



Australian Government
Australian Industrial Registry

21 January 2009

Ms Gerardine Kearney
Federal Secretary
Australian Nursing Federation
Federal Office
Level 1, 365 Queen Street
MELBOURNE VIC 3000

By email: anfmelbourne@anf.org.au

Cc: Barbara Hughes
Federal Finance Officer
Australian Nursing Federation
finance@anf.org.au

Dear Ms Kearney

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial report for year ended 30 June 2008 – FR2008/257**

I acknowledge receipt of the financial report for the Federal Office of the Australian Nursing Federation for the year ended 30 June 2008 and the Designated Officer's Certificate. The documents were lodged in the Industrial Registry on 27 November 2008 and 19 January 2009 respectively.

The documents have now been filed.

Although the documents have been filed, I would like to comment on some issues arising out of the report. I make these comments to assist you when you next prepare the financial reports. You *do not* need to take any further action in respect of the financial reports already lodged.

1. Recovery of Wages Activity

I note the accounts did not provide information in relation to any recovery of wages activity. The financial reporting obligations regarding the recovery of wages activity is specified in items 16 to 23 and item 25(f) of the Industrial Registrar's Reporting Guidelines.

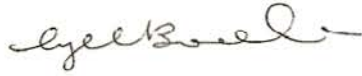
Where the reporting unit has not undertaken any recovery of wages activity for the financial year a statement by the auditor or by the committee of management declaring that there was no recovery of wages activity for the financial year would satisfy the Reporting Guidelines.

2. Notice under Subsection 272(5) of RAO Schedule

The reproduction of subsections 272(1), (2) and (3) as required by s272(5) should be contained in the Notes to the financial statement rather than in the Operating Report.

Your cooperation in remedying the above matters in future financial reports will be much appreciated. Should you wish to discuss any matters contained in this letter I may be contacted on (03) 8661 7989 (Wed – Fri) or by e-mail at cynthia.lobooth@airc.gov.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a horizontal line extending to the right.

Cynthia Lo-Booth
Statutory Services Branch

21 January 2009



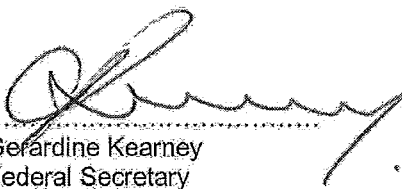
australian nursing federation

AUSTRALIAN NURSING FEDERATION – FEDERAL OFFICE
ABN: 41 816 898 298

DESIGNATED OFFICER'S CERTIFICATE

I, Gerardine Kearney, being the Federal Secretary of the Australian Nursing Federation – Federal Office, certify:

1. that the documents lodged previously are copies of the full report referred to in section 268 of the RAO Schedule;
2. that the full report was made available to our members on our website (www.anf.org.au) from 16/10/08 and members were notified via the ANF journals; and
3. that the report was presented to a meeting of the Committee of Management on 21/11/08 in accordance with section 266 of the RAO Schedule.



Gerardine Kearney
Federal Secretary

Dated this 19th day of January 2009

The industrial and professional organisation for nurses and midwives in Australia

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ANF Journals

Australian Nursing Journal
Australian Journal of Advanced Nursing
anj@anf.org.au ajan@anf.org.au
ABN 41 816 898 298

australian nursing federation

financial report | 2008



AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE

ABN: 41 816 898 298

**Annual Financial Report For The Year Ended
30 June 2008**

Australian Nursing Federation - Federal Office

30 June 2008

ABN: 41 816 898 298

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AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE
ABN: 41 816 898 298

Your councillors present their report on the Federation for the financial year ended 30 June 2008.

The names of the councillors in office at any time during, or since the end of, the year are:

| | |
|--------------------------------|---------------------------------------|
| Coral Levett | Elizabeth Dabars (appointed 24/03/08) |
| Bernadette Roberts | Gay Hawksworth |
| Jill Iliffe (resigned 1/04/08) | Suzanne Cadigan |
| Gerardine Kearney | Neroli Ellis |
| Lee Thomas | Anoni Morse |
| Colleen Duff | Lisa Fitzpatrick |
| Jill Parke | Clare McGinness |
| Brett Holmes | Mark Olson |
| Yvonne Falckh | Patricia Fowler |
| Shirel Nomoa | |

Councillors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The profit of the Federation for the financial year amounted to \$1,356.

A review of the operations of the Federation during the financial year and the results of those operations found that Capitation fees had increased by 8% as a result of increased membership and increased fee rates, whilst expenses excluding the ACTU IR Campaign had increased by 4%, the main increase was in employee benefit expenses. This resulted in a small surplus compared to the previous year's deficit.

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

The principal activities of the Federation during the financial year were the industrial and professional representation of nurses and nursing.

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

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

Likely developments in the operations of the Federation and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Federation.

The operations of the Federation are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

The number of members at the end of the financial year was 159,278, being the total membership of the State Branches. The number of employees at the end of the financial year measured on a full time basis was 19.4.

Gerardine Kearney and Brett Holmes are directors of Health Employees Superannuation Trust Australia, representing the Australian Nursing Federation.

Members retain the right to resign from the Australian Nursing Federation in accordance with Section 10 of the Federal Rules

272 Information to be provided to members or Registrar.

(1) A member of the federation, or a Registrar, may apply to the federation for specified prescribed information in relation to the federation 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 has been given to the federation.

(3) The federation must comply with an application made under subsection(1).

The Federation was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Federal Council dated 10th October 2008

Federal Secretary


Gerardine Kearney

Dated this 10th day of October 2008

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE
ABN: 41 816 898 298
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

- no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm Bell Partners

Name of Partner Robert H Wald (Registered No 10418)

Date 09/10/2008

Address Level 7

468 St Kilda Road

MELBOURNE VIC 3004

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE
ABN: 41 816 898 298
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

| | Note | 2008 \$ | 2007 \$ |
|--|------|-------------|-------------|
| Revenue | 2 | 4,923,899 | 4,920,503 |
| Employee benefits expense | | (1,988,602) | (1,689,620) |
| Administration & office expenses | | (255,445) | (265,029) |
| Affiliation fees | | (307,304) | (278,428) |
| Staff field work and associated expenses | | (189,397) | (185,023) |
| Meetings / conferences | | (52,967) | (34,098) |
| Legal expenses | | (20,676) | (7,816) |
| Australian nursing journal production expenses | | (1,159,626) | (1,051,809) |
| Australian journal of advanced nursing production expenses | | (13,216) | (70,495) |
| Project expenses | | (54,102) | (79,451) |
| RTO expenses | | (124,854) | (219,826) |
| Depreciation and amortisation expenses | | (111,179) | (98,541) |
| ACTU IR campaign | | (359,150) | (752,758) |
| Finance costs | 3 | (79,877) | (77,968) |
| Other expenses | | (206,148) | (321,296) |
| | | <hr/> | <hr/> |
| Surplus (Deficit) attributable to members of the entity | | 1,356 | (211,655) |
| | | <hr/> | <hr/> |

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE
ABN: 41 816 898 298
BALANCE SHEET AS AT 30 JUNE 2008

| | Note | 2008 \$ | 2007 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 375,045 | 245,244 |
| Trade and other receivables | 7 | 362,611 | 420,189 |
| Other current assets | 8 | 61,796 | 133,784 |
| TOTAL CURRENT ASSETS | | <u>799,452</u> | <u>799,217</u> |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 7 | 19,000 | 28,500 |
| Property, plant and equipment | 9 | 2,039,191 | 2,061,564 |
| TOTAL NON-CURRENT ASSETS | | <u>2,058,191</u> | <u>2,090,064</u> |
| TOTAL ASSETS | | <u>2,857,643</u> | <u>2,889,281</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 602,095 | 719,243 |
| Financial liabilities | 11 | - | - |
| Current tax liabilities | 12 | 12,159 | 20,156 |
| Short-term provisions | 13 | 155,430 | 127,825 |
| TOTAL CURRENT LIABILITIES | | <u>769,684</u> | <u>867,224</u> |
| NON-CURRENT LIABILITIES | | | |
| Financial liabilities | 11 | 1,408,202 | 1,408,202 |
| Long-term provisions | 13 | 216,153 | 151,608 |
| TOTAL NON-CURRENT LIABILITIES | | <u>1,624,355</u> | <u>1,559,810</u> |
| TOTAL LIABILITIES | | <u>2,394,039</u> | <u>2,427,034</u> |
| NET ASSETS | | <u>463,604</u> | <u>462,247</u> |
| MEMBER FUNDS | | | |
| Retained earnings | | 463,604 | 462,247 |
| TOTAL MEMBER FUNDS | | <u>463,604</u> | <u>462,247</u> |

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE
ABN: 41 816 898 298
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

| | Accumulated Surplus/(Deficit) \$ | Total \$ |
|---|--|-------------|
| Balance at 1 July 2006 | 673,903 | 673,903 |
| Deficit attributable to members of entity | (211,655) | (211,655) |
| Sub-total | 462,248 | 462,248 |
| Balance at 30 June 2007 | 462,248 | 462,248 |
| Surplus attributable to members of entity | 1,356 | 1,356 |
| Sub-total | 463,604 | 463,604 |
| Balance at 30 June 2008 | 463,604 | 463,604 |

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE
ABN: 41 816 898 298
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

| | Note | 2008 \$ | 2007 \$ |
|---|------|-----------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from members & customers | | 4,850,400 | 5,970,925 |
| Payments to suppliers and employees | | (4,551,959) | (5,791,609) |
| Dividends received | | - | - |
| Interest received | | - | 18,798 |
| Finance costs | | (79,877) | (77,968) |
| Net cash provided by operating activities | 15 | <u>218,564</u> | <u>120,146</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 253 | 40,867 |
| Purchase of property, plant and equipment | | (89,016) | (1,739,719) |
| Net cash used in investing activities | | <u>(88,763)</u> | <u>(1,698,852)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of borrowings | | - | (127,233) |
| Borrowings | | - | 1,408,202 |
| Net cash provided by (used in) financing activities | | <u>-</u> | <u>1,280,969</u> |
| Net (decrease) increase in cash held | | 129,801 | (297,737) |
| Cash at beginning of financial year | | 245,244 | 542,981 |
| Cash at end of financial year | 6 | <u>375,045</u> | <u>245,244</u> |

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE ABN: 41 816 898 298
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Note 1 Statement of Significant Accounting Policies

This financial report includes the financial statements and notes of Australian Nursing Federation - Federal Office.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified (where applicable), by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

Accounting Policies

(a) Income Tax

No income tax is payable as Trade Unions are exempt from income tax under Section 50-15 of the Income Tax Assessment Act.

(b) Land for Sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, foreign currency movements, borrowing costs and holding costs until completion of development. Borrowing costs, foreign currency movements and holding charges incurred after development is completed, are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Councillors 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 that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Federation commencing from the time the asset is held ready for use.

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

| Class of Fixed Asset | Useful Life |
|-----------------------|-------------|
| Buildings | 50 Years |
| Plant and equipment | 4-7 Years |
| Freehold improvements | 10 Years |

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 the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Federation are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(vi) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(f) Impairment of Assets

At each reporting date, the Federation reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Federation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Provision is made for the Federation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(h) Provisions

Provisions are recognised when the Federation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(j) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(k) 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE ABN: 41 816 898 298
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

(l) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Critical accounting estimates and judgments

The councillors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Federation.

The financial report was authorised for issue on 10th October 2008 by the committee of councillors.

Note 2 Revenue

| | Note | 2008 \$ | 2007 \$ |
|--|------|------------------|------------------|
| Sales revenue | | | |
| — Capitation fees | | 2,342,820 | 2,174,520 |
| — ANJ subscriptions | | 1,122,969 | 970,070 |
| — ANJ advertising | | 567,553 | 492,938 |
| — AJAN subscription | | 2,385 | 94,803 |
| — AJAN advertising | | 19,891 | 4,144 |
| — Grants received | | 215,436 | 88,141 |
| — ACTU IR Campaign | | 359,150 | 752,758 |
| — RTO income | | 175,206 | 133,317 |
| Total sales revenue | | <u>4,805,410</u> | <u>4,710,691</u> |
| Other revenue | | | |
| — interest received | 2(a) | 18,251 | 18,798 |
| — other revenues | | 100,238 | 191,014 |
| Total other revenue | | <u>118,489</u> | <u>209,812</u> |
| Total sales revenue and other revenue | | <u>4,923,899</u> | <u>4,920,503</u> |
| Other income | | | |
| (a) Interest revenue from: | | | |
| — other persons | | 18,251 | 18,798 |
| Total interest revenue | | <u>18,251</u> | <u>18,798</u> |

Note 3 Expenses

| | 2008 \$ | 2007 \$ |
|----------------------------|---------------|---------------|
| (a) Expenses | | |
| Finance costs: | | |
| — Federation | 79,877 | 77,968 |
| Total finance costs | <u>79,877</u> | <u>77,968</u> |
| (b) Donations: | | |
| Over \$1000 | 8,000 | 3715 |
| \$1000 and less | 1,250 | 3344 |
| | <u>9,250</u> | <u>7,059</u> |

Note 4 Key Management Personnel Compensation

| | Short-term Benefits \$ | Post Employment Benefit \$ | Total \$ |
|--------------------------------|---------------------------|-------------------------------|----------------|
| 2008 | | | |
| Jill Iliffe Resigned 1/04/08 | 122,735 | 22,878 | 145,613 |
| Gerardine Kearney | 141,041 | 19,018 | 160,059 |
| Lee Thomas Appointed 2/04/08 | 33,947 | 4,601 | 38,548 |
| Total compensation 2008 | <u>297,723</u> | <u>46,497</u> | <u>344,220</u> |
| 2007 | | | |
| Jill Iliffe | 144,829 | 26,648 | 171,477 |
| Geraldine Kearney | 132,270 | 17,717 | 149,987 |
| Total compensation 2007 | <u>277,099</u> | <u>44,365</u> | <u>321,464</u> |

Note 5 Auditors' Remuneration

| | 2008 \$ | 2007 \$ |
|--|------------|------------|
| Remuneration of the auditor for: | | |
| — auditing or reviewing the financial report | 8,260 | 13,141 |

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE ABN: 41 816 898 298
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Note 6 Cash and Cash Equivalents

| | 2008 | 2007 |
|----------------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Cash at bank and in hand | 480 | 480 |
| Short-term bank deposits at call | 336,703 | 194,605 |
| General Operating Account | 7,427 | 8,390 |
| NNO Account | 26,035 | 41,769 |
| RTO Account | 4,400 | - |
| | <u>375,045</u> | <u>245,244</u> |

Note 7 Trade and Other Receivables

| | 2008 | 2007 |
|---|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | <u>195,862</u> | <u>209,580</u> |
| | 195,862 | 209,580 |
| Amounts due from customers for construction contracts | - | - |
| Other receivables | 157,249 | 210,609 |
| Other related parties | 9,500 | - |
| | <u>362,611</u> | <u>420,189</u> |
| Other Related Parties | | |
| (a) Current | | |
| ANF NT branch | <u>9,500</u> | - |
| | 9,500 | - |
| b Non-Current | | |
| ANF NT branch | <u>19,000</u> | <u>28,500</u> |
| | 19,000 | 28,500 |
| | <u>28,500</u> | <u>28,500</u> |

Unsecured interest-free loans was made to a related party repayable in equal annual instalments off \$9,500.

Note 8 Other Assets

| | 2008 | 2007 |
|----------------|---------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | <u>61,796</u> | <u>133,784</u> |
| | 61,796 | 133,784 |

Note 9 Property, Plant and Equipment

| | 2008 | 2007 |
|-------------------------------------|------------------|------------------|
| | \$ | \$ |
| LAND AND BUILDINGS | | |
| Freehold land: | | |
| — at cost | 1,761,101 | 1,761,100 |
| Less Accumulated depreciation | (123,983) | (91,362) |
| Total land and buildings | <u>1,637,118</u> | <u>1,669,738</u> |
| Freehold improvements: | | |
| — at cost | 355,466 | 303,261 |
| Less accumulated depreciation | (95,156) | (63,500) |
| Total buildings | <u>260,310</u> | <u>239,761</u> |
| Total land and buildings | <u>1,897,428</u> | <u>1,909,499</u> |
| PLANT AND EQUIPMENT | | |
| Plant and equipment: | | |
| — at cost | 428,526 | 427,356 |
| Accumulated depreciation | (286,763) | (275,291) |
| | <u>141,763</u> | <u>152,065</u> |
| Total plant and equipment | <u>141,763</u> | <u>152,065</u> |
| Total property, plant and equipment | <u>2,039,191</u> | <u>2,061,564</u> |

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE ABN: 41 816 898 298
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Movements in Carrying Amounts

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

| | Land & Buildings | Freehold Improvements | Plant and Equipment | Leased Plant and Equipment | Total |
|---------------------------------|------------------|-----------------------|---------------------|----------------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2006 | 358,620 | 18,736 | 58,645 | 25,253 | 461,254 |
| Additions | 1,344,100 | 241,298 | 154,320 | - | 1,739,718 |
| Disposals | - | - | (19,060) | (21,807) | (40,867) |
| Depreciation expense | (32,982) | (20,273) | (41,840) | (3,446) | (98,541) |
| Balance at 30 June 2007 | 1,669,738 | 239,761 | 152,065 | - | 2,061,564 |
| Additions | - | 52,205 | 36,811 | - | 89,016 |
| Disposals | - | - | (210) | - | (210) |
| Depreciation expense | (32,620) | (31,656) | (46,903) | - | (111,179) |
| Carrying amount at 30 June 2008 | 1,637,118 | 260,310 | 141,763 | - | 2,039,191 |

Note 10 Trade and Other Payables

| | 2008 | 2007 |
|--------------------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Unsecured liabilities | | |
| Trade payables | 407,068 | 405,685 |
| Sundry payables and accrued expenses | 110,501 | 234,865 |
| Amounts payable to: | | |
| — Unearned income - journal | 84,526 | 78,693 |
| | <u>602,095</u> | <u>719,243</u> |

Note 11 Financial Liabilities

| | Note | 2008 | 2007 |
|---|-------|------------------|------------------|
| | | \$ | \$ |
| NON-CURRENT | | | |
| Bank loan secured | 11(c) | 1,408,202 | 1,408,202 |
| | | <u>1,408,202</u> | <u>1,408,202</u> |
| (a) Total current and non-current secured liabilities: | | | |
| Bank overdraft | | - | - |
| Bank loan | | 1,408,202 | 1,408,202 |
| | | <u>1,408,202</u> | <u>1,408,202</u> |
| (b) The carrying amounts of non-current assets as security are: | | | |
| First mortgage | | | |
| — Freehold land and buildings | | 1,897,428 | 1,909,499 |
| | | <u>1,897,428</u> | <u>1,909,499</u> |
| (c) The bank overdraft and loan are secured by a registered first mortgage over the freehold properties of the federation by the Members Equity Bank. The initial facility is for a 5 year period maturing in 2012. | | | |

Note 12 Tax

| | 2008 | 2007 |
|------------------------|---------------|---------------|
| | \$ | \$ |
| (a) Liabilities | | |
| CURRENT | | |
| GST payable | 12,159 | 20,156 |
| Total | <u>12,159</u> | <u>20,156</u> |

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE ABN: 41 816 898 298
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Note 13 Provisions

| | 2008 | 2007 |
|--|----------------|----------------|
| CURRENT | \$ | \$ |
| Long-term Employee Benefits | | |
| Opening balance at beginning of year | 127,825 | 86,103 |
| Additional provisions raised during year | 27,605 | 41,722 |
| Balance at end of the year | <u>155,430</u> | <u>127,825</u> |
| NON-CURRENT | | |
| Long-term Employee Benefits | | |
| Opening balance at beginning of year | 151,608 | 131,633 |
| Additional provisions raised during year | 64,545 | 19,975 |
| Balance at end of the year | <u>216,153</u> | <u>151,608</u> |
| | 2008 | 2007 |
| Analysis of Total Provisions | \$ | \$ |
| Current | 155,430 | 127,825 |
| Non-current | 216,153 | 151,608 |
| | <u>371,583</u> | <u>279,433</u> |

Provision for Long-term Benefits

A provision has been recognised for 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 upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1(g).

Note 14 Segment Reporting

The Federation operates to provide industrial and professional representation of nurses and nursing in the geographical segment of Australia.

Note 15 Cash Flow Information

| | 2008 | 2007 |
|---|----------------|----------------|
| | \$ | \$ |
| (a) Reconciliation of Cash Flow from Operations with Profit after Income Tax | | |
| Profit after income tax | 1,356 | (211,655) |
| Non-cash flows in profit | | |
| Depreciation | 111,179 | 98,541 |
| Net gain/(loss) on disposal of property, plant and equipment | (43) | - |
| Changes in assets and liabilities | | |
| Increase / (decrease) in trade and term debtors | 68,490 | 675,374 |
| Increase / (decrease) in other assets | 70,576 | 3,231 |
| Increase / (decrease) in payables | (125,144) | (507,312) |
| Increase / (decrease) in provisions | 92,150 | 61,967 |
| | <u>218,564</u> | <u>120,146</u> |

Note 16 Events After the Balance Sheet Date

There have been no subsequent events to the balance date that would require adjustments to, or disclosure in the financial report.

Note 17 Related Party Transactions

The Federation did not take part in any transactions with related parties during the year apart from those transactions that it undertakes with the State Branches in its role as an umbrella organisation.

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE ABN: 41 816 898 298
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Note 18 Economic Dependence

The Federation is economically dependent on the State Branches via the capitation fees each branch is required to pay the Federal Office.

Note 19 Financial Risk Management

(a) Financial Risk Management Policies

The federation's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills, leases and bank loans.

The main purpose of non-derivative financial instruments is to raise finance for the federation's operations.

The federation does not have any derivative instruments at 30 June 2008.

(i) Treasury Risk Management

A finance committee consisting of senior executives of the Federation meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The committees overall risk management strategy seeks to assist the Federation in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the Councillors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

(ii) Financial Risk Exposures and Management

The main risks the federation is exposed to through its financial instruments are interest rate risk and liquidity risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

Foreign currency risk

The federation is not exposed to fluctuations in foreign currencies.

Liquidity risk

The federation manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

(b) Financial Instrument Composition and Maturity Analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

| | Weighted Average Effective Interest Rate | | Floating Interest Rate | | Within 1 Year | | Fixed Interest Rate Maturing 1 to 5 years | |
|-------------------------------|--|------|------------------------|----------------|---------------|------|---|------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | % | % | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial Assets: | | | | | | | | |
| Cash and cash equivalents | 0.05 | 0.05 | 38,342 | 50,639 | - | - | - | - |
| Receivables | - | - | - | - | - | - | - | - |
| Money Market | 6.75 | 6.00 | 336,703 | 194,605 | - | - | - | - |
| Total Financial Assets | | | 375,045 | 245,244 | | | | |

| | Non-interest Bearing | | Total | |
|-------------------------------|----------------------|----------------|----------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Financial Assets: | | | | |
| Cash and cash equivalents | - | - | 38,342 | 50,639 |
| Receivables | 443,407 | 622,473 | 443,407 | 622,473 |
| Investments | - | - | 336,703 | 194,605 |
| Total Financial Assets | 443,407 | 622,473 | 818,452 | 867,717 |

| | Weighted Average Effective Interest Rate | | Floating Interest Rate | | Within 1 Year | | Fixed Interest Rate Maturing 1 to 5 years | |
|------------------------------------|--|------|------------------------|------|---------------|------|---|------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | % | % | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial Liabilities: | | | | | | | | |
| Bank loan secured | 7.12 | 7.12 | - | - | - | - | 1,408,202 | 1,408,202 |
| Trade and other payables | - | - | - | - | - | - | - | - |
| Total Financial Liabilities | | | | | | | 1,408,202 | 1,408,202 |

| | Non-interest Bearing | | Total | |
|------------------------------------|----------------------|----------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Financial Liabilities: | | | | |
| Bank loan secured | - | - | 1,408,202 | 1,408,202 |
| Trade and other payables | 614,254 | 739,399 | 614,254 | 739,399 |
| Total Financial Liabilities | 614,254 | 739,399 | 2,022,456 | 2,147,601 |

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE
ABN: 41 816 898 298
COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management declares that:

1. The financial statements and notes, as set out on pages 3 to 14, are in accordance with the Workplace Relations Act 1996:
 - (a) comply with Australian Accounting Standards and with the reporting guidelines of the Industrial Registrar; and
 - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Federation.
2. In the Committee's opinion there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.
3. During the financial year ended 30 June 2008 and since the end of the year:
 - (a) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - (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;
 - (c) the financial records of the reporting unit have been kept in accordance with the RAO Schedule and the RAO Regulations;
 - (d) the financial records of the branches have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation to ensure compliance with Accounting Standards;
 - (f) No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

This declaration is made and passed in accordance with a resolution of the Federal Council dated 10th October 2008.

Federal
Secretary


Gerardine Kearney

Assistant
Secretary



Lee Thomas

Dated this 10th day of October 2008

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE
ABN: 41 816 898 298
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE

Report on the financial report

We have audited the accompanying financial report, being a general purpose financial report, of Australian Nursing Federation - Federal Office, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the councillors' declaration.

Councillors' responsibility for the financial report

The councillors of the Federation are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Workplace Relations Act 1996 and are appropriate to meet the needs of the members. The councillors' responsibility also 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. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 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 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 councillors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the councillors' financial reporting under the *Workplace Relations Act 1996*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 the Australian Professional Ethical pronouncements.

Auditor's opinion

In our opinion the general purpose financial report is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of chapter 8 of the Workplace Relations Act 1996.

- a. giving a true and fair view of the Federation's financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. the Federation kept satisfactory accounting records for the year ended 30 June 2008, which detailed the sources and nature of the income of the Federation (including income from members) and the nature and purpose of expenditure;
- c. all information and explanations that are required by the RAO schedule of the Workplace Relations Act 1996 have been provided by officers and employees of the Federation.

Name of Firm: Bell Partners
Chartered Accountants



Name of Partner: Robert H Wald (Registered Company Auditor No. 10418)



Address: Level 7, 468 St Kilda Road, MELBOURNE VIC 3004

Dated this 14th day of October 2008