



26 November 2014

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

Sent by email: [lloydw@hacsu.asn.au](mailto:lloydw@hacsu.asn.au)

Dear Mr Williams,

**Health Services Union, Victorian No. 2 Branch - Financial Report for year ended 30 June 2014 - (FR2014/241)**

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 11 November 2014. 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.

I make the following comment to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm this concern has been addressed prior to filing next year's report.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. I note that the following timescale requirement was not met:

Documents must be lodged with the Fair Work Commission within 14 days of General Meeting

Section 268 of the RO Act states that a copy of the full report [and, where applicable, the concise report] and the designated officer's certificate must be lodged with the Fair Work Commission within 14 days of the meeting of members referred to in section 266. The Designated Officer's Certificate indicated that this meeting occurred on 23 October 2014. If this is correct the full report should have been lodged with the Fair Work Commission by 6 November 2014.

The full report was not lodged until 11 November.

If these dates are correct, the reporting unit should have applied for an extension of time to lodge the required reports and the designated officer's certificate on the later day, in accordance with section 268 of the RO Act.

Please note that in future financial years if the reporting unit cannot lodge on time, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the required date of lodgement.

Please note that the financial report for the year ending 30 June 2015 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](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right from the end of the name.

Stephen Kellett

Senior Adviser, Regulatory Compliance Branch

**From:** KELLETT, Stephen  
**To:** ["LloydW@hacsu.asn.au"](mailto:LloydW@hacsu.asn.au)  
**Subject:** HSU Vic No 2 Branch - financial reporting y/e 30 June 2014 - filing  
**Date:** Wednesday, 26 November 2014 3:33:00 PM  
**Attachments:** [HSU\\_VIC\\_2\\_FR2014\\_241 \(primary final\).pdf](#)

---

Dear Mr Williams,

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](mailto:stephen.kellett@fwc.gov.au)

**From:** [Lloyd Williams](#)  
**To:** [Orgs](#)  
**Cc:** [Mark McLeay](#)  
**Subject:** On CMS FR2014/241 HSU Victoria No.2 Branch - Lodgement of s268- Designated Officers Certificate - Financial Statements for Year Ending 30 June 2014  
**Date:** Tuesday, 11 November 2014 4:43:40 PM  
**Attachments:** [image001.png](#)  
[140465.pdf](#)  
[HSU Vic2 Finance Statement 2014.pdf](#)

---

[FR2014/241](#)

Dear Sir,

Please find attached the s268- Designated Officers Certificate and Financial Statements for Year Ending 30 June 2014 for the Health Services Union Victoria No.2 Branch.

Kind Regards



**Lloyd Williams**  
**State Secretary**

**Health and Community Services Union**

7 Grattan St (PO Box 206) Carlton Sth 3053

Ph: (03) 9340 4100 | Fax: (03) 9650 8122

[lloydw@hacsu.asn.au](mailto:lloydw@hacsu.asn.au) | [www.hacsu.asn.au](http://www.hacsu.asn.au) | [facebook.com/hacsu](https://facebook.com/hacsu)

CONFIDENTIALITY: 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 .

HACSU operates in accordance with the provisions of the Privacy Act 1998 and is committed to handling your personal information in a strictly confidential manner in accordance with the Privacy Act. To access HACSU Privacy Policy [Click here](#).



11 November 2014

ref.: lw/lw140465

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 2014***

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 2014 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 28<sup>th</sup> August 2014 [*the first meeting*]. 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 18<sup>th</sup> September 2014 2013; and
4. That the full report was presented to and accepted at a General Meeting of members of the Branch on the 23<sup>rd</sup> October 2014 [*the second meeting*] in accordance with section 266 (1) (2).

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lloyd Williams', written in a cursive style.

**Lloyd Williams  
Branch Secretary**

30/10/14

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

**ANNUAL CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2014**



## TABLE OF CONTENTS

Discussion and analysis of financial report	i
Operating Report	ii - iii
Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	1
Balance Sheet	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 – 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 2014. 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 28<sup>th</sup> August 2014 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 2014 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 2014 financial report of the Health Services Union Victorian No. 2 Branch.

**Statement of Profit or Loss and Other Comprehensive Income**

The surplus attributable to members for the year was \$208,454 compared with \$221,018 for last year. This decrease was due to expenses rising from \$ 3,225,118 in 2013 to \$ 3,356,599 in 2014 and was a result of income increasing by \$118,917 from \$ 3,446,136 in 2013 to \$ 3,565,053 in 2014 which is less than the increase in expenses. The increase in income was due to a 7.6% increase in the number of financial members

**Balance Sheet**


Total assets increased by 5% or \$167,097 from \$3,226,898 in 2013 to \$3,393,995 this year mainly due to an increase in value of fixed assets at the year end. Total liabilities decreased by \$196,954 or 15% from \$1,312,430 in 2013 to \$1,115,476 in 2014 mainly due to reduction of the bank loan for the office building outstanding at the year end. The net result was an overall increase in members' funds of \$364,051.

**Statement of Cash Flows**

Net cash inflows from operations increased by \$36,833 from a net inflow of \$376,187 in 2013 to a net inflow of \$413,020 in 2014. The better result was mainly due to an increase in membership and also funds received from members.

Overall cash balances decreased by \$349,557 from last year, with cash and cash equivalents on hand at 30 June 2014 being \$480,477 compared with \$830,034 in 2013. This is primarily attributed to \$375,021 being paid to reduce the bank loan.

Signed in accordance with a resolution of the Committee of Management



Designated Officer – Lloyd Williams

Dated this 1st September 2014



**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 2014.

**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	Resigned on 29 August 2013
Bernadette Gambin	Ordinary Member	
Serena Ho	Ordinary Member	Appointed on 14 November 2013
John Murphy	Ordinary Member	
Patrick Nuzum	Ordinary Member **	
Kerrie Oldham	Ordinary Member	
Joanne Tomlins	Ordinary Member	

\*\* - members of the Finance, Audit and Compliance Committee

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 2014, the Branch has 21.63 full time equivalent (2013: 21) employees.

*Number of members*

As at 30 June 2014, the total number of financial members was 7,282 (2013: 6,767) members.

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

**OPERATING REPORT (Continued)**

**Right of members to resign**

Pursuant to Rules 10(b)-(h) of the HSU and s174 of the *Fair Work (Registered Organisations) Act 2009*, a member may resign from membership of the Union by notice in writing addressed and delivered to the Secretary of the member's Branch.

A notice of resignation from membership of the Union shall take effect:-


- (i) where the member ceases to be eligible to become a member of the Union -
  - A. on the day upon which the notice is received by the Union, or
  - B. on the day specified in the notice, which is a day not earlier than the day when the member ceased to be eligible to become a member,whichever is the later; or
- (ii) in any other case -
  - A. at the end of two weeks after the notice is received by the Union, or
  - B. on the day specified in the notice,whichever is the later.

**Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**

To the best of our knowledge and belief, the following officers and employees of the Branch are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee:

Name of Officer	Trustee Company	Name of Superannuation Fund	Position	Whether position held because nominated for by a registered organisation
Lloyd Williams	H.E.S.T. Australia Ltd	HESTA	Director	YES

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: 1st September 2014

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue from continuing operations	3	3,565,053	3,446,136
<b>Expenses</b>			
Administration expense		(642,804)	(614,893)
Affiliation and capitation fees		(193,737)	(164,934)
Communication expense		(29,881)	(26,779)
Depreciation and amortisation expenses		(111,984)	(105,325)
Educator expenses		(11,966)	(31,011)
Employee benefits expense		(2,042,127)	(1,997,740)
Grant expenses		-	(1,925)
Legal and professional fees		(94,390)	(57,761)
Loss on disposal of fixed assets		(11,421)	(12,387)
Members benefit expenses		(126,257)	(106,260)
Occupancy expenses		(56,147)	(49,570)
Borrowing costs		(35,885)	(56,533)
		<u>(3,356,599)</u>	<u>(3,225,118)</u>
<b>Surplus for the year</b>		<u>208,454</u>	<u>221,018</u>
<b>Surplus attributable to members of the entity</b>		208,454	221,018
<b>Other comprehensive income</b>			
Changes in asset revaluation reserve		155,597	-
		<u>364,051</u>	<u>221,018</u>
<b>Total comprehensive income for the year attributable to the members</b>		<u>364,051</u>	<u>221,018</u>

The above statement of profit or loss and other 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 2014**

	2014 \$	2013 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	480,477	830,034
Trade and other receivables	151,591	77,209
Inventories	57,329	34,805
<b>Total current assets</b>	<u>689,397</u>	<u>942,048</u>
<b>Non-current assets</b>		
Held-to-maturity financial assets	250,000	-
Property, plant and equipment	2,454,598	2,284,850
<b>Total non-current assets</b>	<u>2,704,598</u>	<u>2,284,850</u>
<b>Total assets</b>	<u>3,393,995</u>	<u>3,226,898</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	321,459	211,056
Provisions	359,498	291,834
Borrowings	16,657	30,225
<b>Total current liabilities</b>	<u>697,614</u>	<u>533,115</u>
<b>Non-current liabilities</b>		
Borrowings	417,862	779,315
<b>Total non-current liabilities</b>	<u>417,862</u>	<u>779,315</u>
<b>Total liabilities</b>	<u>1,115,476</u>	<u>1,312,430</u>
<b>Net assets</b>	<u>2,278,519</u>	<u>1,914,468</u>
<b>MEMBERS' FUND</b>		
Reserves	155,597	-
Accumulated surplus	2,122,922	1,914,468
<b>Total members' fund</b>	<u>2,278,519</u>	<u>1,914,468</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 2014

	Accumulated surplus \$	Other funds \$	Reserves	Total \$
Balance at 1 July 2012	1,693,450	-	-	1,693,450
Total comprehensive income for the year	221,018	-	-	221,018
Balance at 30 June 2013	<u>1,914,468</u>	<u>-</u>	<u>-</u>	<u>1,914,468</u>
<b>Balance at 1 July 2013</b>	<b>1,914,468</b>	<b>-</b>	<b>-</b>	<b>1,914,468</b>
Revaluation of property	-		155,597	155,597
Total comprehensive income for the year	<u>208,454</u>	<u>-</u>	<u>-</u>	<u>208,454</u>
<b>Balance at 30 June 2014</b>	<b><u>2,122,922</u></b>	<b><u>-</u></b>	<b><u>155,597</u></b>	<b><u>2,278,519</u></b>

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 2014**

	2014 \$	2013 \$
<b>Cash flows from operating activities</b>		
Subscriptions receipts	3,672,554	3,482,481
Merchandise income	128,640	95,810
Grants received	25,840	79,663
Directors fees received	36,793	33,001
Sundry receipts	38,657	25,221
Receipts from other reporting units		
- HSU National Office	9,477	10,764
- HSU Tas Branch	32,542	29,625
- HSU Vic No 4 Branch	1,174	-
Receipts from controlled entities	-	-
Payments to suppliers and employees	(3,349,082)	(3,212,805)
Payments to other reporting units		
- HSU National Office	(161,229)	(112,312)
- HSU Tas Branch	-	(25,355)
- HSU Vic No 3 Branch	(1,893)	-
- HSU Vic No 1 Branch	(5,277)	-
Payments to controlled entities	-	-
Interest received	20,709	26,627
Interest paid	(35,885)	(56,533)
<b>Net cash inflow from operating activities</b>	<u>413,020</u>	<u>376,187</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales of assets	59,091	21,182
Investment in held-to-maturity financial assets	(250,000)	-
Payments for property, plant and equipment	(196,648)	(111,774)
<b>Cash (outflow) from investing activities</b>	<u>(387,556)</u>	<u>(90,592)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(375,021)	(178,650)
<b>Net cash (outflow) from financing activities</b>	<u>(375,021)</u>	<u>(178,650)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	(349,557)	106,945
Cash and cash equivalents at beginning of financial year	<u>830,034</u>	<u>723,089</u>
<b>Cash and cash equivalents at end of financial year</b>	<u>480,477</u>	<u>830,034</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 2014

---

**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 2014

---

**3: Revenue**

	2014 \$	2013 \$
<b>From continuing operations</b>		
<i>Service revenue</i>		
- Membership subscriptions	3,280,963	3,148,283
- voluntary contributions (note a)	28,790	17,114
- capitation fees – other reporting units	-	-
- levies	-	-
 <i>Other revenue</i>		
- interest	20,709	26,627
- director fees	36,793	33,001
- grants received	23,491	59,011
- donation received	-	-
- financial support from another reporting unit	-	-
- merchandise income	126,394	87,100
- other revenue	47,913	75,000
	<u>3,565,053</u>	<u>3,446,136</u>

(a) – the voluntary contributions are members' contribution toward legal fees.

**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 2014.



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

**COMMITTEE OF MANAGEMENT STATEMENT**

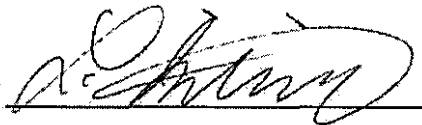
On 28<sup>th</sup> August 2014, the Committee of Management of the Health Services Union Victorian No. 2 Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2014:

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. No revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer:



Name of designated officer: Lloyd Williams

Title of designated officer: Branch Secretary

Dated 1st September 2014

## 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 2014, the statement of profit or loss and other 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 2014. 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 2014. We expressed an unmodified audit opinion on the financial report in our report dated 1 September 2014. 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.

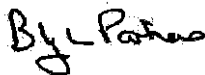
**Independence**

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 2014 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 - C.A. - Partner  
Member of The Institute of Chartered Accountants in Australia and  
holder of current Public Practice Certificate

1 September 2014  
Melbourne

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

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2014**



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

**TABLE OF CONTENTS**

Operating Report	i - ii
Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	1
Balance Sheet	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 – 30
Committee of Management Statement	31
Independent Auditor's Report	32

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 28 August 2014.

**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 2014.

**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	Resigned on 29 August 2013
Bernadette Gambin	Ordinary Member	
Serena Ho	Ordinary Member	Appointed on 14 November 2013
John Murphy	Ordinary Member	
Patrick Nuzum	Ordinary Member **	
Kerrie Oldham	Ordinary Member	
Joanne Tomlins	Ordinary Member	

\*\* - members of the Finance, Audit and Compliance Committee

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 2014, the Branch has 21.63 full time equivalent (2013: 21) employees.

*Number of members*

As at 30 June 2014, the total number of financial members was 7,282 (2013: 6,767) members.

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

**OPERATING REPORT (Continued)**

**Right of members to resign**

Pursuant to Rules 10(b)-(h) of the HSU and s174 of the *Fair Work (Registered Organisations) Act 2009*, a member may resign from membership of the Union by notice in writing addressed and delivered to the Secretary of the member's Branch.

A notice of resignation from membership of the Union shall take effect:-

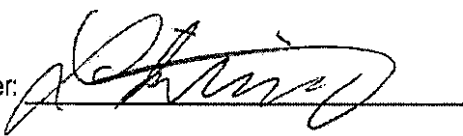
- (i) where the member ceases to be eligible to become a member of the Union -
  - A. on the day upon which the notice is received by the Union, or
  - B. on the day specified in the notice, which is a day not earlier than the day when the member ceased to be eligible to become a member, whichever is the later; or
- (ii) in any other case -
  - A. at the end of two weeks after the notice is received by the Union, or
  - B. on the day specified in the notice, whichever is the later.

**Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**

To the best of our knowledge and belief, the following officers and employees of the Branch are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee:

Name of Officer	Trustee Company	Name of Superannuation Fund	Position	Whether position held because nominated for by a registered organisation
Lloyd Williams	H.E.S.T. Australia Ltd	HESTA	Director	YES

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: 1st September 2014

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>Revenue from continuing operations</b>	4	<b>3,565,053</b>	3,446,136
<b>Expenses</b>			
Administration expense		(642,804)	(614,893)
Affiliation and capitation fees	6	(193,737)	(164,934)
Communication expense		(29,881)	(26,779)
Depreciation and amortisation expenses		(111,984)	(105,325)
Educator expenses		(11,966)	(31,011)
Employee benefits expense	7	(2,042,127)	(1,997,740)
Grant expenses		-	(1,925)
Legal and professional fees		(94,390)	(57,761)
Loss on disposal of fixed assets		(11,421)	(12,387)
Members benefit expenses		(126,257)	(106,260)
Occupancy expenses		(56,147)	(49,570)
Borrowing costs		(35,885)	(56,533)
		<u>(3,356,599)</u>	<u>(3,225,118)</u>
<b>Surplus for the year</b>	5	<b><u>208,454</u></b>	<b><u>221,018</u></b>
<b>Surplus attributable to members of the entity</b>		<b>208,454</b>	221,018
<b>Other comprehensive income</b>			
Changes in asset revaluation reserve		155,597	-
		<u>155,597</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to the members</b>		<b><u>364,051</u></b>	<b><u>221,018</u></b>

The above statement of profit or loss and other 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 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	480,477	830,034
Trade and other receivables	10	151,591	77,209
Inventories	11	<u>57,329</u>	<u>34,805</u>
<b>Total current assets</b>		<u>689,397</u>	<u>942,048</u>
<b>Non-current assets</b>			
Held-to-maturity financial assets	12	250,000	-
Property, plant and equipment	13	<u>2,454,598</u>	<u>2,284,850</u>
<b>Total non-current assets</b>		<u>2,704,598</u>	<u>2,284,850</u>
<b>Total assets</b>		<u>3,393,995</u>	<u>3,226,898</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	321,459	211,056
Provisions	15	359,498	291,834
Borrowings	16	<u>16,657</u>	<u>30,225</u>
<b>Total current liabilities</b>		<u>697,614</u>	<u>533,115</u>
<b>Non-current liabilities</b>			
Borrowings	16	<u>417,862</u>	<u>779,315</u>
<b>Total non-current liabilities</b>		<u>417,862</u>	<u>779,315</u>
<b>Total liabilities</b>		<u>1,115,476</u>	<u>1,312,430</u>
<b>Net assets</b>		<u>2,278,519</u>	<u>1,914,468</u>
<b>MEMBERS' FUND</b>			
Reserves	17	155,597	-
Accumulated surplus	18	<u>2,122,922</u>	<u>1,914,468</u>
<b>Total members' fund</b>		<u>2,278,519</u>	<u>1,914,468</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 2014

	Accumulated surplus \$	Other funds \$	Reserves	Total \$
Balance at 1 July 2012	1,693,450	-	-	1,693,450
Total comprehensive income for the year	<u>221,018</u>	<u>-</u>	<u>-</u>	<u>221,018</u>
Balance at 30 June 2013	<u>1,914,468</u>	<u>-</u>	<u>-</u>	<u>1,914,468</u>
<b>Balance at 1 July 2013</b>	<b>1,914,468</b>	<b>-</b>	<b>-</b>	<b>1,914,468</b>
Revaluation of property	-	-	<b>155,597</b>	<b>155,597</b>
Total comprehensive income for the year	<u>208,454</u>	<u>-</u>	<u>-</u>	<u>208,454</u>
<b>Balance at 30 June 2014</b>	<b><u>2,122,922</u></b>	<b><u>-</u></b>	<b><u>155,597</u></b>	<b><u>2,278,519</u></b>

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 2014**

	Note	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Subscriptions receipts		3,672,554	3,482,481
Merchandise income		128,640	95,810
Grants received		25,840	79,663
Directors fees received		36,793	33,001
Sundry receipts		38,657	25,221
Receipts from other reporting units			
- HSU National Office		9,477	10,764
- HSU Tas Branch		32,542	29,625
- HSU Vic No 4 Branch		1,174	-
Receipts from controlled entities		-	-
Payments to suppliers and employees		(3,349,082)	(3,212,805)
Payments to other reporting units			
- HSU National Office		(161,229)	(112,312)
- HSU Tas Branch		-	(25,355)
- HSU Vic No 3 Branch		(1,893)	-
- HSU Vic No 1 Branch		(5,277)	-
Payments to controlled entities		-	-
Interest received		20,709	26,627
Interest paid		(35,885)	(56,533)
<b>Net cash inflow from operating activities</b>	22	<u>413,020</u>	<u>376,187</u>
<b>Cash flows from investing activities</b>			
Proceeds from sales of assets		59,091	21,182
Investment in held-to-maturity financial assets		(250,000)	-
Payments for property, plant and equipment		(196,648)	(111,774)
<b>Cash (outflow) from investing activities</b>		<u>(387,556)</u>	<u>(90,592)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(375,021)	(178,650)
<b>Net cash (outflow) from financing activities</b>		<u>(375,021)</u>	<u>(178,650)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(349,557)</b>	106,945
Cash and cash equivalents at beginning of financial year		<u>830,034</u>	<u>723,089</u>
<b>Cash and cash equivalents at end of financial year</b>	9	<u>480,477</u>	<u>830,034</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 2014

---

**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**

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

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

*New and amended standards adopted by the Branch*

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

*AASB 13 Fair Value Measurement*

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances. AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Branch has applied AASB 13 for the first time in the current year.

*Amendments to AASB 119 Employee Benefits*

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 *Presentation of Financial Statements*.

These amendments have had no significant impact on the Branch.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

---

**1: Summary of significant accounting policies (Continued)**

*Early adoption of standards*

No accounting standard has been adopted earlier than the application date stated in the standard.

*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.

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).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

---

**1: Summary of significant accounting policies (Continued)**

**(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.

**(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.

<b>Class of fixed asset</b>	<b>Depreciation rate</b>	<b>Depreciation basis</b>
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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

---

**1: Summary of significant accounting policies (Continued)**

**(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.

***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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

---

**1: Summary of significant accounting policies (Continued)**

**(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

**(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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

---

**1: Summary of significant accounting policies (Continued)**

**(k) Employee benefits (Continued)**

*(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.

**(l) Functional and presentation currency**

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

**(m) Comparative figures**

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

**(n) Impairment of assets**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

---

**1: Summary of significant accounting policies (Continued)**

**(o) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below:

*(i) AASB 9 Financial Instruments (effective from 1 January 2017)*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. When adopted, the standard will affect 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. 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.

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 2014

---

**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:

- (1) a member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) the application must be 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 2014**

**4: Revenue**

	2014 \$	2013 \$
<b>From continuing operations</b>		
<i>Service revenue</i>		
- Membership subscriptions	3,280,963	3,148,283
- voluntary contributions (note a)	28,790	17,114
- capitation fees – other reporting units	-	-
- levies	-	-
<i>Other revenue</i>		
- interest	20,709	26,627
- director fees	36,793	33,001
- grants received	23,491	59,011
- donation received	-	-
- financial support from another reporting unit	-	-
- merchandise income	126,394	87,100
- other revenue	47,913	75,000
	<u>3,565,053</u>	<u>3,446,136</u>

(a) – the voluntary contribution are members' contribution toward legal fees.

**5: Expenses**

	2014 \$	2013 \$
The surplus for the year includes the following specific expenses:		
<i>Depreciation</i>		
- plant and equipment	64,324	57,033
- building & improvement	47,660	48,292
	<u>111,984</u>	<u>105,325</u>
Compulsory levies	-	-
Consideration to employers for payroll deduction	-	-
Donations:		
Total paid that were \$1,000 or less	2,972	1,867
Total paid that exceeded \$1,000	7,000	7,798
Fees/allowances – meeting and conferences	-	-
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Legal fees		
- litigation	14,115	29,046
- other legal matters	12,454	2,250
Meeting expenses	63,389	54,284
Penalties – via RO Act or RO Regulations	-	-

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

**6: Affiliation and capitation fees**

	2014 \$	2013 \$
Affiliation fee		
- Australian Labor Party	27,220	25,705
- APHEDA	260	236
- Australia Asia Worker Links	364	-
- Ballarat Regional Trades & Labour Council	2,563	2,563
- Bendigo Trades Hall Council	174	174
- CICD	64	-
- Geelong and Region Trades & Labour Council	1,851	2,465
- Gippsland Trades & Labour Council	557	549
- Goulburn Valley Trades & Labour Council	126	221
- North-East Border Trades & Labour Council	400	400
- South-West Trades & Labour Council	74	297
- Sunraysia Trades & Labour Council Inc	55	218
- Victorian Trades Hall Council	17,922	40,336
Capitation fee & levies		
- Health Services Union of Australian National Council	142,107	91,770
	<u>193,737</u>	<u>164,934</u>

**7: Employee benefits expenses**

	2014 \$	2013 \$
Employees other than holders of office		
- wages and salaries	1,385,601	1,396,800
- superannuation	143,482	143,712
- leave and other entitlements	51,069	8,821
- separation and redundancies	-	-
- other employee expenses	-	-
Holders of office		
- wages and salaries	252,779	239,965
- superannuation	36,045	34,840
- leave and other entitlements	16,595	11,107
- separation and redundancies	-	-
- other employee expenses	-	-
Other staff costs **	156,556	162,495
	<u>2,042,127</u>	<u>1,997,740</u>

\*\* Other staff costs primarily comprise payroll tax, fringe benefits tax and workcover

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

**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:

	2014	2013
	\$	\$
<b>(a) Audit and other assurance services</b>		
Audit of the financial report	10,500	10,000
Other audit services	350	1,100
Other services	4,225	4,400
	<u>15,075</u>	<u>15,500</u>

**9: Current assets – Cash and cash equivalents**

	2014	2013
	\$	\$
Cash at bank	413,927	828,984
Term deposit (note b)	65,000	-
Cash on hand	1,550	1,050
	<u>480,477</u>	<u>830,034</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>480,477</u>	830,034
Balances per Statement of Cash Flows	<u>480,477</u>	<u>830,034</u>

**(b)** The term deposit is used as security for the union's credit card batching facility.

**10: Current assets – Trade and other receivables**

	2014	2013
	\$	\$
Other receivables	98,683	60,277
Receivable from other reporting units		
- HSU National Office	-	1,506
Less: provision for doubtful debts	-	-
Prepayments	52,908	15,426
	<u>151,591</u>	<u>77,209</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**11: Inventories**

	2014 \$	2013 \$
Movie tickets, gift cards & clothing on hand – at cost	<u>57,329</u>	<u>34,805</u>

**(a) Inventory expense**

Inventories recognised as expense during the year ended 30 June 2014 and included in members benefit expenses amounted to \$125,757 (2012 – \$87,451). No write-downs of inventories to net realisable value during the year.

**12: Non-current assets – Held-to-maturity financial assets**

	2014 \$	2013 \$
Term deposit	<u>250,000</u>	<u>-</u>

**13: Non-current assets – Property, plant and equipment**

	2014 \$	2013 \$
<b>Land, Building and improvements</b>		
At cost	-	2,135,240
At valuation	2,100,000	-
Less accumulated depreciation	<u>(5,397)</u>	<u>(148,574)</u>
	<u>2,094,603</u>	<u>1,986,666</u>
<b>Plant and equipment</b>		
At cost	280,703	297,731
Less accumulated depreciation	<u>(136,369)</u>	<u>(146,027)</u>
	<u>144,334</u>	<u>151,704</u>
<b>Motor vehicles</b>		
At cost	250,031	213,741
Less accumulated depreciation	<u>(34,370)</u>	<u>(67,261)</u>
	<u>215,661</u>	<u>146,480</u>
<b>Total property, plant and equipment</b>	<u>2,454,598</u>	<u>2,284,850</u>

**(a) Non-current assets pledged as security**

See Note 16 for security details.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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

**(b) Movements in carrying amounts**

	Building and improvements \$	Plant & equipment \$	Motor Vehicles \$	Total \$
<b>2013</b>				
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>
<b>2014</b>				
Opening net book amount	1,986,666	151,704	146,480	2,284,850
Additions	-	21,761	174,887	196,648
Revaluation	155,597	-	-	155,597
Disposals	-	-	(70,513)	(70,513)
Depreciation	(47,660)	(29,131)	(35,193)	(111,984)
Closing net book amount	<u>2,094,603</u>	<u>144,334</u>	<u>215,661</u>	<u>2,454,598</u>

**(c) Valuation**

The Branch engaged an external, independent and qualified valuer to determine the fair value of the Branch's land and building. As at 30 June 2014, the fair value of the land and building has been determined by MP Burke Commercial.

**14: Current liabilities – Trade and other payables**

	2014 \$	2013 \$
<i>Unsecured</i>		
Other payables	<b>182,029</b>	188,450
Amount payables to other reporting units		
- HSU National Office	<b>45,338</b>	3,014
- HSU Tasmania Branch	-	15,000
Income in advance	<b>91,831</b>	-
Consideration to employers for payroll deductions	-	-
Legal fee payables	<b>2,261</b>	4,592
	<u><b>321,459</b></u>	<u>211,056</u>



NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

**15: Current liabilities – Provisions**

	2014	2013
	\$	\$
<b>Employee provisions:</b>		
<i>Office holders:</i>		
Annual leave	38,211	32,261
Long service leave	105,447	94,801
Separations and redundancies	-	-
Other	-	-
	<u>143,657</u>	<u>127,062</u>
<i>Employees other than office holders:</i>		
Annual leave	164,131	125,627
Long service leave	51,710	39,145
Separations and redundancies	-	-
Other	-	-
	<u>215,841</u>	<u>164,772</u>
Total employee provisions	<u>359,498</u>	<u>291,834</u>

**(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.

**16: Borrowings**

	2014	2013
	\$	\$
<b>Current</b>		
Bank loan	<u>16,657</u>	<u>30,225</u>
<b>Non-Current</b>		
Bank loan	<u>417,862</u>	<u>779,315</u>
Total borrowings	<u>434,519</u>	<u>809,540</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 13 Building and improvement with a carrying amount of \$2,094,603 at 30 June 2014.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**17: Reserve**

	2014	2013
	\$	\$
Asset revaluation reserve		
Balance 1 July	-	-
Revaluation of land and building	<u>155,597</u>	-
Balance 30 June	<u>155,597</u>	-

**18: Accumulated surplus**

	2014	2013
	\$	\$
Movements in the accumulated surplus were as follows:		
Balance 1 July	1,914,468	1,693,450
Net surplus for the year	<u>208,454</u>	<u>221,018</u>
Balance 30 June	<u>2,122,922</u>	<u>1,914,468</u>

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

**19: Events occurring after the reporting period**

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

**20: Contingencies**

There are no known contingent assets or liabilities at 30 June 2014.

**21: Commitments**

*Non-cancellable operating leases*

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

	2014	2013
	\$	\$
<b>Lease commitments</b>		
Later than one year but less than five years	29,484	39,312
Later than five years	-	-
	<u>29,484</u>	<u>39,312</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**22: Cash flow information**

	2014 \$	2013 \$
<b>Reconciliation of cash flow from operations with surplus for the year</b>		
Surplus for the year	208,454	221,018
Non cash flows in surplus		
Depreciation	111,984	105,325
Net loss on disposal of fixed assets	11,421	12,387
<i>Changes in assets and liabilities</i>		
Decrease in receivables	(74,382)	4,482
(Increase) in inventories	(22,524)	(9,312)
Increase (Decrease) in payables	110,403	36,133
Increase (Decrease) in provisions	67,664	6,154
Cash flows from operations	<u>413,020</u>	<u>376,187</u>

**23: 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	Resigned on 29 August 2013
Bernadette Gambin	Ordinary Member	
Serena Ho	Ordinary Member	Appointed on 14 November 2013
John Murphy	Ordinary Member	
Patrick Nuzum	Ordinary Member **	
Kerrie Oldham	Ordinary Member	
Joanne Tomlins	Ordinary Member	

\*\* - members of the Finance, Audit and Compliance Committee

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

**23: Related party transactions (Continued)**

	2014	2013
	\$	\$
(b) Key management personnel compensation		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	252,779	239,965
Annual leave accrued	5,950	(2,643)
<b>Total short-term employee benefits</b>	<u>258,729</u>	<u>237,322</u>
<b>Post-employment benefits:</b>		
Superannuation	36,045	34,840
<b>Total post-employment benefits</b>	<u>36,045</u>	<u>34,840</u>
<b>Other long-term benefits:</b>		
Long-service leave	10,645	13,749
<b>Total other long-term benefits</b>	<u>10,645</u>	<u>13,749</u>
<b>Termination benefits</b>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>305,419</u>	<u>285,911</u>

(c) Other transactions

- As part of an arrangement, all director fees earned by any officers/employees who are directors of a company or trustee of superannuation scheme due to their positions of the Branch are paid to directly to the Branch with any related superannuation is 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

	2014	2013
	\$	\$
Capitation fee paid to HSU National Office	142,107	91,770
Consultancy fee paid to HSU Tas Branch	-	4,894

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

---

**24: 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.

**25: 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.

**26: RULE 85 - 88 Disclosure Requirements**

In terms of the Rules of the HSU, the Branch Committee of Management is required provided additional disclosures.

*(a) Rule 85 – Disclosure of remuneration and non-cash benefits received by officers*

<b>Name of officer</b>	<b>Position held</b>	<b>Board</b>	<b>Payment</b>	<b>Amount</b>	<b>Paid to</b>
Lloyd Williams	Branch Secretary, National President	H.E.S.T. Australia Ltd	Mandatory Superannuation (9.25%)	\$3,791	Lloyd William's super account - HESTA

*(b) Rule 86 – Remuneration paid to the 5 highest paid officers*

<b>Name of officer</b>	<b>Position held</b>	<b>Payment</b>	<b>Amount</b>	<b>Payment by</b>
Lloyd Williams	As above	Wages	\$132,615	HSU Victoria No. 2 Branch
Lloyd Williams	As above	Superannuation	\$19,455	HSU Victoria No. 2 Branch
Lloyd Williams	As above	Private use of union supplied motor vehicles	\$1,678	HSU Victoria No. 2 Branch

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

---

**26: RULE 85 - 88 Disclosure Requirements (Continued)**

*(b) Rule 86 – Remuneration paid to the 5 highest paid officers (Continued)*

<b>Name of officer</b>	<b>Position held</b>	<b>Payment</b>	<b>Amount</b>	<b>Payment by</b>
Paul Healey	Assistant Branch Secretary, Branch delegate National Council, Member National Executive	Wages	\$115,931	HSU Victoria No. 2 Branch
Paul Healey	As above	Superannuation	\$16,198	HSU Victoria No. 2 Branch
Paul Healey	As above	Private use of union supplied motor vehicles	\$4,528	HSU Victoria No. 2 Branch
Debra Gunn	President, Branch delegate National Council	Honorarium	\$2,000	HSU Victoria No. 2 Branch
Debra Gunn	As above	Superannuation	\$185	HSU Victoria No. 2 Branch
Gina Moore	Employee, Branch delegate National Council	Wages (part time)	\$61,275	HSU Victoria No. 2 Branch
Gina Moore	As above	Superannuation	\$5,659	HSU Victoria No. 2 Branch

*c) Rule 87 – Officers' Material Personal Interests*

None of the Branch Officers have disclosed any material personal interests in a matter that the officer has or acquires; or a relative of the officer has or acquires; that relates to the affairs of the Branch.

*d) Rule 88 – Payments to declared person or body of the Union*

No payments were made by the Branch to a declared person or body of the Branch.

**27: Capital management**

The Branch manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Committee of Management ensure that the overall risk management strategy is in line with this objective.

The capital structure of the entity consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings.

The Committee of Management effectively manages the Branch's capital by assessing the Branch's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Committee of Management to control capital of the entity since the previous year. No operations of the entity are subject to external imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

**28: Financial Risk Management**

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

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	2014 \$	2013 \$
<b>Financial assets</b>			
Cash on hand	9	480,477	830,034
Trade and other receivables	10	98,683	61,783
Held-to-maturity financial assets	12	250,000	-
<b>Total financial assets</b>		<b>829,160</b>	<b>891,817</b>
<b>Financial liabilities</b>			
Trade and other payables	14	229,628	211,056
Bank loan	16	434,519	809,540
<b>Total financial liabilities</b>		<b>664,147</b>	<b>1,020,596</b>

**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 is 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. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

*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.

There is no collateral held by the entity securing accounts receivable and other debtors

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

28: FINANCIAL RISK MANAGEMENT (Continued)

a. Credit risk (Continued)

**Credit Risk – Accounts receivable and other debtors**

The entity has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note to account. The main source of credit risk to the entity is considered to relate to the class of assets described as "accounts receivable and other debtors".

The following table details the entity's accounts receivable and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the entity and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the entity.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (Days Overdue)				Within initial trade terms
			< 30	31-60	61-90	>90	
	\$	\$	\$	\$	\$	\$	\$
<b>2014</b>							
Accounts receivable	23,500	-	-	-	-	-	23,500
Other debtors	75,183	-	-	-	-	-	75,183
<b>Total</b>	<b>98,683</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,683</b>
<b>2013</b>							
Accounts receivable	44,985	-	-	-	-	-	44,985
Other debtors	16,798	-	-	-	-	-	16,798
<b>Total</b>	<b>61,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,783</b>

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-.

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	2014 \$	2013 \$
Cash at banks			
- AA rated	9	478,927	828,984
- AA rated	12	250,000	-
		<b>728,927</b>	<b>828,984</b>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

28: FINANCIAL RISK MANAGEMENT (Continued)

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
- proactively monitoring the recovery of unpaid subscriptions.

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	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial liabilities due for payment</i>								
Trades and other payables (excluding estimated annual leave and deferred income)	229,628	211,056	-	-	-	-	229,628	211,056
Bank loan	16,657	30,225	417,862	151,125	-	628,190	434,519	809,540
<b>Total expected outflows</b>	<b>246,285</b>	<b>241,281</b>	<b>417,862</b>	<b>151,125</b>	<b>-</b>	<b>628,190</b>	<b>664,147</b>	<b>1,020,596</b>

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial assets – cash flows realisable</i>								
Cash on hand	480,477	830,034	-	-	-	-	480,477	830,034
Trade and other receivables	98,683	61,783	-	-	-	-	98,683	61,783
Held to maturity financial assets	-	-	250,000	-	-	-	250,000	-
<b>Total anticipated inflows</b>	<b>579,160</b>	<b>891,817</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>829,160</b>	<b>891,817</b>
<b>Net inflow(outflow) on financial instruments</b>	<b>332,875</b>	<b>650,536</b>	<b>(167,862)</b>	<b>(151,125)</b>	<b>-</b>	<b>(628,190)</b>	<b>165,013</b>	<b>(128,779)</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

---

**28: Financial risk management (Continued)**

**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	
	2014	2013	2014	2013
	\$	\$	\$	\$
Change 2% in interest rates	414	532	414	532

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 2014

29: Fair Value Measurements

(a) Financial assets and liabilities

Management of the entity assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2014 was assessed to be insignificant
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2014 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the entity's financial assets and liabilities:

	Note	2014		2013	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash on hand	(i)	480,477	480,477	830,034	830,034
Trade and other receivables	(i)	98,683	98,683	61,783	61,783
Held to maturity financial assets		250,000	250,000	-	-
<b>Total financial assets</b>		<b>829,160</b>	<b>829,160</b>	<b>891,817</b>	<b>891,817</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	229,628	229,628	211,056	211,056
Bank loan		434,519	434,519	809,540	809,540
<b>Total financial liabilities</b>		<b>664,147</b>	<b>664,147</b>	<b>1,020,596</b>	<b>1,020,596</b>

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 139.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

29: Fair Value Measurements (Continued)

(b) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

*Valuation techniques*

- *Market approach*: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach*: converts estimated future cash flows or income and expenses into a single current (ie discounted) value.
- *Cost approach*: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the entity's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

Note	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>2014</b>				
<b>Non-financial assets</b>				
Land and building	-	2,094,603	-	2,094,603
<b>Total non-financial assets recognised at fair value</b>	-	2,094,603	-	2,094,603

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2013: no transfers).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

---

**29: Fair Value Measurements (Continued)**

**(b) Disclosed fair value measurements**

The following assets and liabilities are not measured at fair value in the balance sheet but their fair values are disclosed in the notes:

- Accounts receivable and other debtors;
- government and fixed interest securities; and
- accounts payable and other payables

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

Description	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
Accounts receivable and other debtors	3	Income approach using discounted cash flow	Market interest rates for similar assets
Land and building	2	Direct comparison method	Sales values for similar assets
Accounts payable and other payables	3	Income approach using discounted cash flow	Market interest rates for similar liabilities

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

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

**COMMITTEE OF MANAGEMENT STATEMENT**

On *28<sup>th</sup> August 2014* 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 2014:

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. No revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: 

Name of designated officer: *Lloyd Williams*

Title of designated officer: *Branch Secretary*

Dated *1st September 2014*

## **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 2014, the Statement of Profit or Loss and Other 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 2014 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 - C.A. - Partner  
Member of The Institute of Chartered Accountants in Australia and  
holder of current Public Practice Certificate

1 September 2014  
Melbourne





17 July 2014

Mr Lloyd Williams  
National President,  
Health Services Union-Victorian No. 2 Branch  
Sent by email: [lloydw@hacsu.asn.au](mailto:lloydw@hacsu.asn.au)

Dear Mr Williams,

**Re: Lodgement of Financial Report - [FR2014/241]  
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 2014.

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 2015 (being the expiry date of 6 months and 14 days from 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 and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines, that apply to all financial reports prepared on or after 30 June 2014, are also available on the website. For your convenience, our webinar video and slides on the Reporting Guidelines have also been placed on the website.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Financial Reporting](#).

The financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) can be emailed to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). A sample statement of loans, grants or donations is available at [sample documents](#).

**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 \$51,000 for a body corporate and \$10,200 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](mailto: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.		
<p>(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.</p> <p>(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).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	<p>(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,</p> <p>or</p> <p>(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.</p>
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.