- the Committee of Management's use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.



BGL Partners
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

29 August 2013
Melbourne



18 July 2013

Mr Lloyd Williams
State Secretary
Health Services Union-Victorian No. 2 Branch

Sent by email: lloydw@hacsu.asn.au

Dear Mr Williams,

Re: Lodgement of Financial Report - [FR2013/315]
Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the Victorian No. 2 Branch of the Health Services Union (the reporting unit) ended on 30 June 2013.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 January 2014 (that is the period within 6 months and 14 days of the end of the financial year) under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets regarding financial reporting under the RO Act are provided on the Fair Work Commission website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to orgs@fwc.gov.au. If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$33,000 for a body corporate and \$6,600 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.