



14 November 2019

Anne Butler
Federal Secretary
Australian Nursing and Midwifery Federation
Sent via email: fedsec@anmf.org.au
CC: peter.shields@sawarddawson.com.au

Dear Anne Butler,

**Australian Nursing and Midwifery Federation
Financial Report for the year ended 30 June 2019 – (FR2019/201)**

I acknowledge receipt of the financial report of the Australian Nursing and Midwifery Federation. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 24 October 2019.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,

**Kylie Ngo
Registered Organisations Commission**



AUSTRALIAN NURSING AND MIDWIFERY FEDERATION

s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2019

I, Annie Butler being the Federal Secretary of the Australian Nursing and Midwifery Federation certify:

- that the documents lodged herewith are copies of the full report for the Australian Nursing and Midwifery Federation for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 16 October 2019; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 16 October 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer: Annie Butler

Title of prescribed designated officer: Federal Secretary

Dated: *24 October 2019*



chartered accountants

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Financial Report

For the Year Ended 30 June 2019

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Financial Report

For the Year Ended 30 June 2019

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The Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Operating Report

For the year ended 30 June 2019

The Federal Council presents its operating report on the reporting unit for the year ended 30 June 2019.

Names of Federal Council members and period positions held during the financial year

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

Sally-Anne Jones	Federal President
James Lloyd	Federal Vice President
Annie Butler	Federal Secretary
Lori-Anne Sharp	Assistant Federal Secretary
Matthew Daniel	Secretary, ANMF Australian Capital Territory
Athalene Rosborough	President, ANMF Australian Capital Territory Branch
Brett Holmes	Secretary, ANMF New South Wales Branch
Coral Levett	President, ANMF New South Wales Branch (resigned 29 November 2018).
O'Bray Smith	President, ANMF New South Wales Branch (Commenced 30 November 2018).
Yvonne Falckh	Secretary, ANMF Northern Territory Branch
Catherine Hatcher	President, ANMF Northern Territory Branch (Commenced 30 November 2018).
Elizabeth Mohle	Secretary, ANMF QNMU Branch
Sally-Anne Jones	President, ANMF QNMU Branch
Elizabeth Dabars	Secretary, ANMF South Australian Branch
Jocelyn Douglas	President, ANMF South Australian Branch (Resigned 29 November 2018.)
Gay Martin	President, ANMF South Australia Branch (Commenced 30 November 2018.)
Emily Shepherd	Secretary, ANMF Tasmanian Branch
James Lloyd	President, ANMF Tasmanian Branch
Lisa Fitzpatrick	Secretary, ANMF Victorian Branch
Maree Burgess	President, ANMF Victorian Branch
Mark Olson	Secretary, ANMF Western Australian Branch
Patricia Fowler	President, ANMF Western Australian Branch

The Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Operating Report

For the year ended 30 June 2019

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year are as follows:

Increase in total members from 277,345 to 281,704 for the year, including honorary members.

The ANMF is Australia's largest national union and professional nursing and midwifery organisation. In collaboration with the ANMF's eight state and territory branches, we represent the professional, industrial and political interests of more than 275,000 nurses, midwives and carers across the country.

Our members work in the public and private health, aged care and disability sectors across a wide variety of urban, rural and remote locations. We work with them to improve their ability to deliver safe and best practice care in each and every one of these settings, fulfil their professional goals and achieve a healthy work/life balance.

Our strong and growing membership and integrated role as both a trade union and professional organisation provide us with a complete understanding of all aspects of the nursing and midwifery professions and see us uniquely placed to defend and advance our professions.

Through our work with members we aim to strengthen the contribution of nursing and midwifery to improving Australia's health and aged care systems, and the health of our national and global communities.

Specific activities include:

- Review of Industrial Regulation and other relevant legislation;
- Professional policy development;
- Continuing education services for members;
- Campaigns on issues of relevance to members, and
- Development of evidence and research to support the work of nurses and midwives.

The Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Operating Report

For the year ended 30 June 2019

Significant changes in financial affairs

No significant change in the financial affairs occurred during the year.

Right of members to resign

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

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

Name	Entity	Principal activity of the entity	ANMF position
Lori-Anne Sharp	HESTA Super Fund (appointed 1 July 2018)	Superannuation Fund	Assistant Federal Secretary
Anna Claude	HESTA Super Fund	Superannuation Fund	Manager, Strategic Industrial and Bargaining Team (ANMF New South Wales Branch)
Elizabeth Mohle	Q Super Superannuation Fund	Superannuation Fund	ANMF Queensland Branch Secretary
Paula (PIP) Carew`	First State Super (appointed 1 July 2018)	Superannuation Fund	ANMF Victorian Branch Assistant Secretary

Number of members

The number of members (including Branch members) at the end of the financial year was 281,704 (2018: 277,345).

The Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Operating Report

For the year ended 30 June 2019

Number of employees

The total number of full time equivalent employees employed with the Australian Nursing and Midwifery Federation Federal Office at the end of the financial year was 23 (2018: 21).

Signature of designated officer: 

Name and title of designated officer: *Annie Butler, Federal Secretary*

Dated: *11 October 2019*

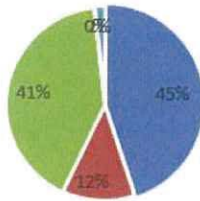
The Australian Nursing and Midwifery Federation and Controlled Entity

Expenditure Report required under subsection 255(2A)

For the year ended 30 June 2019

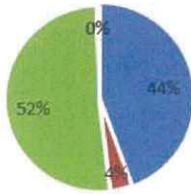
The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2019.

2019 - Expenditure as required under s. 255(2A) ROAct



- Remuneration and other employment-related costs and expenses - employees 45%
- Advertising 12%
- Operating Costs 41%
- Donations to political parties 0%
- Legal Costs 2%

2018 - Expenditure as required under s. 255(2A) RO Act



- Remuneration and other employment-related costs and expenses - employees 44%
- Advertising 4%
- Operating Costs 51%
- Donations to political parties 0%
- Legal Costs 1%

Signature of designated officer: 

Name and title of designated officer: *Annie Butler, Federal Secretary*

Dated: *11 October 2019*

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Income	2	7,905,793	8,320,671
Employee benefits expense	3(a)	(3,390,446)	(3,458,012)
Administration expenses		(326,757)	(282,609)
Campaign expenses		(935,377)	(644,847)
Postage expenses		(512,892)	(888,241)
Australian Nursing and Midwifery Journal production expenses		(349,699)	(557,686)
Affiliation fees	3(b)	(1,241,801)	(1,163,630)
Consultancy expenses		(217,702)	(237,381)
Travel expenses		(120,257)	(196,173)
Legal expenses	3(c)	(131,962)	(35,600)
Depreciation and amortisation expenses	3(e)	(158,838)	(143,731)
Website expenses		(27,782)	(23,107)
Conference expenses		(12,040)	(238,703)
Accounting and audit fees		(39,118)	(29,977)
Occupancy expenses		(116,715)	(129,923)
Finance costs		(396)	(361)
Meeting expenses		(72,820)	(66,348)
Grants and donations	3(d)	(5,291)	(34,210)
Insurance		(39,030)	(33,319)
Project expenses		(45,002)	(32,671)
Continuing Professional Education expenses		(65,365)	(88,824)
National Aged Care Alliance expenses		(4,646)	(89,289)
South Pacific Nurses Forum expenses		(9,714)	(485)
Other expenses		(50,583)	(35,385)
Surplus/(deficit) for the year		31,560	(89,841)
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met		-	-
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		31,560	(89,841)

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Consolidated Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	975,349	730,980
Trade and other receivables	5	496,734	504,627
Other financial assets	6	33,722	33,225
Other assets	7	117,159	113,364
TOTAL CURRENT ASSETS		<u>1,622,964</u>	<u>1,382,196</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,185,880	3,282,702
Intangible assets	9	53,972	68,313
TOTAL NON-CURRENT ASSETS		<u>3,239,852</u>	<u>3,351,015</u>
TOTAL ASSETS		<u>4,862,816</u>	<u>4,733,211</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	476,398	475,890
Short-term provisions	12	949,825	906,403
Other liabilities	13	127,635	82,391
TOTAL CURRENT LIABILITIES		<u>1,553,858</u>	<u>1,464,684</u>
NON-CURRENT LIABILITIES			
Borrowings	11	9,008	5,363
Long-term provisions	12	32,689	27,463
TOTAL NON-CURRENT LIABILITIES		<u>41,697</u>	<u>32,826</u>
TOTAL LIABILITIES		<u>1,595,555</u>	<u>1,497,510</u>
NET ASSETS		<u>3,267,261</u>	<u>3,235,701</u>
EQUITY			
Retained earnings		1,513,411	1,481,851
Asset revaluation reserve		1,753,850	1,753,850
TOTAL EQUITY		<u>3,267,261</u>	<u>3,235,701</u>

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	1,481,851	1,753,850	3,235,701
Surplus for the year	31,560	-	31,560
Balance at 30 June 2019	1,513,411	1,753,850	3,267,261

2018

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2017	1,571,692	1,753,850	3,325,542
Deficit for the year	(89,841)	-	(89,841)
Balance at 30 June 2018	1,481,851	1,753,850	3,235,701

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members, branches and others	9,609,166	9,310,993
Grants received	56,000	54,000
Interest received	2,212	6,287
Payments to suppliers and employees	(9,383,684)	(9,865,087)
Finance costs	(396)	(361)
Net cash provided by (used in) operating activities	15(a) 283,298	(494,168)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Redemption (placement) of term deposits	(498)	(710)
Payments for intangibles	(8,555)	(8,000)
Acquisition of property, plant and equipment	(51,249)	(175,978)
Proceeds from sale of property, plant and equipment	17,728	-
Net cash used by investing activities	(42,574)	(184,688)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advancement/(Repayment) of borrowings	3,645	(4,674)
Net cash used by financing activities	3,645	(4,674)
Net increase (decrease) in cash and cash equivalents held	244,369	(683,530)
Cash and cash equivalents at beginning of year	730,980	1,414,510
Cash and cash equivalents at end of financial year	4 975,349	730,980

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report includes the consolidated financial statements and notes of Australian Nursing and Midwifery Federation and Controlled Entity (the Group), incorporated and domiciled in Australia.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Nursing and Midwifery Federation and Controlled Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars.

The financial statements were authorised for issue on the same date the statement by the Federal Council was signed.

(b) Comparative figures

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

(c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the federal office and its controlled entity as of 30 June 2019. The Parent controls an entity if it is exposed, or has rights, to variable returns from its involvement with the controlled entity and has the ability to affect those returns through its power over the controlled entity. The controlled entity has a reporting date of 30 June.

All transactions and balances between Group entities are eliminated on consolidation, including unrealised gains and losses on transactions between Group entities. Amounts reported in the financial statements of controlled entity has been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Australian Nursing and Midwifery Federation (the Federal office) is the parent entity, which exercises control over the National Enrolled Nurse Association (NENA). All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Further disclosure is contained in Note 20 to the financial statements.

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Property

Freehold land and buildings are carried 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 valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

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 and are therefore carried at cost less accumulated depreciation and any accumulated 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 Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and Equipment	15%-33%
Motor Vehicles	20%
Fitouts	10%

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

The carrying amount of each asset 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 profit or loss.

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(e) Financial instruments

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the *[reporting unit]* commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(e) Financial instruments

Financial Assets

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group's financial assets at amortised cost includes trade receivables and loans to related parties.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the group has transferred substantially all the risks and rewards of the asset, or
 - (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment - Trade receivables

For trade receivables that do not have a significant financing component, the group applies a simplified approach in calculating expected credit losses (**ECLs**) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(e) Financial instruments

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(f) Intangible Assets

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturity of three months or less, and bank overdrafts. Bank overdrafts are presented within current liabilities on the consolidated statement of financial position.

(h) Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits are measured at the undiscounted

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(h) Employee benefits

amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The Group's liability for long service leave is included in other long term benefits as they are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are measured at the present value of anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds. Changes in measurement of the liability are recognised in profit and loss.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, irrespective of when the actual settlement is expected to take place.

(i) Income tax

The Group is exempt from income tax under Div 50.1 of the *Income Tax Assessment Act 1997* however still has obligations for Fringe Benefit Tax (FBT) and the Goods and Services Tax (GST).

(j) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(l) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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.

Donations are recognised as revenue when received.

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

Capitation fees are to be recognised on an accrual basis and recorded as revenue in the year to which it relates.

(m) Government Grant

Government grant is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant or sponsorship 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.

(n) ANMF Branches

The Australian Nursing and Midwifery Federation (ANMF) is the federal body that co-operates with the Branches in response to national issues of importance to nurses, midwives and assistants in nursing. ANMF Branches respond to issues at a State and Territory level and actively represent the industrial, professional and political interests of members at the local level.

There is an ANMF Branch in each State and Territory in Australia. ANMF Branches are considered as reporting units under the Federation as per the Fair Work (Registered Organisations) Act 2009 (the Act). However the activities of these Branches are not consolidated into the Federal Office's accounts as the Federal Office does not have beneficial control. The Branches have their own accounting processes, are required to be audited separately and have their own reporting obligations under the Act.

The branches of the Federation as follow:

- ANMF Australian Capital Territory Branch
- ANMF Northern Territory Branch
- ANMF Victorian Branch
- ANMF Tasmanian Branch
- ANMF Western Australian Branch
- ANMF South Australian Branch
- ANMF New South Wales Branch
- ANMF QNMU Branch

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(n) ANMF Branches

The following Branches operate in conjunction with State Registered Trade Unions which are incorporated under relevant State Industrial Legislation:

- ANMF Western Australian Branch in conjunction with Australian Nursing Federation Industrial Union of Workers Perth
- ANMF South Australian Branch in conjunction with ANMF (SA Branch)
- ANMF New South Wales Branch in conjunction with NSW Nurses and Midwives' Association
- ANMF QNMU Branch in conjunction with Queensland Nurses and Midwives Union

These State Registered Trade Unions are regarded as related parties of the Federal Office.

(o) Contingent assets and liabilities

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(p) Critical accounting estimates and judgments

The Federal Council 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 Group.

(i) Key estimates - impairment

The Federal Council assesses impairment at the end of each reporting year by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use 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.

(q) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(r) Future Australian Accounting Standards Requirements

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the group. The group has decided not to early adopt any of the new and amended pronouncements. The group's assessment of the new and amended pronouncements that are relevant to the group but applicable in future reporting periods is set out below:

AASB 15: Revenue from Contracts with Customers
(applicable for annual reporting periods commencing on or after 1 January 2019 year end)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Federal Council anticipate that the adoption of AASB 15 will not have a significant impact on the group's financial statements.

AASB 16: Leases
(applicable for annual reporting periods commencing on or after 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. The Federal Council anticipate that the adoption of AASB 16 will not have a significant impact on the group's financial statements.

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Revenue and Other Income

	Note	2019 \$	2018 \$
Revenue			
- NENA membership subscription		2,650	3,692
- Capitation fees	2(a)	5,681,822	5,396,983
- Australian Nursing and Midwifery Journal subscription fees	2(b)	902,808	1,450,096
- Grants and donations	2(c)	56,000	54,000
- Australian Nursing and Midwifery Journal advertising income		289,366	466,330
- Biennial National Conference Income	2(d)	-	236,909
- Continuing Professional Education income		78,212	167,207
- Campaigns - Branch contribution	2(e)	721,332	283,088
- Interest income		2,212	6,288
- Gain from disposal of fixed assets		5,599	-
- Other income		165,792	256,078
- Levies		-	-
- Revenue from recovery of wages activity		-	-
		7,905,793	8,320,671

(a) Capitation fees

ANMF Australian Capital Territory Branch	61,330	59,861
ANMF New South Wales Branch	1,431,400	1,379,080
ANMF Northern Territory Branch	67,515	63,994
ANMF South Australian Branch	425,733	410,370
ANMF QNMU Branch	1,183,828	1,112,283
ANMF Tasmania Branch	161,157	152,518
ANMF Victorian Branch	1,657,392	1,565,135
ANMF Western Australian Branch	693,467	653,742
Total capitation fee income	5,681,822	5,396,983

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Revenue and Other Income

(b) Australian Nursing and Midwifery Journal subscription fees

	2019	2018
	\$	\$
ANMF Australian Capital Territory Branch	26,287	46,565
ANMF New South Wales Branch	25,671	25,642
ANMF Northern Territory Branch	13,803	32,957
ANMF (SA Branch)**	98,353	316,451
Queensland Nurses and Midwives Union**	21,095	20,145
ANMF Tasmania Branch	11,860	17,915
ANMF Victorian Branch	682,048	974,621
ANMF Western Australian Branch	12,104	-
Non-reporting units	11,587	15,800
	-	-
Total Australian Nursing and Midwifery Journal subscription fees	902,808	1,450,096

** Transactions with state registered trade unions.

(c) Grants and donations

Grants	56,000	54,000
Donations	-	-
Total	56,000	54,000

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Revenue and Other Income

(d) Biennial National Conference income

	2019	2018
	\$	\$
ANMF Australian Capital Territory Branch	-	1,015
ANMF New South Wales Branch	-	26,050
ANMF Northern Territory Branch	-	1,128
ANMF (SA Branch)**	-	7,650
Queensland Nurses and Midwives Union**	-	20,774
ANMF Tasmanian Branch	-	2,851
ANMF Victorian Branch	-	28,932
ANMF Western Australian Branch	-	11,599
Recognition of deferred revenue	-	100,000
Sponsorship from other non-reporting units	-	36,910
Total	-	236,909

(e) Campaigns - Branch Contributions

ANMF Australian Capital Territory Branch	6,397	2,512
ANMF Northern Territory Branch	13,487	755
ANMF (SA Branch)**	20,750	23,210
Queensland Nurses and Midwives Union**	120,274	104,905
ANMF New South Wales Branch	140,603	16,829
ANMF Tasmanian Branch	24,185	6,437
ANMF Victorian Branch	332,194	133,014
ANMF Western Australian Branch	50,838	8,031
Deferral of campaign income	12,604	(12,605)
Total	721,332	283,088

** Transactions with state registered trade unions.

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Expenses

(a) Employee expenses

	2019	2018
	\$	\$
Holders of office:		
Wages and salaries	322,845	244,742
Superannuation	56,070	60,869
Leave and other entitlements	73,373	113,868
Separation and redundancies	-	-
Other employee expenses	22,840	17,153
Subtotal employee expenses holders of office	475,128	436,632
Employees other than office holders:		
Wages and salaries	1,903,515	1,968,125
Superannuation	351,413	360,489
Leave and other entitlements	471,667	494,438
Separation and redundancies	-	-
Other employee expenses	24,238	22,607
Subtotal employee expenses employees other than office holders	2,750,833	2,845,659
Other employee related expenses		
Payroll Tax	154,931	165,321
Staff amenities	9,554	10,400
	164,485	175,721
Total employee expenses	3,390,446	3,458,012
(b) Affiliation fees		
Australian Council of Trade Unions	1,153,787	1,086,521
Australian College of Nursing (ICN)	88,014	77,109
Total	1,241,801	1,163,630

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Expenses

(c) Legal expenses

	2019	2018
Note	\$	\$
Litigation	45,258	25,940
Other legal matters	86,704	9,660
Total	131,962	35,600

(d) Grants or donations

Donations

Total paid that were \$1,000 or less	2,291	1,210
Total paid that exceeded \$1,000	3,000	33,000

Grants

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total	5,291	34,210

(i)

(e) Other expense disclosures

Depreciation and amortisation:

Land and buildings	62,600	62,600
Plant and equipment	73,342	60,576
Intangibles	22,896	20,555
Total depreciation and amortisation	158,838	143,731

Other Expenses:

Fees/allowances - meetings and conferences	-	-
Levies	-	-
Consideration to employers for payroll deductions	-	-
Capitation fees	-	-
Penalties - via RO Act or RO Regulations	29,250	-

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Cash and Cash Equivalents

	Note	2019 \$	2018 \$
Cash on hand		580	580
Cash at bank		974,769	730,400
		<u>975,349</u>	<u>730,980</u>

5 Trade and Other Receivables

CURRENT

Trade receivables	(a)	494,202	522,906
Provision for impairment	(b)	(20,000)	(20,000)
Net trade receivables		<u>474,202</u>	<u>502,906</u>
Other receivables		22,532	1,721
		<u>496,734</u>	<u>504,627</u>

(a) Trade receivables from Branches

Included in the trade receivables balance are receivables from ANMF Branches and related state registered trade unions. They consist of:

Receivables from other reporting units and related parties

ANMF Australian Capital Territory Branch	6,202	4,690
ANMF Northern Territory Branch	572	2,894
ANMF South Australian Branch	33,579	31,173
ANMF (SA Branch)**	39,025	-
Queensland Nurses and Midwives Union	-	49,500
ANMF Tasmanian Branch	16,825	15,463
ANMF Victorian Branch	367,402	296,139
ANMF Western Australian Branch	13,314	8,834
Total receivable from other reporting units and related parties	<u>476,919</u>	<u>408,693</u>
Less provision for doubtful debt:		
Other reporting units	-	-
Total provision for doubtful debts from other reporting units and related parties	<u>-</u>	<u>-</u>
Receivable from other reporting units (net)	<u>476,919</u>	<u>408,693</u>

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Trade and Other Receivables

** Transactions with state registered trade unions.

(b) Provision for impairment of receivables

Movement in provision for impairment of receivables is as follows:

	2019	2018
	\$	\$
Balance at beginning of the year	20,000	20,000
Charged for the year	-	-
Balance at end of the year	<u>20,000</u>	<u>20,000</u>

6 Other financial assets

Amortised cost financial assets

Term deposits - current

33,722	33,225
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7 Other Assets

CURRENT

Prepayments

117,159	113,364
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Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

8 Property, Plant and Equipment

	2019	2018
	\$	\$
LAND AND BUILDINGS		
Land and buildings		
At independent valuation	3,130,000	3,130,000
Accumulated depreciation	(187,800)	(125,200)
Total land and buildings	<u>2,942,200</u>	<u>3,004,800</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	736,205	712,308
Accumulated depreciation	(548,717)	(494,205)
Total plant and equipment	<u>187,488</u>	<u>218,103</u>
Motor vehicles		
At cost	53,955	61,729
Accumulated depreciation	(30,656)	(43,686)
Total motor vehicles	<u>23,299</u>	<u>18,043</u>
Fitouts		
At cost	444,100	444,100
Accumulated depreciation	(411,207)	(402,344)
Total fitouts	<u>32,893</u>	<u>41,756</u>
Total plant and equipment	<u>243,680</u>	<u>277,902</u>
Total property, plant and equipment	<u><u>3,185,880</u></u>	<u><u>3,282,702</u></u>

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

8 Property, Plant and Equipment

(a) Movements in carrying amounts of property, plant and equipment

	Land and Buildings	Plant and Equipment	Motor Vehicles	Fitouts	Total
	\$	\$	\$	\$	\$
2019					
Year ended 30 June 2019					
Balance at the beginning of year	3,004,800	218,103	18,042	41,757	3,282,702
Additions	-	23,552	27,697	-	51,249
Disposals - written down value	-	-	(12,129)	-	(12,129)
Depreciation expense	(62,600)	(54,167)	(10,311)	(8,864)	(135,942)
Balance at the end of the year	2,942,200	187,488	23,299	32,893	3,185,880
2018					
Year ended 30 June 2018					
Balance at the beginning of year	3,067,400	73,474	30,388	58,638	3,229,900
Additions	-	175,978	-	-	175,978
Depreciation expense	(62,600)	(31,349)	(12,346)	(16,881)	(123,176)
Balance at the end of the year	3,004,800	218,103	18,042	41,757	3,282,702

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Intangible Assets

	2019	2018
	\$	\$
CPE Website		
Cost	114,948	106,393
Accumulated amortisation and impairment	(60,976)	(38,080)
Net carrying value	53,972	68,313
Total Intangibles	53,972	68,313

(a) Movements in carrying amounts of intangible assets

	CPE Website	Total
	\$	\$
Year ended 30 June 2019		
Balance at the beginning of the year	68,313	68,313
Additions	8,555	8,555
Amortisation	(22,896)	(22,896)
Closing value at 30 June 2019	53,972	53,972
Year ended 30 June 2018		
Balance at the beginning of the year	80,868	80,868
Additions	8,000	8,000
Amortisation	(20,555)	(20,555)
Closing value at 30 June 2018	68,313	68,313

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Trade and Other Payables

		2019	2018
		\$	\$
CURRENT			
Unsecured liabilities:			
Trade payables	10(a)	171,698	278,820
Accrued expense		89,514	17,200
Sundry payables		101,350	129,618
GST payables		113,836	50,252
Consideration to employers for payroll deductions		-	-
		<u>476,398</u>	<u>475,890</u>
(a) Payables include:			
Payables to other reporting units:			
ANMF Australian Capital Territory Branch		2,074	-
ANMF Tasmanian Branch		813	-
ANMF Victorian Branch		-	411
Total payables to other reporting units		<u>2,887</u>	<u>411</u>
Payables for legal cost			
Litigation		-	-
Other legal matters		18,679	-
Total payables to legal cost		<u>18,679</u>	<u>-</u>
(b) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
- total current		476,398	475,890
Less:			
GST payables		(113,836)	(50,252)
Financial liabilities as trade and other payables	16	<u>362,562</u>	<u>425,638</u>

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Borrowings

2019	2018
\$	\$

NON-CURRENT

Secured liabilities:

Bank loans

11(a)	<u>9,008</u>	5,363
	<u>9,008</u>	<u>5,363</u>

(a) Bank loans

The bank overdraft and loan are secured by a registered first mortgage over the freehold properties of the Group by Red Zed. The facility is for a 20 year period maturing on 28 June 2032. The repayments for the first five years are interest only and the remainder of the loan period are principal and interest with flexibility of early repayment of principle. The carrying amounts of non-current assets pledged as security are freehold land and buildings with a value of \$3,004,800.

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

12 Provisions

Employee Provisions

Office Holders:

Annual leave	71,536	43,335
Long service leave	74,727	61,812
Separations and redundancies	-	-
Other	12,622	7,082

Subtotal employee provisions office holders	158,885	112,229
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Employees other than office holders:

Annual leave	296,671	285,624
Long service leave	500,431	503,675
Separations and redundancies	-	-
Other	26,527	32,338

Subtotal employee provisions employees other than office holders	823,629	821,637
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Total employee provisions	982,514	933,866
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Analysis of total provisions

Current	949,825	906,403
Non-current	32,689	27,463
	982,514	933,866

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave, additional day off (ADO) and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements, ADO and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

13 Other Liabilities

		2019	2018
		\$	\$
CURRENT			
Biennial National Conference unearned income	13a	100,000	-
Unearned subscription		2,075	7,198
Other deferred income		25,560	75,193
		<u>127,635</u>	<u>82,391</u>

(a) Biennial National Conference income in advance

	2019	2018
	\$	\$
ANMF Australian Capital Territory Branch	1,074	-
ANMF New South Wales Branch**	24,822	-
ANMF Northern Territory Branch	1,169	-
ANMF (SA Branch)**	7,485	-
Queensland Nurses and Midwives Union**	21,090	-
ANMF Tasmanian Branch	2,838	-
ANMF Victorian Branch	29,532	-
ANMF Western Australian Branch	11,990	-
Others	-	-
	<u>100,000</u>	<u>-</u>

** Transaction balances with state registered trade unions.

14 Equity

(a) Other Specific disclosures - Funds

Compulsory levy/voluntary contribution fund - if invested in assets	-	-
Other funds required by rules	-	-
	<u>-</u>	<u>-</u>

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Cash Flow Information

(a) Reconciliation of cash from operations with surplus for the year

	2019	2018
	\$	\$
Net surplus/(deficit) for the year	31,560	(89,841)
Non-cash flows in surplus		
Depreciation	158,838	143,731
Loss/(profit) on disposal of non-current assets	(5,599)	-
Provision for doubtful debts	-	-
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	7,883	(337,547)
(Increase)/decrease in other assets	(3,794)	(22,441)
Increase/(decrease) in trade payables and accruals	518	(23,160)
Increase/(decrease) in other current liabilities	45,244	(137,495)
Increase/(decrease) in provisions	48,648	(27,415)
	<u>283,298</u>	<u>(494,168)</u>

(b) Cash flow with reporting units

Cash Inflows:

ANMF Australian Capital Territory Branch	174,103	186,879
ANMF New South Wales Branch	1,644,320	1,611,422
ANMF Northern Territory Branch	110,022	106,620
ANMF South Australian Branch	429,281	487,199
ANMF QNMU Branch	1,302,211	1,223,511
ANMF Tasmanian Branch	219,137	199,202
ANMF Victorian Branch	3,777,685	3,509,710
ANMF Western Australian Branch	842,218	733,319
	<u>8,498,977</u>	<u>8,057,862</u>

Total cash inflows

Cash outflows:

ANMF Australian Capital Territory Branch	(4,599)	(5,332)
ANMF Northern Territory Branch	(10,964)	(5,893)
ANMF Tasmanian Branch	(3,237)	(1,371)
ANMF Victorian Branch	(8,489)	(50,683)
ANMF Western Australian Branch	(986)	(14,904)
	<u>(28,275)</u>	<u>(78,183)</u>

Total cash outflows

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

16 Financial Risk Management

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

The carrying value for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
Financial Assets			
Cash and cash equivalents	4	975,349	730,980
Trade and other receivables	5	496,734	504,627
Held to maturity (amortised cost)	6	33,722	33,225
Total financial assets		1,505,805	1,268,832
Financial Liabilities			
Trade and other payables	10	362,562	425,638
Borrowings	11	9,008	5,363
Total financial liabilities		371,570	431,001

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 are short term instruments in nature whose carrying value is equivalent to fair value. Long term borrowings relate to a commercial loan 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.

Financial risk management policies

The Federal Council have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The overall risk management policies seek to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

16 Financial Risk Management

Financial risk management policies

Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group and arises principally from the Group's receivables.

Credit risk exposure

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Notes to the Financial Statements

For the Year Ended 30 June 2019

16 Financial Risk Management

Financial liability maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding GST)	362,562	425,638	-	-	-	-	362,562	425,638
Borrowings (excluding finance lease)	-	-	-	-	9,008	5,363	9,008	5,363
Total contractual outflows	362,562	425,638	-	-	9,008	5,363	371,570	431,001

The timing of expected outflows is not expected to be materially different from contracted cash flows.

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

16 Financial Risk Management

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(d) Price risk

The Group is not exposed to any material commodity price risk.

(e) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Group to interest rate risk are limited to bank loans, held-to-maturity financial assets and cash on hand.

Interest rate risk sensitivity analysis

At 30 June 2019, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2019	2018
	\$	\$
Change in profit		
- Increase in interest rate +/- 2%	20,350	15,165
Change in equity		
- Increase in interest rate +/- 2%	20,350	15,165

17 Remuneration of Auditors

Remuneration of the auditor

- Financial statement audit services	20,500	20,200
- Preparation of general purpose financial report	6,000	5,800
	<u>26,500</u>	<u>26,000</u>

Australian Nursing and Midwifery Federation and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2019

18 Fair Value Measurement

The group measures and recognises freehold land and buildings at fair value on a recurring basis after initial recognition.

The group does not subsequently measure any liabilities at fair value on a recurring, or any assets or liabilities at fair value on a non-recurring basis.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

	Level 1	Level 2	Level 3	Total
30 June 2019	\$	\$	\$	\$
Non-financial assets				
Land and buildings	-	2,942,200	-	2,942,200

(a) Valuation techniques

The group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Notes to the Financial Statements

For the Year Ended 30 June 2019

18 Fair Value Measurement

(b) Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at	Valuation technique	Input used
	30 June 2019		
	\$		
Non-financial assets			
Land and buildings	2,942,200	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre; market borrowing rate

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

19 Capital and Leasing Commitments

(a) Operating lease commitments

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

	2019	2018
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	15,444	15,444
- between 12 months and five years	5,811	21,255
	<u>21,255</u>	<u>36,699</u>

The operating lease commitments consist of two photocopy lease. The photocopy leases are a 60 months lease which commenced 16 October 2015 and a 48 month lease which commenced 18 November 2016.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Notes to the Financial Statements

For the Year Ended 30 June 2019

20 Related Parties

The Group's main related parties are as follows:

(a) Controlled entity

Australian Nursing and Midwifery Federation is the parent entity, which exercises control over the National Enrolled Nurse Association (NENA).

NENA is a Special Interest Group that 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.

Balances and transactions between Australian Nursing and Midwifery Federation and NENA have been eliminated on consolidation.

(b) Other related parties

The Group undertook related party transactions with the State Branches which are disclosed in note 2 and note 5 which were on normal commercial terms. Other related party transactions that were not disclosed in note 2 and note 5 are as follows:

Contribution received from other reporting units and related party for shared database cost:

	2019	2018
	\$	\$
Received from other reporting units		
ANMF Australian Capital Territory Branch	689	693
ANMF New South Wales Branch	19,708	17,393
ANMF Northern Territory Branch	-	-
ANMF Tasmanian Branch	312	309
ANMF Victorian Branch	22,694	22,742
ANMF Western Australian Branch	1,326	1,313
Received from state registered trade unions		
ANMF (SA Branch)	5,888	6,025
NSW Nurses and Midwives' Association	-	2,828
Queensland Nurses and Midwives Union	16,391	16,336
	67,008	67,639

Payments made to NSW Nurses and Midwives' Association includes the following:

Campaign expense	10,000	-
Project expense	756	-
	10,756	-

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Notes to the Financial Statements

For the Year Ended 30 June 2019

20 Related Parties

Income from Queensland Nurses and Midwives' Union includes the following:

	2019	2018
	\$	\$
CPE Online Tutorial Service	-	45,000
	<u>-</u>	<u>45,000</u>

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Included in note 15(b) are cash flows for reimbursements to and from reporting units which are not regarded as related party transactions. These reimbursements consist of:

- Payroll tax received from and paid on behalf of ANMF Victorian Branch and ANMF Australian Capital Territory Branch; and
- Travelling cost for state representatives to attend the Federal meetings and conference.

(c) Former related party

The Group did not make any payments to a former related party in the current year.

21 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below:

The Group paid an honorarium fee of \$5,500 to the Federal President for the year ended 30 June 2019 (2018:\$3,500). The other Executive Committee Members and the Federation's Councillors are not remunerated in their capacity as councillors.

Key management personnel compensation:

- short-term employee benefits	413,946	474,294
- post-employment benefits	56,070	77,546
- other long-term benefits	10,612	21,176
- termination benefits	-	-
	<u>480,628</u>	<u>573,016</u>

22 Events after the end of the Reporting Period

There were no events that occurred after 30 June 2019 and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Group.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Notes to the Financial Statements

For the Year Ended 30 June 2019

23 Contingent Liabilities and Contingent Assets

Business card facility

The Group has a business card facility of \$30,000 with the Commonwealth Bank of Australia, which is guaranteed by the Group's term deposit.

ANMF Australian Capital Territory Branch

Australian Nursing and Midwifery Federation as the Body Corporate purchased a property during the 2017 financial year and the title is held on trust for the use of the ANMF ACT Branch. The Federal Office does not recognise the asset in the Statement of Financial Position as the Federal Office is not the beneficial owner of the property.

The Australian Nursing and Midwifery Federation also obtained a loan from RedZed in its capacity as Body Corporate (trustee), to enable the purchase of the above property. The loan is serviced by the ANMF ACT Branch.

Total loan balance as at 30 June 2019 is \$50,003 (2018: \$105,661). Liabilities incurred on behalf of its branch are not recognised in the financial statements if it is unlikely the Federal Office will have to meet the liabilities from its own resources.

24 Acquisition of Assets and Liabilities

There was no acquisition of any asset or liability during the financial year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the Branches of the organisation; or
- (c) a determination by the General Manager of the Fair Work Commission under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the General Manager of the Fair Work Commission under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1),

25 Economic Dependence and Going Concern

The Group is economically dependent on capitation fees received from each ANMF Branches. In the 2019 year this formed 72% of the total revenue used to operate the Group. The capitation fee received from each ANMF Branch is disclosed in Note 2(a). At the date of this report the Federal Council has no reason to believe the state Branches will not continue to support the Group.

The Group does not receive or provide any other forms of financial support from or to its state Branches.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Notes to the Financial Statements

For the Year Ended 30 June 2019

26 Parent entity

Information relating to the parent entity, Australian Nursing and Midwifery Federation are as follows:

	2019	2018
	\$	\$
Statement of Financial Position		
Assets		
Current assets	1,620,116	1,381,669
Non-current assets	3,239,852	3,351,014
Total Assets	<u>4,859,968</u>	<u>4,732,683</u>
Liabilities		
Current liabilities	1,553,798	1,464,683
Non-current liabilities	41,697	32,827
Total Liabilities	<u>1,595,495</u>	<u>1,497,510</u>
Equity		
Retained earnings	1,510,623	1,481,324
Asset revaluation reserve	1,753,850	1,753,850
Total Equity	<u>3,264,473</u>	<u>3,235,174</u>
Statement of Profit or Loss and Other Comprehensive Income		
Surplus/(deficit) for the year	29,299	(98,356)
Other comprehensive income	-	-
Total comprehensive income	<u>29,299</u>	<u>(98,356)</u>

Refer to Note 23 for further details on contingent liabilities at year end.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Notes to the Financial Statements

For the Year Ended 30 June 2019

27 Federal Office Details

The registered office of the Federal Office is:

Unit 3, 28 Eyre Street
Kingston, ACT 2604

The principal places of business are:

Unit 3, 28 Eyre Street, Kingston ACT 2604
and
Level 1, 365 Queen Street, Melbourne VIC 3000

28 Administration of financial affairs by a third party

The reporting unit did not have another entity administer the financial affairs of the reporting unit.

29 Information to be supplied to Members or Commissioner

In accordance with the requirements of the Fair work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information must be provided to members or Commissioner:

1. A member of the reporting unit, or the Commissioner, may apply to the reporting unit for specific prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which and the manner in which, the information is to be made available. The period must be not less than 14 days after the application has been given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

Australian Nursing and Midwifery Federation and Controlled Entity

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Statement by the Federal Council

On the 10th October 2019, the Federal Council of the Australian Nursing and Midwifery Federation passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The Federal Council declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the Councillors were held in accordance with the rules of the Federation including the rules of a Branch concerned;
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the Federation including the rules of a Branch concerned;
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act;
 - iv. the financial records of the 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.
 - v. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner;
 - vi. where any order of inspection of the financial records has been made by the Fair Work Commission under Section 273 of the RO Act, there has been compliance

This declaration is made in accordance with a resolution of the Federal Council:

Federal Secretary 

Annie Butler

Dated 11 October 2019

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Independent Audit Report to the members of Australian Nursing and Midwifery Federation and Controlled Entity

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Nursing and Midwifery Federation and Controlled Entity (reporting unit), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the report required under subsection 255(2A) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the federal council.

In our opinion, the financial report presents fairly, in all material respects, the financial position of Australian Nursing and Midwifery Federation and Controlled Entity as at 30 June 2019, and of their financial performance and cash flows for the year then ended in accordance with

- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisation) Act 2009* (the RO Act).

In our opinion, the management's use of the going concern basis of accounting in the preparation of the financial report of Australian Nursing and Midwifery Federation and Controlled Entity is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Australian Nursing and Midwifery Federation and Controlled Entity in accordance with the auditor independence requirements of the *Fair Work (Registered Organisations) Act 2009* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's report Thereon

The Federal Council is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Independent Audit Report to the members of Australian Nursing and Midwifery Federation and Controlled Entity

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, We are required to report that fact. We have nothing to report in this regard.

Councillor's Responsibility for the Financial Report

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

In preparing the financial report, the Councillors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Councillors either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.

Australian Nursing and Midwifery Federation and Controlled Entity

ABN: 41 816 898 298

Independent Audit Report to the members of Australian Nursing and Midwifery Federation and Controlled Entity

- Conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, We are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that we are auditors registered under the RO Act.

Saward Dawson

Saward Dawson Chartered Accountants

Peter Shields

Peter Shields
Principal
Registration number: A2017/112

Blackburn VIC

Date: 11 October 2019



2 July 2019

Anne Butler
Federal Secretary
Australian Nursing and Midwifery Federation
Sent via email: fedsec@anmf.org.au

Dear Anne Butler,

**Re: Lodgement of Financial Report - FR2019/201
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Nursing and Midwifery Federation (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).

STEP 1:
Reporting unit must prepare the General Purpose Financial Report, Committee of Management Statement, s.255(2A) Report and Operating Report as soon as practicable after the end of the financial year:



STEP 2:
Committee of Management statement – resolution to be passed by the Committee of Management in relation to the General Purpose Financial Report (**1st meeting**)



STEP 3:
Registered Auditor to prepare and sign the Auditor's Report and provide to the Reporting unit **within a reasonable timeframe**

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT
AT GENERAL MEETING OF MEMBERS
(this is the default process in the RO Act)

STEP 4:
Provide **full report** to members **at least 21 days before the General Meeting**



STEP 5:
Present **full report** to a General Meeting of Members within 6 months of the reporting unit's end of financial year (**2nd meeting**)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC within 14 days of the 2nd meeting

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT
COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)

STEP 4:
Provide **full report** to members **within 5 months of the reporting unit's end of financial year**



STEP 5:
Present **full report** to Committee of Management Meeting within 6 months of the reporting unit's end of financial year (**2nd meeting**)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
<p>x The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p>✓ The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p>x The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p>✓ The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p>x The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p>✓ The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p>x Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p>✓ Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p>x Any auditor can audit a financial report</p>	<p>✓ Only registered auditors can audit the financial report</p>
<p>x The Committee of Management statement can be signed at any time</p>	<p>✓ The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p>x Any reporting unit can present the Full Report to a second COM meeting</p>	<p>✓ Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p>x Everything can be done at one Committee of Management meeting</p>	<p>✓ If the rules allow for presenting the report to the Committee of Management, there must still be two meetings. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p>x The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p>✓ The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✔ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✔ The statement must be signed by an elected officer of the relevant branch.
✘ Statements can be lodged with the financial report.	✔ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

	2017	2016
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au