



22 January 2020

Brett Holmes  
Branch Secretary  
Australian Nursing and Midwifery Federation - New South Wales Branch

Sent via email: [bholmes@nswnma.asn.au](mailto:bholmes@nswnma.asn.au)

CC: [smilgate@daley.com.au](mailto:smilgate@daley.com.au)

Dear Brett Holmes,

**Australian Nursing and Midwifery Federation - New South Wales Branch  
Financial Report for the year ended 30 June 2019 – (FR2019/200)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the Australian Nursing and Midwifery Federation - New South Wales Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 6 December 2019.

The financial report has now been filed.

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.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

**General purpose financial report**

Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- Paying employee expenses for holders of office are disclosed in both note 3 and the officer's declaration statement; and
- Having a liability for employee provisions for holders of officers are disclosed in both note 9 and the officer's declaration statement.

Please note that nil activities only need to be disclosed once.

#### Inconsistency in disclosure of financial information

Note 3 *Expenses* discloses conference and meeting expenses of \$41,537 for the 2019 financial year (2018: \$79,272). The officer's declaration statement, however includes a nil disclosure of incurring expenses due to holding a meeting as required under the rules of the organisation.

In future years, please ensure that items within the financial report are disclosed consistently.

#### **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](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,



**Kylie Ngo**  
**Registered Organisations Commission**



IN REPLY PLEASE QUOTE:

BH:LWAL:LROB  
Ref: EF/07/0324

6 December 2019

The Commissioner  
Registered Organisations Commission  
GPO Box 2983  
Melbourne  
VIC 3001

E: [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

Dear Sir / Madam

**Re: Australian Nursing and Midwifery Federation New South Wales Branch  
Financial Report for the year ended 30 June 2019**

Please find enclosed a copy of the audited Financial Statements of the Australian Nursing and Midwifery Federation New South Wales Branch (the Financial Report) for the year ended 30 June 2019.

Also enclosed is a Designated Officer's Certificate required in accordance with s268 of the *Fair Work (Registered Organisations) Act 2009*.

If you have any queries please contact Legal and Compliance Officer, Liz Robinson on 8595 1256 or by email at [lrobinson@nswnma.asn.au](mailto:lrobinson@nswnma.asn.au).

Yours sincerely

A handwritten signature in black ink that reads "Brett Holmes".

**BRETT HOLMES**  
Branch Secretary  
ANMF NSW Branch

### **Designated Officer's Certificate**

S.268 *Fair Work (Registered Organisations) Act 2009*

I, Brett Holmes, being the Branch Secretary of the Australian Nursing and Midwifery Federation New South Wales Branch, certify:

- That the documents lodged herewith are copies of the full financial report, referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- That the full financial report was provided to members on the website [www.nswnma.asn.au](http://www.nswnma.asn.au) on 8 October 2019; and
- That the full report was presented to the Australian Nursing and Midwifery Federation New South Wales Branch Council (the committee of management) on 5 December 2019 in accordance with s.266(3) of the *Fair Work (Registered Organisations) Act 2009*.



**BRETT HOLMES**  
Branch Secretary  
ANMF New South Wales Branch

Date: 6 December 2019

# **Australian Nursing and Midwifery Federation New South Wales Branch**

ABN: 85 726 054 782

## **Financial Statements**

For the Year Ended 30 June 2019

**Australian Nursing and Midwifery Federation  
New South Wales Branch**

ABN: 85 726 054 782

**Contents**

**For the Year Ended 30 June 2019**

	Page
<b>Financial Statements</b>	
Operating Report	1
Committee of Management Statement	4
Statement of Profit or Loss and Other Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Subsection 2S5(2A) Report	37
Officer Declaration Statement	38
Independent Audit Report	40

## Operating Report

30 June 2019

The Branch Council, being the Committee of Management for the purposes of the *Fair Work (Registered Organisations) Act 2009* presents its operating report of the Australian Nursing and Midwifery Federation, New South Wales Branch ("the Branch") for the year ended 30 June 2019.

### **Review of principal activities, the results of these activities and any significant changes in the nature of those activities during the year**

The principal activities of the Branch during the financial year were the industrial and professional representation of nurses, midwives, nursing and midwifery. No significant change in the nature of these activities occurred during the year.

A review of the operations and the results of the Branch is performed in the regular meetings of the Committee of Management. The Committee of Management believe that they have furthered the interests of their members throughout the year through the conducting of the Branch's principal activities.

The operating surplus for the Australian Nursing and Midwifery Federation New South Wales Branch for the year ended 30 June 2019 was \$273,461 (2018: \$142,971) and the Branch Council believe that the activities of the Branch have achieved their objectives for the financial year.

### **Significant changes in financial affairs**

There were no significant changes in the state of affairs of the Branch 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* ("the RO Act"). In accordance with Section 174(1) of the RO Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

### **Officers or members who are superannuation fund trustees 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**

Ms Anna Claude became a director of Health Employees Superannuation Trust Australia from 31 December 2016, a position she holds as a nominee of the Australian Nursing and Midwifery Federation.

Mr Tony O'Grady is a Board Member of the Superannuation Trustee Corporation, appointed as an employee representative by the New South Wales Minister for Finance.

No other officer or member of the Branch acts:

- i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii) as a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

**Australian Nursing and Midwifery Federation  
New South Wales Branch**

ABN: 85 726 054 782

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## **Operating Report**

**30 June 2019**

### **Names of Committee of Management members and period positions held during the year**

The names, qualifications, experience and special responsibilities of the Committee of Management in office at any time during the financial year were:

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
Brett Holmes	Branch Secretary	1/7/2018 to 30/6/2019
Judith Kiejda	Branch Assistant Secretary	1/7/2018 to 30/6/2019
O'Bray Smith	Branch President	29/11/2018 to 30/6/2019
	Branch Executive Member	1/7/2018 to 29/11/2018
Lorna Scott	Branch Vice President	1/7/2018 to 30/6/2019
Gary Clark	Branch Executive Member	1/7/2018 to 30/6/2019
Michelle Cashman	Branch Executive Member	1/7/2018 to 30/6/2019
Edward Makepeace	Branch Executive Member	29/11/2018 to 30/6/2019
	Branch Councillor	1/7/2018 to 29/11/2018
Elizabeth McCall	Branch Executive Member	29/11/2018 to 30/6/2019
	Branch Councillor	1/7/2018 to 29/11/2018
Kerry Rodgers	Branch Executive Member	1/7/2018 to 30/6/2019
Suzanne White	Branch Executive Member	1/7/2018 to 30/6/2019
Lynette Hopper	Branch Councillor	29/11/2018 to 30/6/2019
	Branch Executive Member	1/7/2018 to 29/11/2018
Julie Goss	Branch Councillor	1/7/2018 to 30/6/2019
Richard Noort	Branch Councillor	1/7/2018 to 30/6/2019
Michelle Straub	Branch Councillor	1/7/2018 to 30/6/2019
Gil Wilson	Branch Councillor	29/11/2018 to 30/6/2019
	Branch Executive Member	1/7/2018 to 29/11/2018
Wing Besilos	Branch Councillor	29/11/2018 to 30/06/2019
Erin Francis	Branch Councillor	29/11/2018 to 30/06/2019
Jocelyn Hofman	Branch Councillor	29/11/2018 to 30/06/2019
Diane Lang	Branch Councillor	29/11/2018 to 30/06/2019
Lauren Lye	Branch Councillor	29/11/2018 to 30/06/2019
Sylvia Moon	Branch Councillor	17/12/2018 to 30/06/2019
Meg Pendrick	Branch Councillor	29/11/2018 to 30/06/2019
Jill Telfer	Branch Councillor	29/11/2018 to 30/06/2019
Coral Levett	Former Branch President	1/7/2018 to 29/11/2018
Annette Alldrick	Branch Councillor	1/7/2018 to 29/11/2018
Susan Brazil	Branch Councillor	1/7/2018 to 29/11/2018
Natalie Ellis	Branch Councillor	1/7/2018 to 29/11/2018
Peg Hibbert	Branch Councillor	1/7/2018 to 29/11/2018
Deborah Lang	Branch Councillor	1/7/2018 to 29/11/2018
Lucille McKenna	Branch Councillor	1/7/2018 to 29/11/2018
Debra Smith	Branch Councillor	1/7/2018 to 29/11/2018



## Operating Report

30 June 2019

### Number of members

The number of members of the Branch at the end of the financial year was 64,080 (2018: 63,075).

### Number of employees

The total number of full time equivalent employees as at 30 June 2019 was 123 (2018: 108).

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



O'Bray Smith  
Branch President



Mr Brett Holmes  
Branch Secretary

1 October 2019

## **Committee of Management Statement**

**For the year ended 30 June 2019**

On the 1st of October 2019 the Committee of Management of the Australian Nursing and Midwifery Federation, New South Wales Branch ("the Branch"), passed the following resolution in relation to the General Purpose Financial Report ("GPFR") of the Branch for the year ended 30 June 2019:

The Committee of Management 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 (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 Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch 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 the financial year:
  - i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the Branch concerned; and
  - ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch concerned; and
  - iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
  - iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - 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; and
  - vi) where any order for inspection of 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 Committee of Management.



**Mr Brett Holmes**  
Branch Secretary

1 October 2019

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
<b>Income</b>			
Service fee - NSW Nurses and Midwives' Association (NSWNMA)		22,770,065	21,038,636
Interest income		182,271	164,607
Other income		55,355	46,332
<b>Total Income</b>		<b>23,007,691</b>	<b>21,249,575</b>
<b>Expenditure</b>			
Employee benefits expense	3	(19,196,485)	(17,698,981)
Capitation fees	3	(1,431,400)	(1,379,080)
Service fees to NSWNMA		(1,307,455)	(1,260,818)
Travel expenses		(309,641)	(357,364)
Motor vehicle expenses		(91,273)	(106,061)
Meetings and conference expense	3	(41,537)	(79,272)
Campaign expenses		(204,855)	(4,184)
Legal costs	3	(4,728)	(4,692)
Other expenses		(146,856)	(216,152)
<b>Total expenditure</b>		<b>(22,734,230)</b>	<b>(21,106,604)</b>
<b>Result for the year</b>		<b>273,461</b>	<b>142,971</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of retirement benefit obligations	9	(195,104)	52,265
<b>Other comprehensive income for the year</b>		<b>(195,104)</b>	<b>52,265</b>
<b>Total comprehensive income for the year</b>		<b>78,357</b>	<b>195,236</b>

The accompanying notes form part of these financial statements.

**Australian Nursing and Midwifery Federation  
New South Wales Branch**

ABN: 85 726 054 782

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**Balance Sheet**

As at 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	2,573,735	3,348,300
Trade and other receivables	5	773,461	69,400
Other financial assets	6	6,100,000	5,100,000
Other assets	7	53,163	31,090
<b>TOTAL CURRENT ASSETS</b>		<b>9,500,359</b>	<b>8,548,790</b>
<b>NON-CURRENT ASSETS</b>			
<b>TOTAL ASSETS</b>		<b>9,500,359</b>	<b>8,548,790</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,479,333	1,240,421
Employee benefits	9	6,800,399	6,434,261
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,279,732</b>	<b>7,674,682</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	9	976,898	708,736
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>976,898</b>	<b>708,736</b>
<b>TOTAL LIABILITIES</b>		<b>9,256,630</b>	<b>8,383,418</b>
<b>NET ASSETS</b>		<b>243,729</b>	<b>165,372</b>
Retained earnings		243,729	165,372
<b>TOTAL EQUITY</b>		<b>243,729</b>	<b>165,372</b>

The accompanying notes form part of these financial statements.

**Australian Nursing and Midwifery Federation  
New South Wales Branch**

ABN: 85 726 054 782

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**Statement of Changes in Equity**

**For the Year Ended 30 June 2019**

	<b>Note</b>	<b>Retained Earnings \$</b>
<b>Balance at 1 July 2018</b>		165,372
Result for the year		273,461
Remeasurements of retirement benefit obligations	9	<u>(195,104)</u>
<b>Balance at 30 June 2019</b>		<u><u>243,729</u></u>
<b>Balance at 1 July 2017</b>		(29,864)
Result for the year		142,971
Remeasurements of retirement benefit obligations	9	<u>52,265</u>
<b>Balance at 30 June 2018</b>		<u><u>165,372</u></u>

The accompanying notes form part of these financial statements.

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## Statement of Cash Flows

For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Service fees and other revenue received	24,504,567	23,471,541
Payments to suppliers and employees	(24,461,403)	(22,171,070)
Interest received	182,271	170,157
Net cash provided by operating activities	15 <u>225,435</u>	<u>1,470,628</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for held-to-maturity investments	(1,000,000)	(1)
Net cash used by investing activities	<u>(1,000,000)</u>	<u>(1)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(774,565)	1,470,627
Cash and cash equivalents at beginning of year	3,348,300	1,877,673
Cash and cash equivalents at end of financial year	4 <u>2,573,735</u>	<u>3,348,300</u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 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 Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Branch is a not-for-profit entity.

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. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

#### (b) Comparative amounts

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

#### (c) Income Tax

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

#### (d) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Branch and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of Goods and Services Tax (GST).

##### Service fees

Revenue from the provision of service fees from the New South Wales Nurses and Midwives' Association is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

##### Interest revenue

Interest is recognised using the effective interest method.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (d) Revenue and other income (Continued)

##### Membership fees

Revenue from the provision of membership subscriptions is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

Membership fees are received by the New South Wales Nurses and Midwives' Association, which entitles members to hold dual membership with that entity and also the Branch, subject to an overall service agreement with them. Under this agreement, specific membership fees are not separately quantifiable and hence not able to be disclosed.

#### (e) Capitation fees and levies

Capitation fees and levies are recognised on an accruals basis and recorded as a revenue and/or expense in the year to which it relates.

#### (f) 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 payables 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 balance sheet.

Cash flows in the 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.



## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (g) Financial instruments

##### Accounting policy applied from 1 July 2018

Financial instruments are recognised initially on the date that the Branch becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Branch classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Branch changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Branch's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (g) Financial instruments (Continued)

##### Financial assets (Continued)

###### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Branch considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Branch's historical experience and informed credit assessment and including forward looking information.

The Branch uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Branch uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Branch in full, without recourse to the Branch to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Branch in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Branch has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (g) Financial instruments (Continued)

##### Financial assets (Continued)

Where the Branch renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Branch 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 Branch comprise trade and other payables.

##### Accounting policy applied prior to 1 July 2018

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Branch becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 1 Summary of Significant Accounting Policies (Continued)

##### (g) Financial instruments (Continued)

###### Financial assets (Continued)

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

###### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Branch's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Branch renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Branch does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

###### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future or
- designated by the Branch to be carried at fair value through profit or loss upon initial recognition.

Assets included within this category are carried in the balance sheet at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

###### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Branch's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 1 Summary of Significant Accounting Policies (Continued)

##### (g) Financial instruments (Continued)

###### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Branch uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Branch's financial liabilities include trade and other payables; which are measured at amortised cost using the effective interest rate method.

###### Impairment of Financial Assets

At the end of the reporting period the Branch assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

###### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

##### (h) Impairment of non-financial assets

At the end of each reporting period the Branch determines whether there is evidence of an impairment indicator for non-financial assets.

Where this indicator exists the recoverable amount of the asset is estimated. This is also estimated for intangible assets with an indefinite life and intangible assets not yet available for use, regardless of whether there is an indicator of impairment.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (h) Impairment of non-financial assets (Continued)

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### (i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (j) Employee benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### Defined benefit superannuation schemes

##### *Nature of the benefits provided by the fund*

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (j) Employee benefits (Continued)

##### Defined benefit superannuation schemes (Continued)

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive a lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the schemes are closed to new members.

##### *Description of the regulatory framework*

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *Police Regulation (Superannuation) Act 1906*, *State Authorities Non-Contributory Superannuation Act 1987*, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth *Superannuation Industry (Supervision) Act 1993 (SIS)*. The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2018. The next actuarial investigation will be performed as at 30 June 2021.

##### *Description of other entities' responsibilities for the governance of the fund*

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (j) Employee benefits (Continued)

##### Defined benefit superannuation schemes (Continued)

##### Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

#### (k) Adoption of new and revised accounting standards

The Branch has applied the mandatory *AASB 9 - Financial Instruments* standard. Refer to note 18 for further information.

#### (l) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Branch where the standard is relevant:

##### *AASB 16 Leases*

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Branch plans to adopt AASB 16 for the year ending 30 June 2020 using the modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.



## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (l) New accounting standards for application in future periods (Continued)

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

At this stage, the Branch is not able to estimate the impact of the new rules on the Branch's financial statements. The Branch will make more detailed assessments of the impact over the next twelve months.

#### *AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from contracts with customers*

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Union plans to adopt AASB 15 for the year ending 30 June 2020 using the modified retrospective method.

At this stage, the Branch is not able to estimate the impact of the new rules on the Branch's financial statements. The Branch will make more detailed assessments of the impact over the next twelve months.

#### (m) Going concern

The Branch is reliant on the agreed financial support of New South Wales Nurses and Midwives' Association to continue on a going concern basis. A formal undertaking has been made that the New South Wales Nurses and Midwives' Association will provide sufficient funds to ensure that the Branch can meet its obligations to the New South Wales Nurses and Midwives' Association under the relevant service agreement. This is an interest free agreement with no set termination date. No amounts of financial support were received during the year (2018: \$nil).

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Critical Accounting Estimates and Judgments

The Branch Council make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### *Key estimates - employee entitlements*

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

#### *Key estimates - receivables*

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 3 Expenses

	2019	2018
	\$	\$
<b>Employee expenses*</b>		
<b>Employees other than office holders</b>		
Wages and salaries	14,966,998	13,901,112
Superannuation	1,747,171	1,493,842
Leave and other entitlements	1,299,855	1,160,474
Other employee expenses (FBT expense, payroll tax expense, workers compensation expense)	1,182,461	1,143,553
	<u>19,196,485</u>	<u>17,698,981</u>
Capitation fees - Australian Nursing and Midwifery Federation, Federal Office	1,431,400	1,379,080
Conference and meeting expenses	41,537	79,272
Legal costs - other matters	4,728	4,692

\* There are no office holders directly remunerated by the Branch. This function is outsourced to the New South Wales Nurses and Midwives' Association, and incorporated into the overall service agreement with them. Under this agreement, specific remuneration amounts are not able to be reliably measured and hence not separately quantifiable for disclosure.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 4 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	<u>2,573,735</u>	<u>3,348,300</u>

### 5 Trade and Other Receivables

Trade receivables	701,817	9,958
Other receivables	<u>71,644</u>	<u>59,442</u>
	<u>773,461</u>	<u>69,400</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (a) Impairment of receivables

The Branch applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. There is no loss allowance provision required as at 30 June 2019 (2018: \$nil).

#### (b) Receivables from related parties

New South Wales Nurses and Midwives' Association	700,000	9,958
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### 6 Other financial assets

Held-to-maturity financial assets - term deposits	-	5,100,000
Financial assets at amortised cost - term deposits	<u>6,100,000</u>	-
	<u>6,100,000</u>	<u>5,100,000</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2019

**7 Other Assets**

	2019	2018
	\$	\$
Prepayments	53,163	31,090

**8 Trade and Other Payables**

Trade creditors	294,389	97,691
GST and other payables	1,184,944	1,142,730
	<u>1,479,333</u>	<u>1,240,421</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

**(a) Payables to related parties**

New South Wales Nurses and Midwives' Association	156,706	-
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## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 9 Employee Benefits

	2019	2018
	\$	\$
<b>CURRENT</b>		
Long service leave	3,331,446	3,054,741
Provision for employee benefits	3,361,767	3,256,414
Net defined benefit obligations	107,186	123,106
	<u>6,800,399</u>	<u>6,434,261</u>
<b>NON-CURRENT</b>		
Long service leave	111,716	117,872
Net defined benefit obligations	865,182	590,864
	<u>976,898</u>	<u>708,736</u>

#### Employee provisions

##### Employees other than office holders:

Annual leave	2,681,230	2,449,631
Long service leave	3,443,162	3,172,613
Other	680,537	806,783
<b>Total employee provisions</b>	<u>6,804,929</u>	<u>6,429,027</u>

\* There are no office holders directly remunerated by the Branch. This function is outsourced to the New South Wales Nurses and Midwives' Association, and incorporated into the overall service agreement with them. Under this agreement, specific remuneration amounts are not able to be reliably measured and hence not separately quantifiable for disclosure.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 9 Employee Benefits (Continued)

#### Defined Benefit Plans

The Branch has no legal obligation to settle the defined benefit liability with an immediate contribution or additional one off contribution.

The following sets out details in respect of the defined benefit superannuation plans in which the Branch participates.

#### *Description of risks*

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

**Investment risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.

**Longevity risk** - The risk that pensioners live longer than assumed, increasing future pensions.

**Pension indexation risk** - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.

**Salary growth risk** - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

**Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 9 Employee Benefits (Continued)

#### (a) Defined Benefit Plans - Reconciliations

	Defined benefit liability / asset	Fair value of fund assets	Present value of the defined benefit obligation
2019	\$	\$	\$
Opening balance	713,970	5,270,828	5,984,796
Current service cost	170,889	-	170,889
Interest income	23,027	175,464	198,491
Actual return on fund assets less interest income	(241,478)	241,478	-
Remeasurements of the net defined benefit liability / asset:			
Actuarial gains and loss arising from changes in financial assumptions	402,306	-	402,306
Actuarial gains and losses arising from liability experience	34,276	-	34,276
Contributions to the plan:			
By employer	(130,622)	130,622	-
By plan participants	-	76,843	76,843
Benefits paid	-	(998,426)	(998,426)
Taxes, premiums and expenses paid	-	(18,966)	(18,966)
Closing balance	972,368	4,877,843	5,850,209



## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 9 Employee Benefits (Continued)

#### (a) Defined Benefit Plans - Reconciliations (Continued)

	Defined benefit liability / asset	Plan assets	Present value of the defined benefit obligation
2018	\$	\$	\$
Opening balance	691,944	4,701,132	5,393,074
Current service cost	180,023	-	180,023
Interest income	23,524	170,492	194,016
Interest expense	(227,458)	227,458	-
Remeasurements of the net defined benefit liability / asset:			
Actuarial gains and losses arising from changes in demographic assumptions	61,064	-	61,064
Actuarial gains and loss arising from changes in financial assumptions	64,571	-	64,571
Changes in the effect of limiting a net defined benefit assets to the asset ceiling (excluding interest)	49,558	-	49,558
Contributions to the plan:			
By employer	(129,256)	129,256	-
By plan participants	-	73,227	73,227
Payments from the plan excluding settlements	-	(10,696)	(10,696)
Effect of business combinations and disposals	-	(20,041)	(20,041)
<b>Closing balance</b>	<b>713,970</b>	<b>5,270,828</b>	<b>5,984,796</b>

#### (b) Defined Benefit Plans - Asset ceiling

There has been no adjustment for the effect of the asset ceiling at the beginning, end or during the year.

#### (c) Defined Benefit Plans - Actuarial assumptions

	2019	2018
Discount rate	2.27%	3.55 %
Inflation	1.75 - 2.50%	2.25 - 2.50 %
Future salary increases	3.20%	2.70 - 3.20 %

Sensitivity analysis to show how the defined benefit obligation would have changed based on a reasonably possible movement in each significant actuarial assumption at the reporting date has been provided below.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 9 Employee Benefits (Continued)

#### (c) Defined Benefit Plans - Actuarial assumptions (Continued)

30 June 2019 Actuarial assumption	Reasonably possible movement	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(329,497)	385,722
Inflation	0.5%	68,655	(62,539)
Future salary increases	0.5%	104,955	(101,703)

30 June 2018 Actuarial assumption	Reasonably possible movement	Increase in assumption	Decrease in assumption
Discount rate	1.00 %	(295,424)	341,505
Inflation	0.5 %	51,835	(47,296)
Future salary increases	0.5 %	104,538	(101,210)

#### (d) Defined Benefit Plans - Plan assets

The fair value of plan assets comprises the following classes of assets:

Class of asset	2019		Total \$'000	% of total
	Quoted \$'000	Unquoted \$'000		
Short Term Securities	2,135,561	1,906,555	4,042,116	9.58
Australian Fixed Interest	4,993	2,289,679	2,294,672	5.44
International Fixed Interest	6,827	1,961,267	1,968,094	4.66
Australian Equities	7,818,302	550,626	8,368,928	19.83
International Equities	8,795,299	2,592,140	11,387,439	26.98
Property	698,607	2,889,623	3,588,230	8.50
Alternatives	327,329	10,230,853	10,558,182	25.01
	<u>19,786,918</u>	<u>22,420,743</u>	<u>42,207,661</u>	

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 9 Employee Benefits (Continued)

(e) **Defined Benefit Plans - Asset-liability matching strategy**

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

(f) **Defined Benefit Plans - Profit and loss and other comprehensive income impact**

	2019	2018
	\$	\$
<b>The amounts recognised in the profit or loss are as follows:</b>		
Current service cost	(170,889)	(180,023)
Net interest	(23,027)	(23,524)
	<u>(193,916)</u>	<u>(203,547)</u>
<b>Amounts recognised in other comprehensive income are as follows:</b>		
Remeasurements of retirement benefit obligations	(195,104)	52,265

(g) **Defined Benefit Plans - Funding Arrangements**

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

The expected contributions for the year ending 30 June 2020 are \$107,186.

(h) **Defined Benefit Plans - Maturity Profile**

The weighted average duration of the defined benefit obligation is 7.3 years.

(i) **Defined Benefit Plans - Description of significant events**

There were no fund amendments, curtailments or settlements during the year.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 10 Financial Risk Management

The main risks Australian Nursing and Midwifery Federation New South Wales Branch is exposed to through its financial instruments is credit risk.

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

The totals for each category of financial instruments, measured in accordance with AASB 9 (2018: AASB 139) as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	2,573,735	3,348,300
Held-to-maturity investments	6	-	5,100,000
Financial assets at amortised cost	6	6,100,000	-
Trade and other receivables	5	773,461	69,400
		<u>9,447,196</u>	<u>8,517,700</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables	8	1,479,333	1,240,421

#### Liquidity risk

Liquidity risk arises from the Branch's management of working capital. It is the risk that the Branch will encounter difficulty in meeting its financial obligations as they fall due.

The Branch's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

The Branch manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Branch expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 10 Financial Risk Management (Continued)

#### Liquidity risk (Continued)

The Branch's liabilities have contractual maturities which are summarised below:

	Less than 1 year		Total	
	2019	2018	2019	2018
	\$	\$	\$	\$
Trade and other payables	<u>1,479,333</u>	<u>1,240,421</u>	<u>1,479,333</u>	<u>1,240,421</u>

#### Credit risk

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Branch.

The following table details the Branch's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Branch and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Branch.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 10 Financial Risk Management (Continued)

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
<b>2019</b>							
Trade and term receivables	701,817	-	-	-	-	-	701,817
Other receivables	71,644	-	-	-	-	-	71,644
	<b>773,461</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>773,461</b>
<b>2018</b>							
Trade and term receivables	9,958	-	-	-	-	-	9,958
Other receivables	59,442	-	-	-	-	-	59,442
	<b>69,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,400</b>

The Branch does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

#### Market risk

The Branch is not exposed to a material level of interest rate risk or equity price risk.

#### Net income from financial assets

	2019 \$	2018 \$
Held-to-maturity - interest revenue	-	164,607
Financial assets at amortised cost - interest revenue	182,271	-
	<b>182,271</b>	<b>164,607</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 10 Financial Risk Management (Continued)

#### Fair value estimation

The fair values of financial assets and financial liabilities are consistent with their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

### 11 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Australian Nursing and Midwifery Federation New South Wales Branch during the year are as follows:

	2019	2018
	\$	\$
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

There are no office holders directly remunerated by the Branch. This function is outsourced to the New South Wales Nurses and Midwives' Association, and incorporated into the overall service agreement with them. Under this agreement, specific remuneration amounts are not separately quantifiable and hence are not able to be disclosed.

### 12 Auditor's Remuneration

Remuneration of the auditor of the Branch, Daley Audit, for auditing the financial statements	25,450	24,000
Fringe Benefits Tax services	2,000	1,925
	<u>27,450</u>	<u>25,925</u>

### 13 Contingencies

In the opinion of the Branch Councillors, the Branch did not have any contingencies at 30 June 2019 (30 June 2018: None).

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 14 Related Parties

(a) The Branch's main related parties are as follows:

*(i) Key Management Personnel (KMP):*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered KMP.

For details of remuneration disclosures relating to key management personnel, refer to Note 11: Key Management Personnel Disclosures and the and the remuneration report in the Operating Report.

Other transactions with KMP and their related entities are shown below.

*(ii) New South Wales Nurses and Midwives' Association:*

The Branch is associated with the New South Wales Nurses and Midwives' Association, with the majority of members of the Branch also being members of the Association. Related party transactions are shown on the Statement of Profit or Loss and Other Comprehensive Income, note 5(b) and note 8(a).

(b) Transactions with other reporting units

Other than those transactions previously disclosed, the following transactions occurred with other reporting units:

	2019	2018
	\$	\$
Biennial National Conference contributions to Federal Office of Australian Nursing and Midwifery Federation	(24,822)	(26,050)
Journal subscription fees from Federal Office of Australian Nursing and Midwifery Federation	(25,671)	(25,642)
CINAHL Database subscription fees from Federal Office of Australian Nursing and Midwifery Federation	(16,929)	(17,393)
Other reimbursements to Federal Office of Australian Nursing and Midwifery Federation	(23,615)	(16,829)



## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 15 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2019	2018
	\$	\$
Result for the year	273,461	142,971
Non-cash flows in the operating profit (loss):		
- actuarial movement in defined benefit fund	(195,104)	52,265
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(704,061)	262,994
- (increase)/decrease in prepayments	(22,073)	54,812
- increase in trade and other payables	238,912	300,494
- increase in employee provisions	252,796	635,066
- increase in net defined benefit fund liability	381,504	22,026
Net cash inflow from operating activities	<u>225,435</u>	<u>1,470,628</u>

(b) Cash flow information

Net cash flows (to)/from Reporting Units:

Australian Nursing and Midwifery Federation, Federal Office	(1,522,437)	(1,611,422)
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### 16 Events occurring after the reporting date

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

### 17 Financial affairs administered by another entity

The financial affairs of the Branch are administered by the New South Wales Nurses and Midwives' Association. These services are remunerated through the Service Fees from the Association. The specific fees for the administering of financial affairs cannot be quantified.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 18 Change in Accounting Policy

On 1 July 2018 the Branch adopted the mandatory AASB 9 *Financial Instruments* which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial report. The only changes required was the reclassification of term deposits from Financial assets - held to maturity to Financial assets - at amortised cost.

The updated accounting policies are disclosed in note 1(g). The aggregate effect of the change in accounting policy on the date of application is as follows:

	Previously stated	1 July 2018 Adjustments	Restated
	\$	\$	\$
<b>Balance Sheet</b>			
Financial assets - held to maturity (AASB 139)	5,100,000	(5,100,000)	-
Financial assets - at amortised cost (AASB 9)	-	5,100,000	5,100,000
Current assets	8,548,790	-	8,548,790
Total assets	8,548,790	-	8,548,790
Net assets	165,372	-	165,372

### 19 Section 272 Fair Work (Registered Organisations) Act 2009

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 to be provided to members or Commissioner:

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

## Subsection 255(2A) report

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.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment related costs and expenses - employees	19,196,485	17,698,981
Advertising	204,855	4,184
Operating costs	3,328,162	3,398,748
Donations to political parties	-	-
Legal costs	4,728	4,692



Mr Brett Holmes  
Branch Secretary

1 October 2019

## Officer Declaration Statement

For the Year Ended 30 June 2019

I, Brett Holmes, being the Branch Secretary of the Australian Nursing and Midwifery Federation New South Wales Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- ~~receive periodic or membership subscriptions~~
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- ~~pay capitation fees or any other expense to another reporting unit~~
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- ~~pay wages and salaries to employees (other than holders of office)~~
- ~~pay superannuation to employees (other than holders of office)~~
- ~~pay leave and other entitlements to employees (other than holders of office)~~
- pay separation and redundancy to employees (other than holders of office)
- ~~pay other employee expenses to employees (other than holders of office)~~
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- ~~pay legal costs relating to other legal matters~~
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office

## Officer Declaration Statement

For the Year Ended 30 June 2019

- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- ~~have a annual leave provision in respect of employees (other than holders of office)~~
- ~~have a long service leave provision in respect of employees (other than holders of office)~~
- have a separation and redundancy provision in respect of employees (other than holders of office)
- ~~have other employee provisions in respect of employees (other than holders of office)~~
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- ~~have a balance within the general fund~~
- ~~provide cash flows to another reporting unit and/or controlled entity~~
- receive cash flows from another reporting units and/or controlled entity
- ~~have another entity administer the financial affairs of the reporting unit~~
- make a payment to a former related party of the reporting unit



Mr Brett Holmes  
Branch Secretary

1 October 2019

## Independent Audit Report to the members of Australian Nursing and Midwifery Federation New South Wales Branch

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Australian Nursing and Midwifery Federation New South Wales Branch (the Reporting Unit), which comprises the balance sheet as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255 (2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Nursing and Midwifery Federation New South Wales Branch as at 30 June 2019 and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) the Australian Accounting Standards; and
- (ii) 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).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit are 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 the Reporting Unit in accordance with the ethical requirements of the 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.

#### Wollongong

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## **Independent Audit Report to the members of Australian Nursing and Midwifery Federation New South Wales Branch**

### **Information Other than the Financial Report and Auditors Report Thereon**

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is included 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.

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.

### **Responsibilities of Committee Of Management for the Financial Report**

The committee of management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management are responsible for assessing the Reporting Unit'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 committee of management 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.





## Independent Audit Report to the members of Australian Nursing and Midwifery Federation New South Wales Branch

- 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management 's 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 Reporting Unit'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 Reporting Unit 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.

I declare that I am an auditor registered under the RO Act.

  
Daley Audit

  
Stephen Milgate  
Partner

Wollongong  
1 October 2019

Registration Number (as registered by the RO Commissioner under the RO Act): AA2017/127

Liability limited by a Scheme under Professional Standards Legislation





2 July 2019

Brett Holmes  
Branch Secretary  
Australian Nursing and Midwifery Federation-New South Wales Branch  
Sent via email: gensec@nswnma.asn.au

Dear Brett Holmes,

**Re: Lodgement of Financial Report - FR2019/200  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Nursing and Midwifery Federation-New South Wales Branch (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](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**

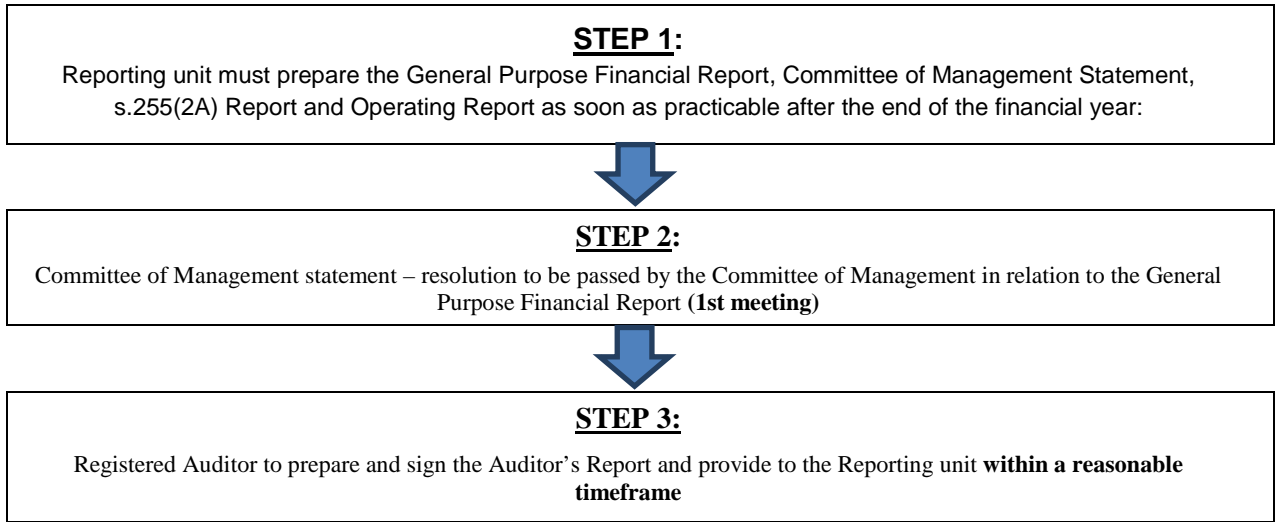


## Fact sheet

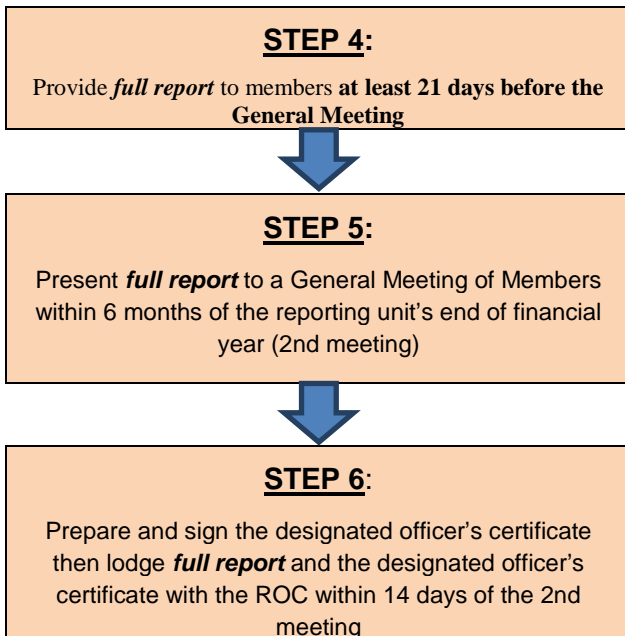
### Summary of financial reporting timelines – s.253 financial reports

#### General Information:

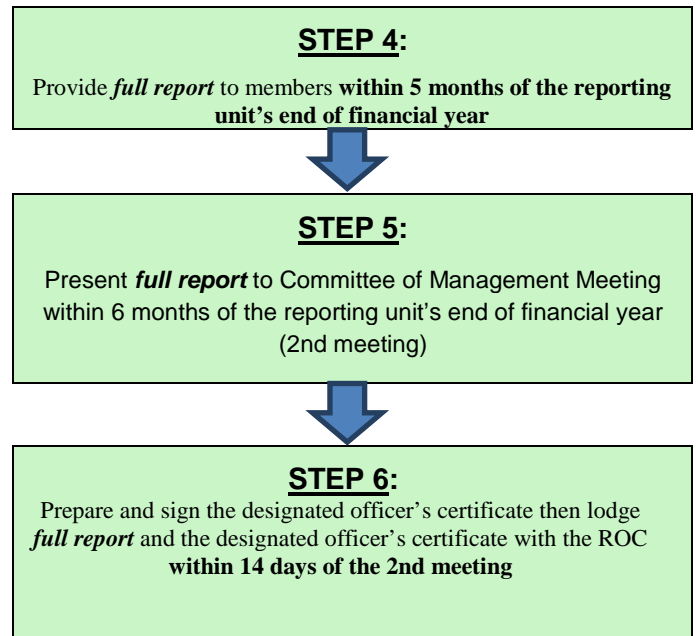
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



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





















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



## 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> 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> 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> 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> 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> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> 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> 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> 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 <u>two meetings</u>. 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> 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\*

Grants:	<b>2017</b>	2016
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	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

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](mailto:regorgs@roc.gov.au)