



FAIR WORK  
AUSTRALIA

13 September 2012

Leanne Thomas  
Federal Secretary  
Australian Nursing Federation  
By email: [anfmelbourne@anf.org.au](mailto:anfmelbourne@anf.org.au)

Dear Ms Thomas,

**Financial Report for the year ended 30 June 2011  
Australian Nursing Federation (FR2011/2580)**

**Fair Work (Registered Organisations) Act 2009 (the RO Act)**

Thank you for the financial report of the Federal Office of the Australian Nursing Federation for the year ended 30 June 2011. The documents were lodged with Fair Work Australia on 19 April 2012.

The lodgement of the financial report was very late. In our conversation of 15 March 2012 you pointed to the existence of ongoing negotiations between your auditor and a financial institution over matters relating to a loan facility and its extension beyond 30 November 2011 as a substantive reason for its lateness.

While the negotiations took longer than expected to resolve, and it is envisaged that future reports will be lodged within the regulatory timeframe, such issues must not hinder the lodgement of future financial reports. Where the organisation anticipates any difficulty in meeting any step in the time-scales prescribed, it should contact this office for advice rather than over-step the timeframe that could result in actions that are available to the General Manager under Part 4 of Chapter 11 of the RO Act.

In relation to the lodged financial report, further information was sought and received from the organisation concerning the capitation fees from incorporated branches. At the same time, the organisation lodged its statement of donations and grants made for the year ending 30 June 2011. May I remind the organisation that such statements must be lodged with this office within 90 days of the end of the financial year.

Please do not hesitate to contact me on (03) 8661 7817 or by email at [robert.pfeiffer@fwa.gov.au](mailto:robert.pfeiffer@fwa.gov.au) if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Robert Pfeiffer  
Senior Advisor  
Regulatory Compliance Branch  
Fair Work Australia

**From:** [PFEIFFER, Robert](#)  
**To:** ["industrial@anf.org.au"](mailto:industrial@anf.org.au)  
**Subject:** To Lee Thomas, Federal Secretary  
**Date:** Monday, 20 August 2012 2:40:44 PM

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Dear Lee,

Thank you for the financial report of the ANF-Federal Office (the Federation) for 30 June 2011 lodged electronically on 6 June 2012.

I am sorry for the late response. The report has now been examined and a few issues have been noted that give rise to some questions about its content.

Note 1m of the *Notes to the Financial Statements* provides a summary of the ANF's Branches. The summary lists the branches that are incorporated and those that are unincorporated. In relation to the incorporated branches, the summary provides that "there are no further disclosure requirements for the Federation as they are not considered as reporting units under the Federation." However, a glance of the 2011 financial reports of the South Australian, New South Wales and Queensland Branches reveal that each have contributed capitation fees to the Federation. This income does not seem to appear in the Federation's financial report. It would be appreciated if you could provide me with summary on this issue.

I also note that Donations and Grants expenses total approximately \$86,000. As you know, it is necessary for organisations to separately provide information regarding any loan, grant or donation exceeding \$1,000 in accordance with section 237 of the RO Act.

It would be appreciated if you could provide me with responses to these matters by 30 August 2012. Please feel free to contact me on (03) 8661 7817 if you wish to discuss this letter.

Regards,

ROBERT PFEIFFER  
Organisations, Research & Advice

Fair Work Australia  
Tel: 03 8661 7817  
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28 August 2012

Fair Work Australia  
11 Exhibition Street  
Melbourne VIC 3001

**Attention:** Mr Robert Pfeiffer, Organisations, Research & Advice.

Dear Robert

In response to your email date 20<sup>th</sup> August, 2012 please find following the information requested.

For the financial year ended 30 June 2011, the following is a breakdown of the Capitation fees for all branches:

**Capitation fees from unincorporated branches**

ACT Branch	\$ 29,182
NT Branch	\$ 34,945
TAS Branch	\$ 84,372
VIC Branch	\$ 833,768

**Capitation fees from incorporated branches**

NSW Branch	\$ 964,210
SA Branch	\$ 194,291
QLD Branch	\$ 653,770
WA Branch	\$ 341,290

**Total: \$ 3,135,828**

The industrial and professional organisation for nurses, midwives and assistants in nursing in Australia

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chartered accountants

# **Australian Nursing Federation**

ABN: 41 816 898 298

## **Financial Report**

For the Year Ended 30 June 2011

# Australian Nursing Federation

ABN: 41 816 898 298

## Financial Report

For the Year Ended 30 June 2011

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# Australian Nursing Federation

ABN: 41 816 898 298

## Operating Report

For the Year Ended 30 June 2011

Your councillors present this financial report of Australian Nursing Federation (the Federation) for the financial year ended 30 June 2011.

### Council members

The names of council members throughout the year and at the date of this report are:

Coral Levett	
Marisa Bell	
Paul Nieuwenhoven	
Gay Hawksworth	(Resigned 1 April 2011)
Desley Geraghty-Rudd	(Resigned 3 November 2010)
Lee Thomas	
Neroli Ellis	
Jenny Miragaya	
Julie Driver	
Jill Parke	(Resigned 31 October 2010)
Lisa Fitzpatrick	
Brett Homes	
Yvonne Falckh	
Mark Olson	
Shirel Nomoa	
Patricia Fowler	
Elizabeth Dabars	
Yvonne Chaperon	
Maree Burgess	
Athalene Rosborough	(Appointed 1 November 2010)
Beth Mohle	(Appointed 2 April 2011)
Sally-Anne Jones	(Appointed 4 November 2010)

### Principal activities

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

### Significant changes

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

### Operating result

The surplus of Australian Nursing Federation for the financial year amounted to \$151,444 (2010: \$56,973).

# Australian Nursing Federation

ABN: 41 816 898 298

## Operating Report

For the Year Ended 30 June 2011

### Events subsequent to balance date

The Federation is currently in negotiations with the bank to have their \$1,308,043 loan facility extended beyond 30 November 2011. It is the council members opinion that this extension will be granted. The carrying amounts of non-current assets pledged as security are - Freehold land and buildings \$1,719,624 (2010: \$1,767,674).

No other 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.

### 1. Resignation from membership

Members retain the right to resign from the Australian Nursing Federation in accordance with section 10 of the Federal rules and section 174 of the Fair Work (Registered Organisations) Act 2009.

### 2. Trustee of a superannuation entity

With the exception of Yvonne Chaperon, Beth Mohle and Brett Homes who are a directors of HESTA Pty Ltd, trustee of HESTA Super Fund, to the best of our knowledge there are no officeholders or members of Australian Nursing Federation Federal Office who acts as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.


### 3. Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisation) Regulations 2009:

The number of members (including branch members) at the end of the financial year was 199,027 (2010: 179,768).

The number of Federal office employees at the end of the financial year was 17 full time and 5 part time (2010: 18 full time and 6 part time)

Signed in accordance with a resolution of the Federal Council:

Federal Secretary  .....  
Lee Thomas

Dated this 16 day of April 2011 2012

# Australian Nursing Federation

ABN: 41 816 898 298

## Statement of Comprehensive Income

For the Year Ended 30 June 2011

		2011	2010
	Note	\$	\$
Revenue	2	5,515,532	5,355,113
Other income	2	160,457	179,593
Employee benefits expense		(2,547,769)	(2,299,651)
Australian Nursing Journal production expenses		(1,247,276)	(1,201,664)
Legal expenses	3	(18,197)	(18,288)
RTO expenses		(17,390)	(56,595)
Staff field work and associated expenses		(256,377)	(227,113)
Affiliation fees		(405,641)	(361,236)
Trade Unions Industrial Campaign		(117,360)	-
Aged Care Campaign		(49,655)	(417,213)
Depreciation expense	3	(113,994)	(116,849)
Donations expense		(9,165)	(20,225)
Finance costs	3	(106,921)	(78,178)
Meetings/Conferences		(32,278)	(64,646)
Grants expense		(76,784)	(138,663)
Loss on sale of assets		-	(692)
Other expenses		(525,737)	(476,720)
<b>Surplus for the year</b>		<b>151,444</b>	<b>56,973</b>
<b>Other comprehensive income:</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>151,444</b>	<b>56,973</b>

The accompanying notes form part of these financial statements.



# Australian Nursing Federation

ABN: 41 816 898 298

## Statement of Financial Position

As at 30 June 2011

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	788,136	576,708
Trade and other receivables	5	671,771	502,113
Other assets	6	140,584	124,077
TOTAL CURRENT ASSETS		<u>1,600,491</u>	<u>1,202,898</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,840,024	1,908,971
TOTAL NON-CURRENT ASSETS		<u>1,840,024</u>	<u>1,908,971</u>
TOTAL ASSETS		<u>3,440,515</u>	<u>3,111,869</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	8	608,666	705,139
Borrowings	9	1,308,063	1,358,202
Short-term provisions	10	393,381	387,589
Other liabilities	11	415,989	82,471
TOTAL CURRENT LIABILITIES		<u>2,726,099</u>	<u>2,533,401</u>
NON-CURRENT LIABILITIES			
Long-term provisions	10	40,044	55,540
TOTAL NON-CURRENT LIABILITIES		<u>40,044</u>	<u>55,540</u>
TOTAL LIABILITIES		<u>2,766,143</u>	<u>2,588,941</u>
NET ASSETS		<u>674,372</u>	<u>522,928</u>
<b>EQUITY</b>			
Accumulated surpluses		<u>674,372</u>	<u>522,928</u>
TOTAL EQUITY		<u>674,372</u>	<u>522,928</u>

The accompanying notes form part of these financial statements.

# Australian Nursing Federation

ABN: 41 816 898 298

## Statement of Changes in Equity

For the Year Ended 30 June 2011

### 2011

	Accumulated Surpluses \$	Total \$
Balance at 1 July 2010	522,928	522,928
Surplus for the year	151,444	151,444
Balance at 30 June 2011	674,372	674,372

### 2010

	Accumulated Surpluses \$	Total \$
Balance at 1 July 2009	465,955	465,955
Surplus for the year	56,973	56,973
Balance at 30 June 2010	522,928	522,928

The accompanying notes form part of these financial statements.

# Australian Nursing Federation

ABN: 41 816 898 298

## Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
<b>CASH FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	12b	6,358,425	5,891,915
Payments to suppliers and employees		(5,973,700)	(5,676,605)
Interest received		28,807	26,034
Finance costs		(106,921)	(78,178)
Net cash provided by (used in) operating activities	12a	<u>306,611</u>	<u>163,166</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		-	693
Acquisition of property, plant and equipment		(45,048)	(48,670)
Net cash used by investing activities		<u>(45,048)</u>	<u>(47,977)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of borrowings		(50,156)	(50,000)
Net cash used by financing activities		<u>(50,156)</u>	<u>(50,000)</u>
Net increase (decrease) in cash and cash equivalents held		211,407	65,189
Cash and cash equivalents at beginning of year		<u>576,708</u>	<u>511,520</u>
Cash and cash equivalents at end of financial year	4	<u><u>788,116</u></u>	<u><u>576,708</u></u>

The accompanying notes form part of these financial statements.

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 1 Summary of Significant Accounting Policies

#### 1a Basis of preparation

The financial statements are a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. The financial statements incorporate the activities of the Australian Nursing Federation - Federal Branch.

Australian Nursing Federation Federal Branch has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

#### 1b Comparative figures

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

#### 1c Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less, where applicable, accumulated depreciation and impairment losses.

##### Property

Freehold land and buildings are shown on the cost basis, less subsequent depreciation for buildings.

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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 depreciated replacement cost.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but 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.

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 1 Summary of Significant Accounting Policies continued

#### 1c Property, plant and equipment continued

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

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	20%-33%
Motor Vehicles	20%
Freehold Improvements	10%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Each 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 statement of comprehensive income statement.

#### 1d Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Federation becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Federation commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to the statement of comprehensive income immediately.

##### Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition; less principal repayments; plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term)

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 1 Summary of Significant Accounting Policies continued

#### 1d Financial instruments continued

of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in statement of comprehensive income.

##### *(i) Loans and receivables*

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

##### *(ii) 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 Federation's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period. (All other investments are classified as current assets).

##### *(iii) Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost.

#### **Impairment**

At the end of each reporting period, the Federation assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

#### **Derecognition**

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the Federation no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in statement of comprehensive income.

#### 1e Impairment

At the end of each reporting period, the Federation assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 1 Summary of Significant Accounting Policies continued

#### 1f Employee benefits

Provision is made for the Federation's liability for employee benefits arising from services rendered by employees to the end of the reporting period including on-costs. 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. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the Federation to an employee's superannuation fund and are recognised as an employee benefit expense in the statement of comprehensive income in the periods in which services are provided by employees.

#### 1g Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by Federation during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### 1h Income taxes

No provision for income tax has been raised as the Federation is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

#### 1i Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### 1j Revenue

Capitation, subscription, advertising and campaign income are recognised when invoiced on an accruals basis.

Grant revenue is recognised in the statement of comprehensive income when the Federation obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Federation and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Donation income is recognised when it is received.

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

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 1 Summary of Significant Accounting Policies continued

#### 1j Revenue continued

Continuous professional development fees are recognised as income when received.

All other income is recognised when invoiced on an accruals basis.

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

#### 1k 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 Tax 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. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO.

#### 1l Critical accounting estimates and judgments

The councillors evaluate estimates and judgments incorporated into the financial statements 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.

##### (i) Key Estimates - Impairment

The Federation assesses impairment at the end of each reporting year by evaluating conditions specific to the Federation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using depreciated replacement cost calculations which incorporate various key assumptions.

##### (ii) Key Judgment - Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their useful life and the depreciation rates are assessed when the assets are acquired or when there is a significant change that affects the remaining useful life of the asset.

##### (iii) Key judgments - provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.



# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 1 Summary of Significant Accounting Policies continued

#### 1m ANF Branches

The Australian Nursing Federation (ANF) is the federal office that coordinates the activities of the branches in response to national issues of importance to nurses. ANF Branches respond to issues at a State and Territory level and actively represent the industrial and professional interests of members at the local level.

There is an ANF branch in each State and Territory in Australia, some of which are separately incorporated on their own and some unincorporated.

The unincorporated branches are:

- ANF Australian Capital Territory (ACT) Branch
- ANF Northern Territory (NT) Branch
- ANF Victorian (VIC) Branch
- ANF Tasmanian (TAS) Branch

The Federation has exposure effectively as trustee over the activities of the unincorporated branches. The unincorporated branches are considered as reporting units under the Federation as per the Fair Work (Registered Organisations) Act 2009 (the Act) and therefore further disclosure requirements are required for these branches as noted in Notes 2, 5 and 12 of the financial statements. However the activities of these branches are not consolidated into the Federation's accounts as they have their own accounting processes, are required to be audited separately and have their own reporting obligations under the Act. For further details on possible contingent liabilities, see Note 19 Contingent assets and liabilities.

The separately incorporated branches are:

- ANF Western Australian (WA) Branch
- ANF South Australian (SA) Branch
- ANF New South Wales (NSW) Branch
- ANF Queensland (QLD) Branch

These branches are separately incorporated under the Fair Work (Registered Organisations) Act 2009 and there are no further disclosure requirements for the Federation as they are not considered as reporting units under the Federation. They also have their own reporting obligations under the Act.

#### 1n Special Interest Group

The Federation has a Special Interest Group (SIG) named National Enrolled Nurse Association (NENA). NENA was set up to promote the value of Enrolled Nurses and raise the awareness of the Enrolled Nurse role within the community whilst providing a forum for all Enrolled Nurses to participate at a National level. NENA's financial statements have not been consolidated with the Federation's financial report. NENA is audited separately and has their own reporting obligations under the Act. The financial impact of NENA is also considered not material to the Federation.

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 2 Revenue and Other Income

	Note	2011 \$	2010 \$
<b>Revenue</b>			
- Capitation fees	2a	3,135,828	2,826,984
- Australian Nursing Journal subscriptions	2b	1,371,747	1,228,521
- Australian Nursing Journal advertising income		595,702	572,165
- Continuing Professional Education Income		126,248	41,990
- Trade Unions Industrial Campaign income		117,360	-
- Aged care campaign		-	391,128
- Grant income		118,384	137,975
- Interest income		28,807	26,034
- RTO income		21,457	130,316
		<u>5,515,532</u>	<u>5,355,113</u>
<b>Other income</b>			
- Sundry income		160,457	179,593
		<u>160,457</u>	<u>179,593</u>
<b>2a Capitation fees from unincorporated branches</b>			
ACT Branch		29,182	28,008
NT Branch		34,945	29,868
TAS Branch		84,372	76,476
VIC Branch		833,768	746,160
<b>2b Subscription fees from unincorporated branches</b>			
ACT Branch		28,843	27,549
NT Branch		32,159	29,684
TAS Branch		96,989	83,599
VIC Branch		922,060	833,701

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 3 Surplus from Ordinary Activities

	2011	2010
Note	\$	\$
Interest expense on financial liabilities not at fair value through profit or loss:		
- Loan interest expense	106,921	78,178
Total interest expense	<u>106,921</u>	<u>78,178</u>
<b>Other Expenses:</b>		
Depreciation expense	113,994	116,849
Legal expenses	18,197	18,288

### Note 4 Cash and Cash Equivalents

Cash on hand	438	480
Cash at bank	767,698	576,228
Short-term bank deposits	20,000	-
	<u>788,136</u>	<u>576,708</u>

### Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	13	788,136	576,708
Bank overdraft	9	(20)	-
<b>Balance as per statement of cash flows</b>		<u>788,116</u>	<u>576,708</u>

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 5 Trade and other receivables

		2011	2010
	Note	\$	\$
CURRENT			
Trade receivables	5a	297,641	177,861
Provision for impairment	5b	(16,581)	(1,440)
		<u>281,060</u>	<u>176,421</u>
Other receivables	5c	390,712	325,691
		<u>671,771</u>	<u>502,113</u>

#### 5a Trade receivables from unincorporated branches

Included in the trade receivables balance are receivables from incorporated and unincorporated ANF branches. As per the requirements of Fair Work Act (Registered Organisations) Act 2009, trade receivables from unincorporated branches (reporting units) consist of:

#### Capitation fees

TAS Branch	7,734	7,010
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#### Subscription fees

TAS Branch	10,206	8,976
VIC Branch	100,754	-

#### 5b Provision for Impairment of receivables

Movement in provision for impairment of receivables is as follows:

Balance at beginning of the year	(1,440)	-
Additional impairment loss recognised	(15,141)	(1,440)
Amounts written off	-	-
<b>Balance at end of the year</b>	<u>(16,581)</u>	<u>(1,440)</u>

5c Included in other receivables is \$324,995 worth of government grant income invoiced for the 2011/2012 year.

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 6 Other Assets

	2011	2010
	\$	\$
CURRENT		
Prepayments	138,064	124,077
Security on leased premises	2,520	-
	<u>140,584</u>	<u>124,077</u>

### Note 7 Property plant and equipment

LAND AND BUILDINGS		
Freehold land and buildings		
At cost	1,761,101	1,761,101
Accumulated depreciation	(221,846)	(189,225)
Total land and buildings	<u>1,539,255</u>	<u>1,571,876</u>
Freehold Improvements		
At cost	369,266	355,466
Accumulated depreciation	(188,897)	(159,668)
Total Freehold Improvements	<u>180,369</u>	<u>195,798</u>
Total land and buildings	<u>1,719,624</u>	<u>1,767,674</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	517,604	483,833
Accumulated depreciation	(411,574)	(361,697)
Total plant and equipment	<u>106,030</u>	<u>122,137</u>
Motor vehicles		
At cost	23,950	23,950
Accumulated depreciation	(9,580)	(4,790)
Total motor vehicles	<u>14,370</u>	<u>19,160</u>
Total plant and equipment	<u>120,400</u>	<u>141,297</u>
<b>Total property, plant and equipment</b>	<u><u>1,840,024</u></u>	<u><u>1,908,971</u></u>

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### (i) 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 and buildings \$	Freehold improvements \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Balance at the beginning of the year	1,571,876	195,798	122,137	19,160	1,908,971
Additions	-	11,277	33,770	-	45,047
Depreciation expense	(32,621)	(26,706)	(49,877)	(4,790)	(113,994)
<b>Balance at 30 June 2011</b>	<b>1,539,255</b>	<b>180,369</b>	<b>106,030</b>	<b>14,370</b>	<b>1,840,024</b>

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 8 Trade and other payables

	Note	2011 \$	2010 \$
CURRENT			
Unsecured liabilities			
Trade payables and accruals		380,505	479,440
Sundry payables		131,273	199,552
GST payable		96,888	26,147
		<u>608,666</u>	<u>705,139</u>

### Note 9 Borrowings

CURRENT			
Secured liabilities:			
Bank overdraft	4	20	-
Bank loans	(i)	1,308,043	1,358,202
		<u>1,308,063</u>	<u>1,358,202</u>

(i) 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 facility is for a 5 year period maturing on 30 November 2011. The Federation is currently in negotiations with the bank to have their loan facility extended beyond 30 November 2011. It is the council members opinion that this extension will be granted. The carrying amounts of non-current assets pledged as security are - Freehold land and buildings \$1,719,624 (2010: \$1,767,674).

### Note 10 Provisions

CURRENT			
Short-term provisions		393,381	387,589
		<u>393,381</u>	<u>387,589</u>
NON-CURRENT			
Long-term provisions		40,044	55,540
		<u>40,044</u>	<u>55,540</u>

### Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

# Australian Nursing Federation

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## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 10 Provisions continued

	Note	Employee benefits \$	Total \$
<b>Current</b>			
Opening balance at 1 July 2010		443,129	443,129
Additional provisions raised during the year		212,367	212,367
Amounts used		(222,071)	(222,071)
Balance at 30 June 2011		<u>433,425</u>	<u>433,425</u>

### Analysis of total provisions

	2011 \$	2010 \$
Current	393,381	387,589
Non-current	40,044	55,540
	<u>433,425</u>	<u>443,129</u>

### Note 11 Other Liabilities

CURRENT			
Unearned income	1.	<u>415,989</u>	82,471
		<u>415,989</u>	<u>82,471</u>

(a) Included in unearned income is \$295,450 of unspent government grant income to be spent in the coming financial year, \$50,000 of sponsorships, \$47,381 advertising in advance and \$23,158 subscriptions in advance.



# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 12 Cash Flow Information

#### 12a Reconciliation of cashflow from operations with surplus for the year

	2011	2010
	\$	\$
Net surplus for the year	151,444	56,973
<b>Non-cash flows in surplus</b>		
Depreciation	113,994	116,849
Provision for doubtful debts	15,141	1,440
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in trade and term receivables	(184,801)	(165,638)
(Increase)/decrease in other assets	(16,508)	(36,612)
(Increase)/decrease in trade payables and accruals	(96,474)	143,375
(Increase)/decrease in other current liabilities	333,518	4,575
(Increase)/decrease in provisions	(9,703)	42,204
	<u>306,611</u>	<u>163,166</u>

#### 12b Cash flow from unincorporated branches

Included in receipts from customers of \$6,358,425 are receipts from incorporated and unincorporated ANF branches. As per the requirements of Fair Work Act (Registered Organisations) Act 2009, cash receipts from the unincorporated branches (reporting units) consist of:

	2011
	\$
Cash receipts - subscription fees	
VIC Branch	821,306
TAS Branch	95,759
ACT Branch	28,843
NT Branch	32,159
	<u>978,067</u>
Cash receipts - capitation fees	
VIC Branch	833,768
TAS Branch	83,648
ACT Branch	29,182
NT Branch	34,945
	<u>981,543</u>

# Australian Nursing Federation

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## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 13 Financial Risk Management

The Federation's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans and overdrafts.

The total for each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2011 \$	2010 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	788,136	576,708
Trade and other receivables	5	671,771	502,113
<b>Total financial assets</b>		<b>1,459,907</b>	<b>1,078,821</b>
<b>Financial Liabilities</b>			
Trade and other payables	8	608,666	705,139
Borrowings	9	1,308,043	1,358,202
<b>Total financial liabilities</b>		<b>1,916,709</b>	<b>2,063,341</b>

### Net Fair Values

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

Cash and cash equivalents, trade and other receivables, trade and other payables and borrowings are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for relating to annual and long service leave which is not considered a financial instrument.

The Federation has an unutilised credit card facility of \$20,000 with the Commonwealth Bank of Australia. This is secured by a letter of Set Off against the term deposit (see Note 4).

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 14 Capital and Leasing Commitments

#### 14a Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements.

	2011	2010
	\$	\$
Payable – minimum lease payments:		
- not later than 12 months	23,676	19,228
- between 12 months and five years	7,984	25,848
	<u>31,660</u>	<u>45,076</u>

The operating lease commitments consist of a Melbourne property lease, photocopier lease and postage meter lease.

The Melbourne apartment lease commenced on 7 October 2010 and had a 12 month term expiring 6 October 2011. The lease has subsequently been renewed and signed for another 12 month term.

The photocopier lease is a 48 month lease which commenced on 30 May 2008, with fixed monthly rent instalments of \$1,364.

The postage meter lease is a 60 month lease which commenced on 14 April 2010, with fixed quarterly rent instalments of \$715.

### Note 15 Financial Arrangements

The financial report has been prepared on a going concern basis. The borrowing facility funding the property falls due in the current period and has therefore been disclosed a current liability. The Federation is currently in negotiations with financiers and the council is confident that the facilities will be renewed.

### Note 16 Key Management Personnel Compensation

The total remuneration paid to key management personnel of the Federation is \$ 396,283 (2010: \$ 383,639).

### Note 17 Information to be supplied to Members or General Manager

Information must be provided to members or the General Manager as follows in accordance with Section 272 of the Fair Work (Registered Organisations) Act 2009:

- (1) A member of the Australian Nursing Federation, or the General Manager, may apply to the Federation for specific 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 be not 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).

# Australian Nursing Federation

ABN: 41 816 898 298

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### Note 18 Events after the end of the Reporting Period

The Federation is currently in negotiations with the bank to have their \$1,308,043 loan facility extended beyond 30 November 2011. It is the council members opinion that this extension will be granted. The carrying amounts of non-current assets pledged as security are - Freehold land and buildings \$1,719,624 (2010: \$1,767,674).

### Note 19 Contingent assets and liabilities

In the opinion of the councillors, the Federation did not have any contingencies at 30 June 2011.

### Branch liabilities and right of indemnity

The Federation is the federal office that coordinates the activities of the branches in response to national issues of importance to nurses. The Federation therefore effectively acts as trustee of the unincorporated branches. See Note 1m for further details. There may be liabilities that have been incurred on behalf of the unincorporated branches in the Federation's capacity as Federal Office. To the extent that the branches are unable to meet any obligations, the Federation may be held liable. Liabilities incurred on behalf of the branches are therefore not recognised in the financial statements when it is not probable that the Federation will have to meet any of those branch liabilities from its own resources. When it is probable that the Federation will have to meet some branch liabilities, a provision for branch liabilities will be brought to account. In addition, the Federation has a right to be indemnified out of branch assets for any obligation not met by the branch. The assets of the unincorporated branches were sufficient to discharge all liabilities of their branches as at 30 June 2010 and 30 June 2011.

### Note 20 Economic Dependence

The Federation is economically dependent on capitation fees received from each ANF branches. In the 2011 year this formed more than half of the total revenue used to operate the Federation. At the date of this report the Federal Council has no reason to believe the State Branches will not continue to support the Federation.

### Note 21 Related Party transactions

The Federation undertook related party transactions with the State Branches in relation to the charging of Capitation and Subscription fees. These charges were based on the number of members per state branch and were on normal commercial terms.

An interest free loan was made to a member of the Federation in the 2008/2009 financial year with Council approval. The balance owing at the start of the current reporting period was \$5,352 and this was repaid in full during the year.

The Federation also paid an honorarium fee of \$3,500 and \$1,500 to President and Vice President respectively for the year ended 30 June 2011.

### Note 22 Federation Details

#### The Registered office of the Federation is:

3/28 Eyre St  
Kingston, ACT 2604

#### The Principal place of business of the Federation is:

Level 1  
365 Queen St  
Melbourne, VIC 3000

# Australian Nursing Federation

ABN: 41 816 898 298

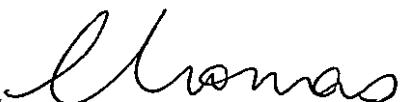
## Statement by Federal Council

On 16 April <sup>Federal CT</sup> the Federation Council of the Australian Nursing Federation passed the following resolution in relation to the general purpose financial report of the Federation for the year ended 30 June 2011:

The Councillors declare that:

1. The financial statements and notes, as set out on pages 3 to 23, are in accordance with the Fair Work (Registered Organisations) Act 2009 and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Regime (including Australian Accounting Interpretations); and
  - b. comply with the reporting guidelines of the General Manager of the Fair Work Act; and
  - c. give a true and fair view of the financial position as at 30 June 2011 and of the performance and cash flows for the year ended on that date of the Federation
2. In the councillors' 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 2011 and since the end of that year:
  - a. meetings of the Councillors were held in accordance with the rules of the Federation;
  - b. the financial affairs of the Federation have been managed in accordance with the rules of the Federation concerned;
  - c. the financial records of the Federation have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009;
  - d. the financial records of the unincorporated branches considered as reporting units under the Federation have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the Federation.
  - e. the information sought in any request of a member of the Federation or the General Manager of the Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of the Fair Work Australia;
  - f. there has been compliance with any order for inspection of financial records have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009;
  - g. the Federation did not participate in any recovery of wages activity.

Signed in accordance with a resolution of the Federation Council:

Federal Secretary  .....

Lee Thomas

Dated 16 April 2012

# Australian Nursing Federation

ABN: 41 816 898 298

## Independent Audit Report to the members of Australian Nursing Federation

### Report on the Financial Report

We have audited the accompanying general purpose financial report of Australian Nursing Federation (the Federation), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Federal Council of the Federation.

### Councillors' Responsibility for the Financial Report

The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Regime including Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 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 Federation'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 Federation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report. We have made enquiries as to the existence of any recovery of wages activity during the year.

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.

## Australian Nursing Federation

ABN: 41 816 898 298

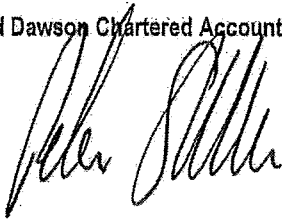
### Independent Audit Report to the members of Australian Nursing Federation

#### Auditor's Opinion

In our opinion:

- (a) the general purpose financial report of the Australian Nursing Federation presents fairly the financial position as at 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with:
- (i) Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and;
  - (ii) requirements of the Fair Work (Registered Organisations) Act 2009 (the Act) including Part 3 of Chapter 8 of the Act
- (b) the Federation did not participate in any recovery of wages activity during the year.

Saward Dawson Chartered Accountants

Peter Shields  
Partner

Blackburn VIC

Dated: 16 April 2012

