

Filed - 17-07-2007

16 July 2007

PRIVATE & CONFIDENTIAL

Yvonne Falckh  
Branch Secretary  
Australian Nursing Federation  
Northern Territory Branch  
PO Box 42533  
CASUARINA NT 0811

Dear Yvonne

**FINANCIAL REPORTS FOR YEAR ENDED 30 JUNE 2006 – FR2006/427  
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

We refer to Australian Industrial Registry's (AIR) letter dated 11 July 2007 to you and my subsequent discussion with Mr. Robert Pfeiffer of AIR on 16 July 2007.

We set out below our responses to the matters raised in that letter in relation to our audit of the financial statements of Australian Nursing Federation – Northern Territory Branch for the year ended 30 June 2006

**DISCLOSURE OF EXPENSES**

The breakdown of "other expenses" as disclosed in the 30 June 2006 financial statements of Australian Nursing Federation – Northern Territory Branch (ANF) are:

Accountancy and audit fees	\$ 4,628
Advertising and Promotion	10,420
Affiliation fees	23,080
Airfares	9,967
Bank charges and fees	8,810
Bookkeeping fees	3,916
Computer expenses	8,898
Consultant and temporary staff	11,989
Donations and gifts	738
Electricity	3,860
Insurance	3,905
Interest paid on loans	11,642
Legal expenses	8,126
Office maintenance and consumables	7,610
Payroll tax and other employee benefits	14,856
Photocopier rent and maintenance	7,294
Postage and shipping	3,283
Printing and stationery	10,532
Rent, rates, body corporate	6,556
Staff Amenities	1,191
Subscriptions	21,678

Sundry expenses	4,923
Telephone	15,727
Training course and conference fees	5,787
Travel and accommodation	10,161
Venue hire and catering	1,311
	<b>\$220,888</b>

We have audited the above expenses on a test basis and on the basis of our test we can state that above noted other expenses are materially fairly stated for the year ended 30 June 2006.

Our audit scope and approach is disclosed in our audit opinion dated 10 November 2006. The above expenses breakdown should be read in conjunction with our audit report of 10 November 2006 (Attached).

#### **TIMING OF FINANCIAL DOCUMENTS**

AIR commented that the members were not provided with a copy of full report at least 21 days prior to the general meeting.

I understand that the current management of ANF will take care to ensure compliance with the legislative timetable requirement in future.

#### **NOTES TO THE FINANCIAL STATEMENTS**

The typographical errors in Note 1- Statement of Significant Accounting Policies as noted the AIR letter were rectified before the financial statements for the year ended 30 June 2006 was publishing in the ANF's website.

#### **AUDITOR'S REPORT**

AIR commented that our audit report for the year ended 30 June 2006 has erroneously referred to the Workplace Relations Amendment Act 2005 instead of Workplace Relations Act 1996

Our audit report reference to the Workplace Relations Amendment Act 2005 relates to the subsequent amendments of the Workplace Relations Act 1996 and inclusive of the Workplace Relations Act 1996. However, your comment is noted and we will be referring to the original Act in our future audit reports.

I understand from Mr Pfeiffer that you are required to publish this letter in your website, and we have no objection in you doing so.

Should you wish to discuss the matter raised in this letter, please contact me on 8982 1444 or through email: [a.islam@meritpartners.com.au](mailto:a.islam@meritpartners.com.au)

Yours sincerely



Amih Islam  
Merit Partners

Copy to Mr Robert Pfeiffer AIR



**Australian Government**

**Australian Industrial Registry**

Level 5,  
11 Exhibition Street, Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7817  
Fax: (03) 9655 0410

Yvonne Falckh  
Branch Secretary  
Australian Nursing Federation  
Northern Territory Branch  
PO Box 42533  
CASUARINA NT 0811

Dear Ms Falckh,

**Re: Financial reports for year ended 30 June 2006 - FR2006/427  
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the Northern Territory Branch of the Australian Nursing Federation (the reporting unit) for the year ended 30 June 2006. At this time, however, we are unable to close the financial report and request you provide further information to enable us to do so.

### **Disclosure of Expenses**

When preparing a General Purpose Financial Report, section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Industrial Registrar's Reporting Guidelines (copy attached). In particular, Guideline 11 sets out in detail those items of expense that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement.

I note in the Income Statement prepared by the reporting unit that 'Other expenses' records an amount of \$220,888. I am unable to locate any details of such expenses either in the notes to the financial statements or elsewhere in the financial report. It would seem that we brought to your attention another issue surrounding 'expenses' in last years' financial report, and sought an assurance from the Branch and its auditor (14 December 2006) to provide details of the reporting unit's expenses in the main body of the accounts in future financial years. Would you please discuss this issue with the auditor and provide this office with a written response by 27 July 2007 on whether the other expenses of the reporting unit were itemised and audited.

### **Timing of Financial Documents**

On the face of the documents lodged it appears that the reporting unit has not complied with several of the legislative target dates. I note that the Auditor's report and the Designated Officer's certificate are both dated 10 November 2006. The Designated Officer's certificate also provides that the full report was presented to a general meeting of members on 15 November 2006. This suggests that the members were not provided with a copy of the full report at least 21 days prior to the general meeting, and therefore is not in compliance with the legislative requirements. I enclose for your assistance a copy of the timescale requirements.

### **Notes to the Financial Statements**

I have detected a number of typographical errors in Note 1 – Statement of Significant Accounting Policies. Throughout the statement reference is inexplicably made to the 'Australian Hotels Association – Northern Territory Branch' as the reporting unit to which the financial report relates.

## **Auditor's report**

The auditor in his report has erroneously referred to the Workplace Relations Amendment Act 2005. Reference should instead have been made to the Workplace Relations Act 1996.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7817 or by email at [Robert.pfeiffer@air.gov.au](mailto:Robert.pfeiffer@air.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Pfeiffer', with a stylized flourish at the end.

Robert Pfeiffer  
Statutory Services Branch, Melbourne

11 July 2007

**Australian Nursing Federation  
Northern Territory Branch**

**ABN 85 434 337 677**

**General Purpose Financial Report  
for the year ended 30 June 2006**

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FOR THE YEAR ENDED 30 JUNE 2006

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## Committee of Management Statement

On 10 November 2006 the Committee of Management of Australian Nursing Federation passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2006:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: Neil Spencer

Title of Office held: President

Signature: 

Date: 10/11/06

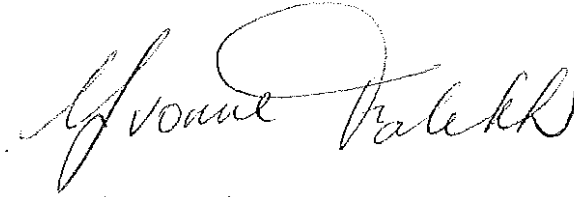


### Designated Officer's Certificate

I Yvonne Falckh being the Branch Secretary of the Australian Nursing Federation certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on *[insert date]*; and
- that the full report was presented to a general meetings of members of the reporting unit on 15 November 2006; in accordance with section 266 of the RAO Schedule.

Signature



Date:

10<sup>th</sup> November 2006

## Operating Report

I, Yvonne Falckh, being the designated officer responsible for preparing this report for the financial year ended 30 June 2006 of the Australian Nursing Federation, Northern Territory Branch, report to the best of my knowledge as follows:

### a) Principal Activities

The principle activities of the Australian Nursing Federation are: (please list)

### b) Significant Financial Changes

There were no significant changes in the Australian Nursing Federation's financial affairs during the period to which this report relates.

### c) Member's advice

- (i) under section 174 of the Registration and Accountability of Organisations schedule (RAO), a member may resign from membership by written notice addressed and delivered to the Branch Secretary in which he or she is a member. (Rule 10 (b) (i) Australian Nursing Federation Federal Rules 1994).
- (ii) The register of members of the Australian Nursing Federation, Northern Territory Branch, was maintained in accordance with the RAO.
- (iii) Section 272 of the RAO outlines members and the registrar's rights to certain prescribed information.

### d) To the best of my knowledge there are no officers or members of the Australian Nursing Federation who are

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

### e) Prescribed and other information

(i) As at 30 June 2006 to which this report relates, the number of members of the Australian Nursing Federation, Northern Territory Branch was 140.

(ii) As at 30 June 2006, the total number of employees employed by the reporting entity was 5.

(iii) the current office bearers for the financial year were

Yvonne Falckh	Branch Secretary
Neil Spencer	President
Vicky Coffey	Executive
Wendy Corkill	Executive

Signature



Date:

10<sup>th</sup> November 2006

## **Independent audit report to members of Australian Nursing Federation Northern Territory Branch**

### **Scope**

#### *The financial report and committee of managements' responsibility*

The financial report comprises the balance sheet, income statement, statement of cash flows, accompanying notes to the financial statements, the Accounting Officer's certificate and the Committee of Management's certificate for the year ended 30 June 2006.

The Association's committee of management is responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the Association, and that complies with Accounting Standards in Australia, in accordance with the Workplace Relations Amendment Act 2005 and the Association's constitution. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit approach*

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Association. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Amendment Act 2005, including compliance with Accounting Standards in Australia, other mandatory financial reporting requirements in Australia, and the Association's constitution, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the committee of management of the association.

### **Independence**

We are independent of the Association, and have met the independence requirements of Australian professional ethical pronouncements.


### **Audit Opinion**

In our opinion:

- (i) there were kept by the Association in relation to the year satisfactory accounting records, including:
  - (a) records of the sources and nature of the income of the Association (including income from members); and
  - (b) records of the nature and purposes of the expenditure of the Association;
- (ii) the financial statements in relation to the year were properly drawn up so as to give a true and fair view of:
  - (a) the financial affairs of the Association as at the end of the year;
  - (b) the income and expenditure, and any surplus or deficit, of the Association for the year; and
  - (c) the results and cash flows of the organisation for the year then ended;
- (iii) all the information and explanations that, under section 272, officers or employees of the organisation were required to provide were provided.

in accordance with Accounting Standards and other mandatory professional reporting requirements and the provisions of the Workplace Relations Amendment Act 2005, as amended.

  
Merit Partners

  
Aminul Islam  
Partner  
Registered Company Auditor  
Darwin

Date: 10 November 2006

Australian Nursing Federation Northern Territory Branch

# Income Statement

FOR THE YEAR ENDED 30 JUNE 2006

		2006	2005
		\$	\$
Revenue	2	654,612	<b>639,377</b>
Depreciation and amortisation expenses	3	6,935	<b>1,632</b>
Wages and Salaries		333,436	<b>396,152</b>
Superannuation	3	28,376	<b>35,280</b>
Other expenses		220,888	<b>248,084</b>
Profit / (Loss) before Income Tax		<u><b>64,976</b></u>	<u><b>(41,771)</b></u>
Net Profit / (Loss) for the period		<u><u><b>64,976</b></u></u>	<u><u><b>(41,771)</b></u></u>

This Income Statement should be read in conjunction with the accompanying notes.

Australian Nursing Federation Northern Territory Branch

# Balance Sheet

AS AT 30 JUNE 2006

		2006	2005
		\$	\$
<b>CURRENT ASSETS</b>			
Cash	13	167,423	113,131
Receivables	4	3,401	25,899
Prepayments	5	22,902	21,086
Shares in NT Credit Society	7	10	0
<b>TOTAL CURRENT ASSETS</b>		<b>193,736</b>	<b>160,116</b>
<b>NON – CURRENT ASSETS</b>			
Property, plant and equipment	6	247,853	235,288
<b>TOTAL NON – CURRENT ASSETS</b>		<b>247,853</b>	<b>235,288</b>
<b>TOTAL ASSETS</b>		<b>441,589</b>	<b>395,404</b>
<b>CURRENT LIABILITIES</b>			
Payables	8	139,443	177,263
Interest bearing liabilities	9	6,394	6,419
Provisions	11	41,933	45,471
<b>TOTAL CURRENT LIABILITIES</b>		<b>187,770</b>	<b>229,153</b>
<b>NON CURRENT LIABILITIES</b>			
Interest bearing liabilities	9	146,524	152,436
ANF Loan	10	28,500	0
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>175,024</b>	<b>152,436</b>
<b>TOTAL LIABILITIES</b>		<b>362,794</b>	<b>381,589</b>
<b>NET ASSETS</b>		<b>78,793</b>	<b>13,817</b>
Accumulated Funds	12	78,793	13,817
<b>MEMBER'S FUNDS</b>		<b>78,793</b>	<b>13,817</b>

The balance sheet should be read in conjunction with the accompanying notes

Australian Nursing Federation Northern Territory Branch  
**Statement of changes in equity**  
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Retained Earnings
<b>Balance at 1 July 2004</b>		55,588
Profit attributable to members		(41,771)
<b>Balance at 30 June 2005</b>		<u>13,817</u>
Profit attributable to members		64,976
<b>Balance at 30 June 2006</b>		<u><u>78,793</u></u>

The Statement of Changes in equity should be read in conjunction with the accompanying notes.

Australian Nursing Federation Northern Territory Branch

# Cash Flow Statements

FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
<b>STATEMENT OF CASH FLOWS</b>		
<i><b>Cash flows from Operating Activities</b></i>		
Receipts from customers	673,926	531,985
Payments to suppliers & customers	(614,230)	(602,476)
Interest received	3,183	7,363
Borrowing costs	(11,642)	-0
Grants received	-0	99,429
<b>Net cash flows from/(used in) operating activities</b>	<b>51,238</b>	<b>36,301</b>
<i><b>Cash flows from Investing Activities</b></i>		
Acquisition of property, plant & equipment	(19,500)	(248,071)
Purchase of Shares	(10)	-0
<b>Net cash flows from/(used in) investing activities</b>	<b>(19,510)</b>	<b>(248,071)</b>
<i><b>Cash flows from Financing Activities</b></i>		
Advances from related parties	28,500	0
Borrowings/(repayments of borrowings)	(5,937)	158,855
<b>Net cash flows from/(used in) financing activities</b>	<b>22,563</b>	<b>158,855</b>
Net increase/(decrease) in cash held	54,292	(52,915)
Add opening balance carried forward	113,131	166,046
<b>Closing cash carried forward</b>	<b>167,423</b>	<b>113,131</b>

The cash flow statement should be read in conjunction with the accompanying notes.



## Australian Nursing Federation Northern Territory Branch

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

### NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers Australian Hotels Association – Northern Territory Branch as an individual entity. Australian Hotels Association - Northern Territory Branch is a registered industrial body under the Workplace Relations Act 1996.

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

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

#### **Basis of Preparation of the Financial Statements**

##### *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*

Australian Hotels Associations – Northern Territory Branch has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB1 have been applied.

These accounts are the first financial statements of Australian Hotels Association – Northern Territory Branch to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The entity has however elected to adopt the exemptions available under AASB1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

##### *Reporting Basis and Conventions*

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

#### **Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash, net of outstanding bank overdrafts.

#### **Receivables**

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

**Australian Nursing Federation Northern Territory Branch**  
**Notes to the Financial Statements**  
**(cont)**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**Impairment of Financial Assets**

The Association has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are assessed for impairment at each balance date.

*Financial Assets held at Amortised Cost*

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in profit and loss.

*Financial Assets held at Cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

*Available for Sale Financial Assets*

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to the profit and loss.

*Comparative Year*

The above policies were not applied for the comparative year. For receivables, amounts were recognised and carried at original invoice amount less a provision for doubtful debts based on an estimate made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

Other financial assets carried at cost which were not held to generate net cash inflows, were assessed for indicators of impairment. Where such indicators were found to exist, the recoverable amount of the assets was estimated and compared to the assets carrying amount and, if less, reduced to the carrying amount. The reduction was shown as an impairment loss.

**Payables**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received

**Employee Entitlements**

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

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

# Australian Nursing Federation Northern Territory Branch

## Notes to the Financial Statements

### (cont)

FOR THE YEAR ENDED 30 JUNE 2006

#### Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity.

Grants are taken up as income in the year to which the funds relate. All revenue is stated net of the amount of goods and services tax (GST).

#### Income tax

The Association believes that it is exempt from income tax under Section 50 (15) of the Income Tax Assessment Act.

#### Plant and equipment

##### *Cost*

Plant and equipment are carried at cost. The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present value in determining recoverable amounts.

##### *Depreciation*

Depreciation on plant and equipment is calculated on the reducing balance method and is charged against income so as to provide for the write down of cost over the estimated life of the asset to the Association.

	2006	2005
Office equipment	15%	15%
Furniture and Fixtures	15%	15%

#### GST

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

# Australian Nursing Federation Northern Territory Branch

## Notes to the Financial Statements

### (cont)

FOR THE YEAR ENDED 30 JUNE 2006

#### 2. FIRST-TIME ADOPTION TO AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

On transition to AIFRS, there are no adjustments to equity or profit or loss between previous Australian GAAP and AIFRS.

The AASB has issued amendments to existing standards, these amendments are denoted by year and then number, for example 2005-10 indicates amendment 10 issued in 2005.

The table below illustrates standards and amendments that will become effective in the future. The nature impending change within the table, has been out of necessity abbreviated and users should consult the full version available on the AASB's website to identify the full impact of change.

Title	Standard affected	Application date*	Nature of impending change	Impact expected on financial report
2005-10	AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, and AASB 1038	1 Jan 2007	Amended requirements subsequent to the issuing of AASB 7.	No expected impact.
2006-1	AASB 7 Financial Instruments: Disclosures	1 Jan 2007	Revise the disclosure requirements for financial instruments from AASB 132 requirements.	No expected impact.

\* Application date is for annual reporting periods beginning on or after the date shown.

Australian Nursing Federation Northern Territory Branch

# Notes to the Financial Statements

(cont)

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
<b>NOTE 2: REVENUE FROM ORDINARY ACTIVITIES</b>		
<b>Revenues from operating activities</b>		
Grant	50,742	99,429
Subscriptions	582,562	522,768
Sponsorships	3,263	7,666
Publications	100	119
Sundry Income	1,931	2,030
Total revenues from operating activities	<u>638,598</u>	<u>632,012</u>
<b>Revenues from non – operating activities</b>		
Interest received	3,183	7,365
Workers Comp Received	12,831	0
Total revenues from non-operating activities	<u>16,014</u>	<u>7,365</u>
<b>Total revenues from ordinary activities</b>	<u><u>654,612</u></u>	<u><u>639,377</u></u>

**NOTE 3: EXPENSES**

Depreciation of non – current assets		
Office Equipment	1,431	1,522
Fixtures and Fittings	570	110
Office Darwin	4,404	0
Office Fitout	530	0
Total depreciation of non fixed assets	<u>6,935</u>	<u>1,632</u>
Superannuation contributions	28,376	35,280
Auditors remuneration	4,200	5,000
Donations	738	3,472

**NOTE 4: RECEIVABLES**

Trade Debtors	3,401	1,751
Sundry and Other Debtors	0	24,148
	<u>3,401</u>	<u>25,899</u>

**NOTE 5: PREPAYMENTS**

Prepayments	22,902	21,086
	<u>22,902</u>	<u>21,086</u>

Australian Nursing Federation Northern Territory Branch

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

**NOTE 6: PROPERTY PLANT AND EQUIPMENT**

	2006	2005
	\$	\$
<b>Office Equipment</b>		
At Cost	20,265	19,264
Provision for depreciation	<u>(12,090)</u>	<u>(10,659)</u>
	<u>8,174</u>	<u>8,605</u>
<b>Fixtures and Fittings</b>		
At cost	10,775	6,362
Provision for depreciation	<u>(6,317)</u>	<u>(5,747)</u>
	<u>4,458</u>	<u>615</u>
Darwin office – at Cost	229,560	226,068
Provision for depreciation	<u>(4,404)</u>	<u>0</u>
	<u>225,156</u>	<u>226,068</u>
Office Fitout	10,594	0
Provision for depreciation	<u>(530)</u>	<u>0</u>
	<u>10,064</u>	<u>0</u>
<b>TOTAL PROPERTY PLANT AND EQUIPMENT</b>	<u><u>247,853</u></u>	<u><u>235,288</u></u>

**(a) Assets pledged as security**

Darwin office – at cost is an asset over which a mortgage has been granted as security over bank loans (see note 9)	<u>225,156</u>	<u>226,068</u>
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**PROPERTY PLANT AND EQUIPMENT – RECONCILIATION**

<b>Office Equipment</b>		
Carrying amount at beginning	9,605	10,128
Depreciation expense	<u>(1,431)</u>	<u>(1,523)</u>
Written down value	<u>8,174</u>	<u>8,605</u>
<b>Fixtures and Fittings</b>		
Carrying amount at beginning	5,028	725
Depreciation expense	<u>(570)</u>	<u>(110)</u>
Written down value	<u>4458</u>	<u>615</u>
<b>Office – at Cost</b>		
Carrying amount at beginning	229,560	226,068
Depreciation expense	<u>(4,404)</u>	<u>0</u>
Written down value	<u>225,156</u>	<u>226,068</u>
<b>Office Fitout</b>		
Carrying amount at beginning	10,594	0
Depreciation expense	<u>(530)</u>	<u>0</u>
Written down value	<u>10,064</u>	<u>0</u>
<b>TOTAL PROPERTY PLANT AND EQUIPMENT</b>	<u><u>247,853</u></u>	<u><u>235,288</u></u>

Australian Nursing Federation Northern Territory Branch

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
<b>NOTE 7: INVESTMENTS</b>		
Share in NT Credit Society	<u>10</u>	<u>0</u>
<b>NOTE 8: PAYABLES</b>		
Trade creditors and accruals	35,179	84,762
Subscriptions in advance	<u>104,264</u>	<u>92,501</u>
	<u>139,443</u>	<u>177,263</u>
<b>NOTE 9: INTEREST BEARING LIABILITIES</b>		
<i>Interest bearing liabilities (current)</i>		
Borrowings secured by mortgage:		
- bank loans	<u>6,394</u>	<u>6,419</u>
<i>Interest bearing liabilities (non current)</i>		
Borrowings secured by mortgage:	<u>146,524</u>	<u>152,436</u>
<b>NOTE 10: Loan</b>		
ANF Loan	<u>28,500</u>	<u>0</u>
<p>The Loan to the ANF NT Branch was provided by the ANF head office in Canberra on an interest free basis.</p>		
<b>NOTE 11: PROVISIONS</b>		
<i>Provisions – current</i>		
Annual leave	36,256	33,965
Long Service Leave	<u>5,677</u>	<u>11,506</u>
	<u>41,933</u>	<u>45,471</u>
<b>NOTE 12: ACCUMULATED FUNDS</b>		
Accumulated surplus at start of year	13,817	55,588
(Deficit) for the year	<u>64,976</u>	<u>(41,771)</u>
ACCUMULATED FUNDS	<u>78,793</u>	<u>13,817</u>

# Notes to the Financial Statements

(cont)

FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
<b>NOTE 13: STATEMENT OF CASH FLOWS</b>		
a) Reconciliation of cash		
Cash balance comprises:		
- Cash on hand	400	200
- Cash in bank	<u>167,023</u>	<u>112,931</u>
Closing cash balance	<u><u>167,423</u></u>	<u><u>113,131</u></u>
b) Reconciliation of the operating (deficit) to the net cash flows from operations:		
Operating profit after tax	64,976	(41,771)
Depreciation – plant and equipment	6,935	1,636
(Increase)/ decrease in receivables	22,498	127
Decrease/ (increase) in prepayments	(1,816)	725
Increase/ (decrease) in creditors	(37,818)	69,986
Increase/ (decrease) in provisions for employee entitlements	<u>(3,538)</u>	<u>5,598</u>
Net cash flows provided by/ (used in) operating activities	<u><u>51,238</u></u>	<u><u>36,301</u></u>



**Australian Nursing Federation Northern Territory Branch**  
**Notes to the Financial Statements**  
**(cont)**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**14. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act, 1996, as amended, the attention of members is drawn to the provisions of subsections (1), (2), (3), (4), (5) and (6) of Section 272 which reads as follows:

**SECTION 272 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

**272(1)** A member of a reporting unit, or a Registrar, 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.

**272(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.

**272(3)** A reporting unit must comply with an application made under subsection (1).

**272(4)** A Register may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the Register must provide to a member information received because of an application made at the request of the member.

**272(5)** A general purpose financial report prepared under section 253, a concise report prepared under section 256 and a report prepared under subsection 270 (4) must include notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections.

**272(6)** Without limiting the information that may be prescribed under subsection (1), the information prescribed must include details (including the amount) of any fees paid by the reporting unit for payroll deduction services provided by a person who is an employer of:

- (a) the member making the application for information; or
- (b) the member at whose request the application was made.

**15. SEGMENT INFORMATION**

The Association operates for the mutual benefit of its members in regards to industrial relations in Australia.

# Notes to the Financial Statements

(cont)

FOR THE YEAR ENDED 30 JUNE 2006

## 16. FINANCIAL INSTRUMENTS

### Recognised financial instruments

#### (a) Terms, conditions and accounting policies

The entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Terms and Conditions
<b>(i) Financial assets</b>			
Receivables – Trade	5	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms.
<b>(ii) Financial liabilities</b>			
Payables	7	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity.	Trade liabilities are normally settled on 30 day terms.
Interest bearing liability	8	Interest bearing liabilities are carried at the principal amount interest is charged as an expense as it is paid.	Interest is charged at 7.49%

Australian Nursing Federation Northern Territory Branch

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2006

## Note (b) Interest rate risk

The Association's exposure to interest rate risks and the effective interest rates of the financial assets and financial liabilities both recognised and unrecognised at the balance date are as follows:

Financial Instruments	Floating Interest rate		Fixed interest rate maturing in:								Non-Interest bearing		Total carrying amount as per Balance Sheet		Weighted average effective interest rate	
			0 – 3 Months		4 –12 Months		Over 1 –5 Years		More than 5 years							
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 %	2005 %		
<i>(i) Financial assets</i>																
Cash and liquid assets	167,423	113,131	-	-	-	-	-	-	-	-	-	-	167,423	113,131	1.91	3
Receivables – trade	-	-	-	-	-	-	-	-	-	-	3,401	1,751	3,401	1,751	N/A	N/A
Total Financial Assets	167,423	113,131	-	-	-	-	-	-	-	-	3,401	1,751	170,824	114,882	-	-
<i>(ii) Financial liabilities</i>																
Payables	-	-	-	-	-	-	-	-	-	-	139,443	90,651	55,018	90,651	N/A	N/A
Interest bearing liabilities	152,918	158,855	-	-	-	-	-	-	-	-	-	-	152,918	158,855	7.49	-
Total financial liabilities	152,918	158,855	-	-	-	-	-	-	-	-	139,443	90,651	207,936	243,569	-	-

### Note (c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date, are as follows:

	Total carrying amount as per the statement of financial position		Aggregate net fair value	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Financial assets</b>				
Cash	167.5	113	167.5	113
Receivables	3.4	2	3.4	2
<b>Total financial assets</b>	<b>171</b>	<b>115</b>	<b>171</b>	<b>115</b>
<b>Financial liabilities</b>				
Payables	139.5	91	139.5	91
Interest bearing liabilities	153	159	153	159
<b>Total financial liabilities</b>	<b>293</b>	<b>250</b>	<b>293</b>	<b>250</b>

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

#### (d) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.