



FAIR WORK
AUSTRALIA

22 November 2010

Dr Rosemary Kelly
Secretary
Health Services Union
Victoria Number 4 Branch
Level 1 62 Lygon Street
Carlton South VIC 3053

By email: rosemaryk@msav.org.au

Dear Dr Kelly,

**Re: Fair Work (Registered Organisations) Act 2009 (RO Act)
Financial Report for year ended 30 June 2010 - FR2010/2718**

Thank you for the Financial Report of the Health Services Union Victoria Number 4 Branch for the financial year ended 30 June 2010. The documents were lodged with Fair Work Australia on 15 October 2010.

The Financial Report has been filed. Therefore, no further action is required. However, please act on the following when you lodge the Branch's Financial Report for the next financial year:-

Lodgement

Section 268 of the RO Act requires the Full Report and Designated Officer's Certificate to be lodged within 14 days of the Full Report being presented to the general meeting of members referred to in section 266 of the RO Act. Please ensure this requirement is complied with in future.

If you have any questions, please contact me by email at sokwei.ho@fwa.gov.au or on (03) 8661 7775.

Yours faithfully,

Sokwei Ho
Tribunal Services and Organisations

FR2010-2718

MEDICAL SCIENTISTS ASSOCIATION
VICTORIAN PSYCHOLOGISTS ASSOCIATION INC
ASSOCIATION OF HOSPITAL PHARMACISTS
LEVEL 1, 62 LYGON STREET, CARLTON SOUTH, VIC 3053.
TELEPHONE 9623 9623 OR 9623 9625 FACSIMILE 9663 8109
E-MAIL enquiry@msav.org.au A.B.N. 63 009 627 460



The General Manager
Fair Work Australia
11 Exhibition Street
MELBOURNE VICTORIA 3000

***S268 Fair Work (Registered Organisations) Act 2009
Designated Officer's Certificate***

I, Rosemary Kelly, being the Secretary of the Health Services Union Victoria Number 4 Branch, certify:

- That the documents lodged herewith are copies of the full report for the financial year 2009-2010 referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- That the full report was provided to members on the Union's website (www.msav.org.au) from 13 August 2010. All members were advised that the full report was available on the website.
- That the full report was presented to a meeting of the committee of management of the Health Services Union Victoria Number 4 Branch on 11 August 2010
- That the full report was presented to a general meeting of members on 15 September 2010 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*

Yours sincerely

Dr Rosemary Kelly

Secretary
Health Services Union Victoria No 4 Branch

15 October 2010

MEDICAL SCIENTISTS ASSOCIATION
VICTORIAN PSYCHOLOGISTS ASSOCIATION INC
ASSOCIATION OF HOSPITAL PHARMACISTS
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15 October 2010

The General Manager
Fair Work Australia
11 Exhibition Street
MELBOURNE VICTORIA 3000

Change of Address: Health Services Union Victoria Number 4 Branch

Please be advised that the office of the Health Services Union Victoria Number 4 Branch is now located at Level 1, 62 Lygon Street, Carlton South.

This is also the postal address/

Yours sincerely

Dr Rosemary Kelly

Secretary

Health Services Union Victoria No 4 Branch

**HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**



HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460

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This financial report covers the Health Services Union Victoria No. 4 Branch as an individual entity. The financial report is presented in the Australian currency.

The Health Services Union Victoria No. 4 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 Victoria No. 4 Branch
3rd Floor, New Building, Trades Hall,
54 Victoria Street
CARLTON VIC 3053

The financial report was authorised for issue by the Branch Committee on the 11 August 2010.

**HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460**

OPERATING REPORT

Your Branch Committee of Management present their report on the union for the financial year ended 30 June 2010.

Members of Committee of Management

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

Valena Braniff

Peter Wells

Adrian Warmington (appointed on 11 August 2009)

Damian McVeigh

Barbara Robinson (resigned on 11 August 2009)

Matthew Wilson

Max Cowey

Ruth Perkins

Sue Melbourne (appointed on 11 August 2009)

Lillith Collins (resigned during 2010)

Maria Bisignano

Patricia Miach

Stephen Edwards

Belinda Jude

Jacque Bailey

Victor Reginato

Rosemary Kelly

Jennie Bremner

Katerina Volny

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

Operating Results

The surplus of the union for the financial year amounted to \$130 (2009: deficit of \$1,392).

Review of Operations

A review of the operations of the union during the financial year and the results of those operations found that during the year, the union continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in State of Affairs

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

OPERATING REPORT (continued)

Principal Activities

The principal activities of the union during the financial year were the pursuit of the Objects of the Union's Rules. Specifically, the main activities of the Branch were 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 matter.

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

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the union, the results of those operations, or the state of affairs of the union in future financial years.

Union details

The union did not have any employees during the year ended 30 June 2010. All the administrative and industrial services were provided for a fee to the Branch by the Medical Scientists Association of Victoria.

The number of financial members at 30 June 2010 was 2,573 (2009: 2,605).

Right of members to resign

Under the registered Rules of the Health Services Union Victoria No. 4 Branch, a member may resign from membership of the Union by notice in writing addressed and delivered to the Secretary.

Directorships of Superannuation Fund

To the best of our knowledge and belief, no officer of the organisation, by virtue of their office of the Health Services Union Victoria No. 4 Branch is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- (ii) a director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (iii) where a criterion for the officer being the trustee or director is that the officer is an officer of a registered organisation.

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

Designated Officer



Rosemary Kelly

Dated this

11 August 2010

**HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
Revenue from continuing operations	4	<u>100,816</u>	<u>84,670</u>
Affiliation and capitation fee	6	(65,148)	(49,986)
Industrial services		(29,958)	(30,981)
Administration expenses	7	<u>(5,580)</u>	<u>(5,095)</u>
		<u>(100,686)</u>	<u>(86,062)</u>
Surplus (Deficit) for the year		130	(1,392)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>130</u>	<u>(1,392)</u>

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

HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460

BALANCE SHEET
AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	10,839	27,247
Trade and other receivables	9	<u>26,172</u>	<u>27,173</u>
TOTAL CURRENT ASSETS		<u>37,011</u>	<u>54,420</u>
TOTAL ASSETS		<u>37,011</u>	<u>54,420</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	<u>20,316</u>	<u>37,855</u>
TOTAL CURRENT LIABILITIES		<u>20,316</u>	<u>37,855</u>
TOTAL LIABILITIES		<u>20,316</u>	<u>37,855</u>
NET ASSETS		<u>16,695</u>	<u>16,565</u>
MEMBERS' FUND			
Accumulated surplus	11	<u>16,695</u>	<u>16,565</u>
TOTAL MEMBERS' FUND		<u>16,695</u>	<u>16,565</u>

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

**HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
Balance at the beginning of the financial year	<u>16,565</u>	<u>17,957</u>
Total comprehensive income for the year	130	(1,392)
Changes in reserve	<u>-</u>	<u>-</u>
Total recognised income and expenses for the year	<u>130</u>	<u>(1,392)</u>
Balance at the end of the financial year	<u><u>16,695</u></u>	<u><u>16,565</u></u>

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

**HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and other associations		109,108	93,825
Payments to HSU National Office		(89,500)	(38,769)
Payments to suppliers and employees		(36,018)	(29,128)
Interest received		<u>2</u>	<u>29</u>
Net cash (outflows)/inflow from operating activities	14	<u>(16,408)</u>	<u>25,957</u>
Net (decrease)/increase in cash and cash equivalents held		(16,408)	25,957
Cash and cash equivalents at beginning of financial year		<u>27,247</u>	<u>1,290</u>
Cash and cash equivalents at end of financial year	8	<u>10,839</u>	<u>27,247</u>

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

HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report for the Health Services Union Victoria No. 4 Branch are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basic of Preparation

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.

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 and financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity'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.

Statement of Compliance

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

(b) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

(c) Cash and Cash Equivalents

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 values, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and that it can be reliably measured. Revenue is recognised for the major operating activities as follows:

Member Fees and Subscriptions

Membership fees are recognised when the right to receive the revenue has been established.

Interest

Interest revenue is recognised as interest accrues, taking into account the yield on the financial assets.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances 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 in the Balance Sheet are shown inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis and GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to the ATO as classified as operating cash flows.

Commitments and contingencies are disclosed inclusive of GST.

(f) Comparative Figures

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

(g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollected are written off. A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement in other expenses.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the entity 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.

(i) 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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

(j) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-Settled Sharebased Payment Transactions [AASB 2] (effective from 1 January 2010)

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services regardless of which entity in the group settles the transaction or whether the transaction is settled in shares or cash. They also clarify how the group share-based payment arrangement should be measured, that is, whether it is measured as an equity- or a cash-settled transaction. The entity will apply these amendments retrospectively for the financial reporting period commencing on 1 July 2010. There will be no impact on the entity's financial statements.

(ii) AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (effective from 1 February 2010)

In October 2009 the AASB issued an amendment to AASB 132 *Financial Instruments: Presentation* which addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment must be applied retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The entity will apply the amended standard from 1 July 2010. As the entity has not made any such rights issues, the amendment will not have any effect on the entity's financial statements.

(iii) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect the entity's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. There will be no impact on the entity's financial statements.

(iv) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The entity will apply the amended standard from 1 July 2011. There will be no impact on the entity's financial statements.

(v) AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 (effective from 1 July 2010)

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. The entity will apply the interpretation from 1 July 2010. It is not expected to have any impact on the entity's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

(j) New accounting standards and interpretations (continued)

(vi) *AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (effective from 1 January 2011)*

In December 2009, the AASB made an amendment to Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. The entity does not make any such prepayments. The amendment is therefore not expected to have any impact on the entity's financial statements.

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 entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The entity 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 entity's accounting policies

No critical judgments have been made in applying the entity's accounting policies.

3: INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER OF FWA

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

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

(2) the application must be in writing and 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 VICTORIA NO. 4 BRANCH
ABN 63 009 627 460**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

4: REVENUE

	2010 \$	2009 \$
From continuing operations		
- interest	2	29
- reimbursement received for HSU National Office fee	15,804	-
- member subscriptions	82,115	84,641
- reimbursements from HSU National Office - conference	2,499	-
- other income	396	-
	<u>100,816</u>	<u>84,670</u>

5: SURPLUS (DEFICIT) FOR THE YEAR

	2010 \$	2009 \$
Surplus (deficit) for the year include the following specific expenses:		
Remuneration of the auditors for		
- audit or review services	810	750
Bad debts – trade receivable	3,543	-

6: FEES PAID TO HSU NATIONAL OFFICE

	2010 \$	2009 \$
Capitation fees & levies	<u>65,148</u>	<u>49,986</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2010

7: ADMINISTRATION

	2010	2009
	\$	\$
Auditor's remuneration	810	750
Bad debts	3,543	-
Bank charges	60	59
Conference expenses	-	491
Donation	-	500
General expenses	256	1,395
Legal costs	682	-
Meeting expenses	229	425
Staff training and welfare	-	1,300
Travelling and accommodation	-	175
	<u>5,580</u>	<u>5,095</u>

8: CASH AND CASH EQUIVALENTS

	2010	2009
	\$	\$
Cash at bank	<u>10,839</u>	<u>27,247</u>

(a) Cash at bank - these balances bear floating interest rates between 0% and 0.05% (2009: 0% and 0.25%).

(b) The above figures are reconciled to the cash and cash equivalents at the end of the financial year as shown in the statement of cash flows.

9: TRADE AND OTHER RECEIVABLES

	2010	2009
	\$	\$
CURRENT		
<i>Other receivable</i>		
Association of Hospital Pharmacists	2,731	6,627
HSU National Office	2,749	-
Net GST refund	1,149	-
Medical Scientists Association of Victoria	15,137	16,140
Victorian Psychologists Association	4,406	4,406
	<u>26,172</u>	<u>27,173</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2009

9: TRADE AND OTHER RECEIVABLES (Continued)

(a) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the entity. No interest is charged on these receivable.

(b) Foreign exchange and interest rate risks

Information about the entity's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 18.

(c) Fair value and credit risk

Due to short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 18 for more information on the risk management policy of the entity and the credit quality of the entity's trade receivables.

10: TRADE AND OTHER PAYABLES

	2010 \$	2009 \$
Amounts payable to:		
- Medical Scientists Association of Victoria	8,238	8,520
- HSU National office	12,078	28,294
Sundry creditors and accruals	<u>-</u>	<u>1,041</u>
	<u>20,316</u>	<u>37,855</u>

(a) Risk exposure

Information about the entity's exposure to foreign currency risk and interest rate risk in relation to trade and other payables is provided in note 18.

(b) Fair Value

Due to short-term nature of these payables, their carrying amount is assumed to approximate their fair value.

11: ACCUMULATED SURPLUS

	2010 \$	2009 \$
Accumulated surplus at the beginning of the financial year	16,565	17,957
Net surplus (deficit) attributable to members of the entity	<u>130</u>	<u>(1,392)</u>
Accumulated surplus at the end of the financial year	<u>16,695</u>	<u>16,565</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

12: RELATED PARTY TRANSACTIONS

- a) The union paid \$29,958 (2009: \$30,981) to the Medical Scientists Association of Victoria which in return provides a full industrial and administration service.
- b) The union paid \$65,148 (2009: \$49,986) to the HSU National Office as capitation fee and levies.

13: KEY MANAGEMENT PERSONNEL DISCLOSURE

- (a) The members of the committee of management during the financial year were:

- Valena Braniff
- Peter Wells
- Adrian Warmington (appointed on 11 August 2009)
- Damian McVeigh
- Barbara Robinson (resigned on 11 August 2009)
- Matthew Wilson
- Max Cowey
- Ruth Perkins
- Sue Melbourne (appointed on 11 August 2009)
- Lillith Collins (resigned during 2010)
- Maria Bisignano
- Patricia Miach
- Stephen Edwards
- Belinda Jude
- Jacque Bailey
- Victor Reginato
- Rosemary Kelly
- Jennie Bremner
- Katerina Volny

- (b) The branch did not pay any remuneration to its key management personnel during the year for the administration of the Branch.
- (c) There were no transactions between the officers of the Union other than those relating to their membership of the Union and reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.
- (d) There is no loan between the key management personnel and the union.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

14: CASH FLOW INFORMATION

	2010	2009
	\$	\$
(a) Reconciliation of cash flow from operations with surplus (deficit) for the period		
Surplus (Deficit) for the period	130	(1,392)
<i>Adjustment for non-cash items</i>		
Provision for bad debts	3,543	-
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(2,542)	1,572
(Decrease)/increase in payables	<u>(17,539)</u>	<u>25,777</u>
Cash flows from operations	<u>(16,408)</u>	<u>25,957</u>

15: EVENTS OCCURRING AFTER REPORTING PERIOD

No 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 entity, the results of those activities or the state of affairs of the union in the ensuing or any subsequent financial year.

16: COMMITMENTS FOR EXPENDITURE

There are no capital or lease commitments or contingencies at the end of the financial year.

17: CONTINGENT LIABILITIES

There are no known contingent liabilities at 30 June 2010.

18: FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The entity overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity.

The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by Committee of Management. The Committee of Management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

18: FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk

(i) Foreign exchange risk

The entity is not exposed to foreign exchange risk.

(ii) Price risk

The entity is not exposed to equity securities price or commodity price risk.

(iii) Cash flow and fair value interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are not materially exposed to changes in market interest rates for assets.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, including outstanding receivables and committed transactions.

The entity has no significant concentrations of credit risk. The entity has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Cash transactions are limited to high credit quality financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2010

18: FINANCIAL RISK MANAGEMENT (Continued)

(e) Mature profile of financial instruments

The mature profile of financial assets and liabilities held are detailed below.

2010

Financial Assets

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Over 5 years	Non Interest bearing	Total
		\$	\$	\$	\$	\$	\$	\$
Deposits at bank	0.05%	10,839	-	-	-	-	-	10,839
Debtors	- %	-	-	-	-	-	26,172	26,172
		<u>10,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,172</u>	<u>37,011</u>

Financial Liabilities

Trade creditors	- %	-	-	-	-	-	20,316	20,316
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,316</u>	<u>20,316</u>

2009

Financial Assets

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Over 5 years	Non Interest bearing	Total
		\$	\$	\$	\$	\$	\$	\$
Deposits at bank	0.25%	27,247	-	-	-	-	-	27,247
Other debtors		-	-	-	-	-	27,173	27,173
		<u>27,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,173</u>	<u>54,420</u>

Financial Liabilities

Trade creditors	- %	-	-	-	-	-	37,855	37,855
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,855</u>	<u>37,855</u>

(d) Sensitivity analysis

As at 30 June 2010, the effect on surplus as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2010 \$	2009 \$
Change in surplus		
Increase in interest rates by 2%	216	26
Decrease in interest rate by 2%	(216)	(26)

**HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460**

STATEMENT BY COMMITTEE OF MANAGEMENT

I, Rosemary Kelly, being the designated officer of Health Services Union Victoria No. 4 Branch, state that on behalf of the Committee of Management and in accordance with a resolution passed by the Committee of Management on the 11th August 2010 that:

In the opinion of the Committee of Management:

1. the financial statements and notes, as set out on pages 3 to 17 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 3 to 17 comply with the reporting guidelines of the General Manager of FWA;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of Health Services Union Victoria No. 4 Branch for the financial year to which they relate;
4. there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 30 June 2010:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
 - b. the financial affairs of Health Services Union Victoria No. 4 Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of Health Services Union Victoria No. 4 Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - e. the information sought in any request of a member of Health Services Union Victoria No. 4 Branch or a General Manager of Fair Work Australia (FWA) duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the members or the General Manager of FWA; and
 - f. No orders have been made by the FWA under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
6. There has been no recovery of wage activity undertaken by the reporting unit.

Designated Officer



Rosemary Kelly

Dated this

11 August 2010



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

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Incorporating BGL & Associates

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH

*Liability limited by a scheme approved under
Professional Standards Legislation*

Report on the Financial Report

We have audited the accompanying financial report of Health Services Union Victoria No. 4 Branch which comprises the balance sheet as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2010, a summary of significant accounting policies and other explanatory notes and the Statement by Committee of Management.

Committee of Management's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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 have complied with the independence requirements of Australian professional ethical pronouncements.



Chartered Accountants



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH (Continued)

Auditor's Opinion

In our opinion, the financial report of Health Services Union Victoria No. 4 Branch presents fairly the financial position of Health Services Union Victoria No. 4 Branch as at 30 June 2010 and the results of its operations, its changes in equity and cash flows for the financial year then ended, in accordance with any of the following that apply to the entity:

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

BGL & Associates

BGL & Associates
Chartered Accountants

I. A. Hinds

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

11 August 2010
Melbourne

