



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7764
Fax: (03) 9654 6672

Mr. James Riis
Finance Manager
Victorian Hospitals' Industrial Association
Level 1, 499 St. Kilda Road
Melbourne VIC 3004

Dear Mr. Riis,

**Re: Financial documents for year ended 30 June 2003
FR2003/474**

We acknowledge receipt of the secretary's certificate signed by the treasurer John Krygger, with respect to the financial documents of the abovenamed organisation, for the year ended 30 June 2003. This was lodged in the Industry Registry on 10 May 2004.

The document has now been placed with the rest of the other financial returns and has been filed.

Yours sincerely,

A handwritten signature in cursive script that reads 'M Beare'.

Marylyn Beare
Statutory Services Branch

13 May, 2004



Victorian Hospitals' Industrial Association

SECRETARY'S CERTIFICATE

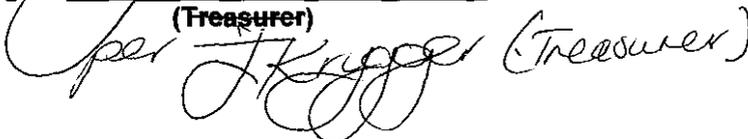
In accordance with Reg 109 of the Workplace Relations Act

31/3/04

I, John Krygger, being Treasurer on the Board of the Victorian Hospitals' Industrial Association, do state on behalf of the Board and in accordance with a resolution passed by the Committee, that:

- (ii) In the opinion of the Board, the attached accounts show a true and fair view of the financial affairs of the organisations as at 30 June 2003.
- (iii) In the opinion of the Board, meetings of the Board were held during the year ended 30 June 2003 in accordance with the rules of the organisation.
- (iv) To the knowledge of any member of the Board, there have been no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under Sub-section 274(2) of the Workplace Relations Act 1996) or copies of those records or documents, or copies of the rules of the organisation, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the organisation and;
- (v) In relation to the audited report prepared in accordance with section 276 of the Act in respect of the year ended 30 June 2003 and in relation to the accounts and statements prepared in accordance with subsection 273 (1) of the Act to which the report relates, the organisation has complied with subsections 273 (1) and 279 (6) of the Act.
- (vi) That the documents lodged are copies of the documents presented to the meeting (hereby known as the SECOND meeting) held on 6 Feb 2003 in accordance with s279(1).

On behalf of the committee.

Signed 
 (Treasurer)
 per  (Treasurer)



AUSTRALIAN INDUSTRIAL REGISTRY

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7764
Fax: (03) 9654 6672

Mr. James Riis
Finance Manager
Victorian Hospitals' Industrial Association
Level 1, 499 St. Kilda Road
Melbourne VIC 3004

Dear Mr. Riis,

**Re: Financial documents for year ended 30 June 2003
FR2003/474**

I have received the financial documents of the abovenamed organisation for the year ended 30 June 2003 lodged in the Industry Registry on 5 April 2004.

Having regard to the requirements of Division 11 of Part IX of the Workplace Relations Act 1996 and Part VII of the Workplace Relations Regulations your attention is drawn to the following:

Secretary's certificate

No certificate lodged

Financial documents lodged with the Registrar are required by subsection 280(1) to be filed under cover of a certificate from the secretary stating that the documents so lodged are copies of the auditor's report, accounts and statements which were presented to a meeting in accordance with section 279. I request that the certificate contain the date on which the meeting was held. This certification does not have to be in the form of a statutory declaration.

The secretary's certificate in respect of the documents already lodged with this Office for the year ended 30 June 2003 should be forwarded as soon as practicable, please.

Matter requiring attention when preparing future financial returns

The following matter concerning the financial reporting requirements of the Act is advised for your assistance when preparing financial returns:

No further action is required in respect of the subject documents. However, it would be appreciated if the same matter is not repeated for the next financial year.

Committee of Management Certificate

Provisions of reg. 109(1)(B)(iii)

Regulation 109(1)(b)(iv) requires the committee of management to certify whether or not the branch had complied with the requirements of section 279 in respect of the financial documents of the immediately preceding financial period, that is the year ended 30 June 2002.

Paragraph (iv) of the committee of management certificate referred to the year ended 30 June 2003.

It should be noted that this part of the committee of management's certificate always refers back to the preceding year.

Schedule 1(b) of Workplace Relations Act

The Registration and Accountability of Organisations Schedule (Schedule 1B of the Workplace Relations Act 1996) alters the arrangements under which organisations are required to provide financial and other information to members and the Industrial Registrar. Future financial returns will be required to meet the requirements of Schedule 1B. Your organisation has been provided with documentation in relation to the new requirements. You may wish to refer to section 269 of Schedule 1B which provides for reduced reporting requirements if a reporting unit has substantial common membership with a State registered body.

Should you have any queries, please contact me on (03) 8661 7764.

Yours sincerely,



Marylyn Beare
Statutory Services Branch

14 April, 2004

VHIA

VICTORIAN HOSPITALS'
INDUSTRIAL ASSOCIATION

2004/474
Level 1, 499 St Kilda Road
Melbourne Vic 3004
Telephone (03) 9861 4000
Facsimile (03) 9867 8540
Email: vhia@vhia.com.au
Web site: www.vhia.com.au
A.B.N. 77 538 927 547

30 March 2004

Australian Industrial Registry
Level 35,
Nauru House
80 Collins Street, Melbourne VIC 3000



RE: Annual Return

Dear Sir/Madam,

Enclosed are all documents in relation to our Annual Return. Should there be further requirements, please contact the writer on 9861 4044 or email jriis@vhia.com.au.

Yours faithfully,

A handwritten signature in cursive script, appearing to read 'James Riis'.

James Riis
Finance Manager

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

**VICTORIAN HOSPITALS'
INDUSTRIAL ASSOCIATION**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE, 2003**





VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

ANNUAL REPORT OF THE DIRECTORS YEAR ENDED 30 JUNE 2003

The board of directors presents the audited accounts of the Victorian Hospital Industrial Association for the year ended 30 June 2003.

The board of directors at the date of this report are :-

President	Mr John Stanway
Deputy President	Mr John Krygger
Board Members	Mr Chris England
	Mr Jim Pasinis
	Ms Merlyn Pritchard
	Mr John Richardson
	Mr Chris Scott
	Mr John Smith
	Mr Jim Fletcher
	Mr George Shaw (resigned May 2003)
	Mr Mick Ellis (resigned December 2002)
	Mr Dennis Swift (appointed May 2003)

Principal Activities

The principal activity of the Association was to provide a range of advocacy and industrial relations services to members.

Financial Results

The profit from operating activities for the year was \$17,418 (2002 \$89,648). The Association is exempt from paying income tax.

Review of Operations

The financial performance of the Association fell slightly short of the budgeted target – this was largely attributable to an unbudgeted liability of \$60,378 payable to the Australian Electoral Commission in relation to an enterprise bargaining election. VHIA has not experienced any reductions in its member/client bases and is seeking to develop new and improved services.

Dividends

No dividends have been paid or declared during the period.



VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

ANNUAL REPORT OF THE DIRECTORS YEAR ENDED 30 JUNE 2003

Significant Changes

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

Matters Subsequent to Balance Date

Subsequent to balance date, the Association has entered into an agreement to fund the establishment and initial operation of a law firm named Health Legal. The principal of Health Legal and VHIA have agreed that upon legal practice legislation in Victoria being changed (at some stage in the future) to replicate NSW legislation, VHIA will assume 70% ownership of Health Legal with the existing principal retaining 30%.

There are no other matters or circumstances which have arisen since 30 June 2003 that have significantly affected or may significantly affect:-

- (i) the operations of the Association;
- (ii) the result of those operations; or
- (iii) the state of affairs of the Association,

in the financial years subsequent to that financial year.

Likely Developments in Operations

The Association will continue to pursue the provision of services to its members.

Contracts with Directors

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration of Directors shown in the accounts), by reason of a contract made by the Association with any Director, or with a firm of which a Director is a member, or with a Association in which a Director has a substantial financial interest.

Environmental Issues

The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State.

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**ANNUAL REPORT OF THE DIRECTORS
YEAR ENDED 30 JUNE 2003****Indemnifying Officer or Auditor**

The Association has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Association or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability incurred as an officer for the costs or expenses to defend legal proceedings,

with the exception of the following matters:

During or since the financial year the Association has paid a premium of \$8,007 to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Association, other than conduct involving a wilful breach of duty in relation to the Association.

Dated at Melbourne this 29th day of January 2004

In accordance with a resolution of the Board.

J Stanway
Director



J Krygger
Director



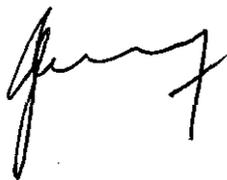
VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**COMMITTEE OF MANAGEMENT CERTIFICATE**

We, John Stanway and, John Krygger, being two members of the Board of the Victorian Hospitals' Industrial Association, do state on behalf of the Board and in accordance with a resolution passed by the Committee, that:

- (i) in the opinion of the Board, the attached accounts show a true and fair view of the financial affairs of the Association as at 30 June 2003.
- (ii) in the opinion of the Board, meetings of the Board were held during the year ended 30 June 2003 in accordance with the rules of the Association.
- (iii) to the knowledge of any member of the Board, there have been no instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under Sub-Section 274 (2) of the Workplace Relations Act 1996), or copies of those records or documents or copies of the rules of the Association, have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the Association and;
- (iv) in relation to the audited report prepared in accordance with section 276 of the Act in respect of the year ended 30 June 2003 and in relation to the accounts and statements prepared in accordance with subsection 273 (1) of the Act to which the report relates, the Association has complied with subsections 273 (1) and 279 (6) of the Act.

On behalf of the Committee

John Stanway
Director



John Krygger
Director



Dated at Melbourne this 29th day of January 2004

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

ACCOUNTING OFFICER'S CERTIFICATE

I, John Krygger, being the officer responsible for keeping the accounting records of the Victorian Hospitals' Industrial Association, certify that as at 30 June 2003 the number of members of the Association was 141 (2002: 141).

In my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the Association as at 30 June 2003;
- (ii) a record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank accounts to which those monies are to be credited, in accordance with the rules of the Association;
- (iii) before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
- (iv) with regard to funds of the Association raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such funds for purposes other than those for which the fund operated;
- (v) no loans or other financial benefits, other than remuneration in respect of their full-time employment with the Association, were made to persons holding office in the Association; and
- (vi) the register of the members of the Association was maintained in accordance with the Act.


J Krygger
Accounting Officer

Dated at Melbourne this 29th day of January 2004

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

Scope

We have audited the financial statements, being a special purpose financial report comprising of the Declaration by Members of the Board, the Accounting Officer's Certificate, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to and forming part of the financial statements of Victorian Hospitals' Industrial Association for the year ended 30 June 2003. The Association is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view of the company which is consistent with our understanding of its financial position and the results of its operations and cashflows.

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

Audit Opinion

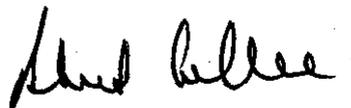
In our opinion :

- (a) There were kept by the Association in respect of the year ended 30 June 2003, satisfactory accounting records including:
 - (i) record of the sources and nature of the revenue of the Association (including income from members); and
 - (ii) record of the nature and purpose of the expenditure of the Association.
- (b) The attached accounts and report are prepared in accordance with Section 273 of the Workplace Relations Act 1996, and the properly drawn up so as to give a true and fair view of:

- (i) the financial affairs of the Association as at 30 June 2003; and
 - (ii) the revenue and expenditure and surplus of the Association for the year ended on that date.
- (c) We have received all the information and explanations we requested for the purpose of our audit.
- (d) The special purpose financial report is drawn up in accordance with the financial reporting policies as disclosed in note 1.



BDO
Chartered Accountants



R D D Collie
Partner

Melbourne, 29th January 2004



VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003

	Note	2003 \$	2002 \$
Current Assets			
Cash assets	5	203,913	244,101
Receivables	6	331,191	241,997
Other financial assets	7	20,904	20,904
Inventories	8	19,105	30,033
Other	9	-	91
Total Current Assets		<u>575,113</u>	<u>537,126</u>
Non-Current Assets			
Property, plant and equipment	10	664,732	681,225
Intangible assets	11	19,084	34,361
Total Non Current Assets		<u>683,816</u>	<u>715,586</u>
Total Assets		<u>1,258,929</u>	<u>1,252,712</u>
Current Liabilities			
Payables	12	223,173	192,565
Interest bearing liabilities	13	86,213	241,556
Provisions	14	101,631	81,915
Total Current Liabilities		<u>411,017</u>	<u>516,036</u>
Non Current Liabilities			
Interest bearing liabilities	13	140,233	83,207
Provisions	14	42,683	5,891
Total Non Current Liabilities		<u>182,916</u>	<u>89,098</u>
Total Liabilities		<u>593,933</u>	<u>605,134</u>
NET ASSETS		<u>664,996</u>	<u>647,578</u>
Equity			
Retained funds	15	<u>664,996</u>	<u>647,578</u>
TOTAL EQUITY		<u>664,996</u>	<u>647,578</u>

Notes 1 to 20 forming part of the accounts are attached.



VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
Revenues from ordinary activities	3	2,873,402	2,748,589
Employee benefits expense		(1,363,094)	(1,144,938)
Depreciation and amortisation expense		(117,162)	(130,792)
Borrowing costs expense		(22,062)	(18,262)
Consultant and direct expenses		(619,393)	(708,385)
Travel and motor vehicle expenses		(88,262)	(64,284)
Premises expenses		(121,630)	(121,324)
Telephone, postage and stationery expenses		(70,131)	(69,083)
Staff training, memberships and R&D		(46,248)	(9,401)
Insurance, internet and leasing expenses		(53,263)	(29,378)
Other expenses from ordinary activities		<u>(354,739)</u>	<u>(363,094)</u>
Profit (loss) from ordinary activities		<u>17,418</u>	<u>89,648</u>
Total changes in equity of the Association	15	<u>17,418</u>	<u>89,648</u>

Notes 1 to 20 forming part of the accounts are attached.



VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
Cash Flow from Operating Activities			
Receipts from members – Subscriptions		2,454,799	2,482,920
Interest received		24,228	21,056
Payments to suppliers and employees		(2,286,425)	(2,208,478)
Interest paid		<u>(22,062)</u>	<u>(18,262)</u>
Net cash provided by operating activities	19(a)	<u>170,540</u>	<u>277,236</u>
Cash Flow from Investing Activities			
Proceeds on disposal of fixed assets		251,315	17,408
Capital expenditure on fixed assets		<u>(363,726)</u>	<u>(434,450)</u>
Net cash used in investing activities		<u>(112,411)</u>	<u>(417,042)</u>
Cash Flow from Financing Activities			
Proceeds (Repayment) from new borrowings		<u>(98,317)</u>	<u>300,633</u>
Net cash provided by (used in) financing activities		<u>(98,317)</u>	<u>300,633</u>
Net increase/(decrease) in cash held		(40,188)	160,827
Opening Cash at 1 July 2002		<u>265,005</u>	<u>104,178</u>
Closing Cash at 30 June 2003	19(b)	<u>224,817</u>	<u>265,005</u>

Notes 1 to 20 forming part of the accounts are attached.



VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

1. Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared solely for the distribution to the members, in order to satisfy the financial reporting requirements of the Workplace Relations Act, 1996. The committee has determined that the entity is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporations Act (Victoria) and the following Australian Accounting Standards:

AAS 1	Statement of Financial Performance
AAS 5	Materiality
AAS 8	Events Occurring After Reporting Date
AAS 22	Related Party Disclosures
AAS 28	Statement of Cashflows
AAS 30	Accounting of Employee Entitlements
AAS 33	Presentation and Disclosure of Financial Instruments
AAS 36	Statement of Financial Position
AAS 37	Financial Report Presentation and Disclosures

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account charging money value or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost less, where applicable, any accumulated depreciation.

NOTES TO THE ACCOUNTS AS AT 30 JUNE 2003

1. Statement of Significant Accounting Policies (cont'd)

(a) Property, Plant and Equipment (cont'd)

Property, plant and equipment are carried at cost.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets, excluding freehold land, is depreciated over their useful lives commencing from the time the asset is held ready for use.

Depreciation and Amortisation is based on the straight-line method of calculation.

The depreciation rates used for each class of depreciable assets are:-

<u>Class of fixed asset</u>	<u>Depreciation rate</u>	<u>Method</u>
Buildings	2.5%	Straight Line
Leasehold improvements	10%	Straight Line
Office Furniture	13.5% - 20%	Straight Line
Computer Equipment	40%	Straight Line
Motor Vehicles	15% - 22.5%	Straight Line

(b) Inventories

Work in progress costs are assigned on a specific identification basis and include direct labour costs and appropriate overheads where necessary.

(c) Employee Entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

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

NOTES TO THE ACCOUNTS AS AT 30 JUNE 2003

1. Statement of Significant Accounting Policies (cont'd)

(d) Income tax

The Association is exempt from paying income tax under section 23 of the Income Tax Assessment Act 1997 and consequently, has not charged any income tax expense.

(e) Leases

Leases of fixed assets, where substantially all the risk and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payment under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(f) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(g) Revenue

Membership subscriptions are accounted for on an accruals basis with the revenue split equally over the period to which the subscriptions relate.

Revenue from the sale of goods or the rendering of services is recognised upon the delivery of goods or services to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(h) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial position are shown inclusive of GST.

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**NOTES TO THE ACCOUNTS AS AT 30 JUNE 2003****1. Statement of Significant Accounting Policies (cont'd)****(i) Intangible Assets****(i) Start Up Costs**

Start up costs are carried at cost.

Costs in relation to the formation of the entity were capitalised and are being written off over a period of 10 years. The costs are reviewed annually to ensure that they are not carried in excess of their future cash flows. Cash flows are not discounted for the purposes of this appraisal.

(ii) Internet Site

Costs in relation to the development of the internet site have been capitalised in accordance with UIG requirements where future benefits will flow from the information source established. Such costs are being amortised @ 30% per annum straight line.

The carrying value of intangibles is reviewed annually and written down where future cashflows are not guaranteed. Future cash flows are not discounted for the purposes of this appraisal.

2. Information to Be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of the sub-sections (1),(2) and (3) of Section 274 which reads as follows:-

1. Application for Information.

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

2. Provision of Information.

An organisation shall, on application made under sub-section (1) by a member of the organisation, or a Registrar make the specified information available to the member or the registrar in such manner and within such time, as is prescribed.

NOTES TO THE ACCOUNTS AS AT 30 JUNE 2003

2. Information to Be Provided to Members or Registrar (cont'd)

3. Function of Registrar.

A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned and the Registrar shall provide to a member information received because of an application made at the request of the member.

	Note	2003 \$	2002 \$
3. Revenue			
Operating Activities			
Membership fees		1,224,832	1,083,220
Consulting and legal services		1,316,033	1,333,248
Interest received – other persons		24,228	21,056
Rental income		55,586	54,703
Sundry income		1,408	25,045
		<u>2,622,087</u>	<u>2,517,272</u>
Non-Operating Activities			
Proceeds on sale of assets		251,315	2,748,589
		<u>2,873,402</u>	<u>231,317</u>
Total Revenue			

4. Profit from Ordinary Activities

Profit from ordinary activities has been determined after:

(a) Expenses

Borrowing costs – other persons	<u>22,062</u>	<u>18,262</u>
Depreciation of property plant & equipment	<u>101,885</u>	<u>115,590</u>
Amortisation of Intangible assets	<u>15,277</u>	<u>15,202</u>
Remuneration of auditor		
- audit services	6,900	5,000
- other services	<u>6,000</u>	<u>-</u>



VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION
(A.C.N.004 255 654)

NOTES TO THE ACCOUNTS AS AT 30 JUNE 2003

	2003	2002
	\$	\$
4. Profit from Ordinary Activities (cont'd)		
(b) Revenue and Net gains		
Net gain (loss) on disposal of plant and equipment	<u>(27,019)</u>	<u>(12,177)</u>
5. Cash Assets		
Cash at bank	203,488	243,601
Cash on hand	<u>425</u>	<u>500</u>
	<u>203,913</u>	<u>244,101</u>
6. Receivables		
Trade debtors	314,481	251,997
Less Provision for doubtful debts	<u>(10,000)</u>	<u>(10,000)</u>
	304,481	241,997
Other amounts receivable from: Other related parties	<u>26,710</u>	<u>-</u>
	<u>331,191</u>	<u>241,997</u>
7. Other Financial Assets – Current		
Term deposit	<u>20,904</u>	<u>20,904</u>
8. Inventories		
Work in progress	<u>19,105</u>	<u>30,033</u>
9. Other		
Prepayments	<u>-</u>	<u>91</u>

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION
(A.C.N.004 255 654)

NOTES TO THE ACCOUNTS AS AT 30 JUNE 2003

	2003	2002
	\$	\$
10. Property, Plant and Equipment (cont'd)		
Freehold land and buildings		
At Cost	252,312	252,312
Provision for accumulated depreciation	<u>(46,524)</u>	<u>(40,216)</u>
Written down value	<u>205,788</u>	<u>212,096</u>
Office Equipment		
At Cost	152,092	183,386
Provision for accumulated depreciation	<u>(82,103)</u>	<u>(127,461)</u>
Written down value	<u>69,989</u>	<u>55,925</u>
Furniture and Fittings		
At Cost	54,061	105,962
Provision for accumulated depreciation	<u>(15,735)</u>	<u>(59,831)</u>
Written down value	<u>38,326</u>	<u>46,131</u>
Leasehold improvements		
At Cost	69,554	53,754
Provision for accumulated amortisation	<u>(16,397)</u>	<u>(1,565)</u>
Written down value	<u>53,157</u>	<u>52,189</u>
Motor Vehicles		
At Cost	329,544	368,289
Provision for accumulated depreciation	<u>(32,072)</u>	<u>(53,405)</u>
Written down value	<u>297,472</u>	<u>314,884</u>
Net Book Value	<u>664,732</u>	<u>681,225</u>

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

NOTES TO THE ACCOUNTS AS AT 30 JUNE 2003

10. Property, Plant and Equipment (cont'd)

(a) Movement in carrying amount

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

	Freehold Land and Buildings \$	Leasehold Improve- ments \$	Office Equipment \$	Furniture & Fittings \$	Motor Vehicles \$	Total \$
Balance at the beginning of year	212,096	52,189	55,925	46,131	314,884	681,225
Additions	-	16,837	41,870	12,030	292,988	363,725
Disposals	-	-	(1,265)	(3,770)	(273,298)	(278,333)
Depreciation expense	(6,308)	(14,832)	(25,173)	(3,302)	(52,270)	(101,885)
Transfer	-	(1,037)	(1,368)	(12,763)	15,168	-
Carrying amount at the end of the year	205,788	53,157	69,989	38,326	297,472	664,732

	2003 \$	2002 \$
11. Intangible Asset		
Internet Site		
At Cost	40,255	40,255
Provision for accumulated amortisation	(24,104)	(12,027)
	<u>16,151</u>	<u>28,228</u>
Formation Expenditure		
At Cost	31,736	31,736
Provision for accumulated amortisation	(28,803)	(25,603)
	<u>2,933</u>	<u>6,133</u>
Net book value	<u>19,084</u>	<u>34,361</u>



VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

NOTES TO THE ACCOUNTS AS AT 30 JUNE 2003

	2003 \$	2002 \$
12. Accounts Payable (Current)		
Trade creditors	145,864	73,903
Sundry creditors and accrued expenses	77,309	64,796
Subscriptions received in advance	-	53,866
	<u>223,173</u>	<u>192,565</u>
13. Interest Bearing Liability		
(Current)		
Hire purchase commitments	<u>86,213</u>	<u>241,556</u>
(Non Current)		
Hire purchase commitments	<u>140,233</u>	<u>83,207</u>
14. Provisions		
(Current)		
Employee entitlements:-		
Annual leave	<u>101,631</u>	<u>81,915</u>
(Non Current)		
Employee entitlements:-		
Long service leave	<u>42,683</u>	<u>5,891</u>
Aggregate employee entitlement Liability	<u>144,314</u>	<u>87,806</u>
Number of employees at year end	<u>17</u>	<u>12</u>

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

NOTES TO THE ACCOUNTS AS AT 30 JUNE 2003

	2003 \$	2002 \$
15. Retained Funds		
Retained profits at the beginning of the financial year	647,578	557,930
Net profit attributable to members of company	<u>17,418</u>	<u>89,648</u>
Accumulated funds as at the end of the financial year	<u>664,996</u>	<u>647,578</u>
16. Commitments		
(a) Operating leases of plant and equipment Payable		
Not later than one year	140,288	87,110
Later than one but not later than 5 years	59,093	203,258
Later than five years	<u>-</u>	<u>-</u>
	<u>199,371</u>	<u>290,368</u>

The Wellington Street, Windsor property lease is a non-cancellable lease with a five year term, with rent payable monthly in advance.

The lease agreement requires that the minimum lease payments shall be increased by 4% per annum.

An option exists to renew the lease at the end of the five year term for an additional term of five years.

(b) Hire Purchase Liability Payable		
Not later than one year	121,606	260,002
Later than one but not later than 5 years	<u>128,229</u>	<u>85,656</u>
Minimum lease payments	249,835	345,658
Deduct future finance charges	<u>(23,389)</u>	<u>(20,895)</u>
	<u>226,446</u>	<u>324,763</u>