



AUSTRALIAN
NURSING
FEDERATION

victorian

B R A N C H

16 January 2007

Our Ref: File No. 101-050-004

Margaret Williams
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994S
MELBOURNE 3001

Dear Margaret,

Financial Return – Year Ending 30 June 2006

We enclose herewith a copy of the Australian Nursing Federation (Vic. Branch) audited Annual Report in accordance to the RAO schedule of the Workplace Relations Act 1996.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jan Brownrigg', is written over a light blue horizontal line.

Jan Brownrigg
ACTING STATE SECRETARY

Australian Nursing Federation (Victorian Branch)
ABN 80 571 091 192
Postal Address: Box 12600 A'Beckett Street PO Melbourne Vic 8006
540 Elizabeth Street Melbourne Vic 3000
Phone: (03) 9275 9333 Fax: (03) 9275 9344
www.anfvic.asn.au

**AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH ABN: 80 571 091 192 AND
CONTROLLED ENTITY
OPERATING REPORT**

Your Branch Council present their report on the Australian Nursing Federation (Victorian Branch) and its controlled entity for the financial year ended 30 June 2006.

The names of the councillors who held office on the Branch Council at any time during, or since the end of, the year are:

Ms Clare McGinness	Ms Terry Swanson	Ms Lisa Fitzpatrick
Ms Jan Brownrigg	Ms Kate Barker	Mr Geoffrey Devine
Ms Amanda Garrett (until 30/11/05)	Ms Catherine Walker	Ms Michelle Ashworth (until 30/11/05)
Ms Barbara Bell (until 30/11/05)	Ms Caterina Bortolot	Ms Frances Bridley (until 13/6/06)
Ms Sandy Buckley	Ms Sandra Criddle	Ms Margaret Crosby
Ms Amanda Maberly	Ms Judith Milne	Ms Susan Nunis
Mr Denzyl Hein	Ms Lori-Anne Sharp	Ms Donna Hansen (from 13/9/05)
Ms Tracey Williams	Ms Amy Bowler (from 1/12/05)	Ms Nicole Davies (from 1/12/05)
Ms Amanda Sutherland (from 1/12/05)		

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

The consolidated profit of the economic entity for the financial year after providing for income tax and eliminating outside equity interests amounted to \$1,144,320.

A review of the operations of the economic entity during the financial year and the results of those operations found that the revenue increased due to increases in membership and registered training organisation course enrolments. Overall though profit dropped by 20%, from \$1,433,017 to \$1,144,320, caused by a combination of factors including increase employee benefits expense, costs associated with the operation of the registered training organisation, and further industrial campaign expenses.

No significant changes in the economic entity's state of affairs occurred during the financial year.

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

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

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (IFRS), the company's financial report has been prepared in accordance with those standards. No adjustments arising on the transition to IFRS have occurred.

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

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

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

The number of members at the end of the financial year was 38,084.

The number of employees at the end of the financial year measured on a full time basis was 78.

No officeholder of the Branch Council acts as trustee of a superannuation fund as a result of their position on the Branch Council.

Members retain the right to resign from the Australian Nursing Federation in accordance with Section 10 of the Federation's rules.

Signed in accordance with a resolution of the Branch Council:

Branch Secretary


Ms Lisa Fitzpatrick

Dated this

15 day of NOVEMBER 2006

**AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH ABN: 80 571 091 192 AND
CONTROLLED ENTITY
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	Economic Entity		Branch	
		2006	2005	2006	2005
		\$	\$	\$	\$
Revenue	3	15,063,108	13,436,494	15,177,905	13,444,458
Other Income	3	32,473	12,448	32,473	12,448
Administration Expenses		(2,127,690)	(2,258,708)	(2,127,690)	(2,258,708)
Professional Indemnity Insurance		(550,388)	(476,537)	(550,388)	(476,537)
Employee Benefits Expense	4	(6,467,564)	(5,674,521)	(6,467,564)	(5,674,521)
ANF Capitation and Affiliation Fees		(639,913)	(578,874)	(639,913)	(578,874)
Occupancy Expenses		-	-	(765,000)	(765,000)
Education and Training Expenses		(966,583)	(185,666)	(966,583)	(185,666)
IR Campaign		(232,197)	(103,509)	(232,197)	(103,509)
Depreciation and Amortisation Expenses		(619,904)	(645,479)	(313,979)	(330,763)
Finance Costs		(629,356)	(622,856)	(629,356)	(622,856)
Legal Expense		(412,064)	(382,770)	(412,064)	(382,770)
Other Expenses	4	(1,305,602)	(1,087,005)	(961,324)	(783,746)
Profit		<u>1,144,320</u>	<u>1,433,017</u>	<u>1,144,320</u>	<u>1,293,956</u>
Profit Attributable to Members of the Parent Entity		<u>1,144,320</u>	<u>1,433,017</u>	<u>1,144,320</u>	<u>1,293,956</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH ABN: 80 571 091 192 AND
CONTROLLED ENTITY
BALANCE SHEET
AS AT 30 JUNE 2006**

	Note	Economic Entity		Branch	
		2006	2005	2006	2005
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	4,897,689	3,059,838	4,884,189	3,045,438
Trade and other receivables	8	25,080	8,920	25,080	8,920
Other current assets	9	110,000	27,500	110,000	27,500
TOTAL CURRENT ASSETS		5,032,769	3,096,258	5,019,269	3,081,858
NON-CURRENT ASSETS					
Trade and other receivables	8	-	-	3,747,128	3,985,884
Financial assets	10	-	-	14	14
Property, plant and equipment	12	10,532,692	10,680,731	1,272,063	1,182,164
TOTAL NON-CURRENT ASSETS		10,532,692	10,680,731	5,019,205	5,168,062
TOTAL ASSETS		15,565,461	13,776,989	10,038,474	8,249,920
CURRENT LIABILITIES					
Trade and other payables	13	704,544	433,259	704,544	433,259
Short-term borrowings	14	239,035	238,532	239,035	238,532
Current tax liabilities	15	210,499	181,495	134,821	105,735
Short-term provisions	16	1,058,497	790,317	1,058,497	790,317
TOTAL CURRENT LIABILITIES		2,212,575	1,643,603	2,136,897	1,567,843
NON-CURRENT LIABILITIES					
Long-term borrowings	14	366,657	287,192	366,657	287,192
Long-term provisions	16	327,305	331,590	327,305	331,590
TOTAL NON-CURRENT LIABILITIES		693,962	618,782	693,962	618,782
TOTAL LIABILITIES		2,906,537	2,262,385	2,830,859	2,186,625
NET ASSETS		12,658,924	11,514,604	7,207,615	6,063,295
EQUITY					
Reserves		6,064,652	6,064,652	613,353	613,353
Retained earnings		6,594,272	5,449,952	6,594,262	5,449,942
TOTAL EQUITY		12,658,924	11,514,604	7,207,615	6,063,295

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH ABN: 80 571 091 192 AND CONTROLLED ENTITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	Retained Earnings	Asset Revaluation Reserve	Members Entitlement Protection Fund	Future Special Projects Fund	Other General Reserve	Total
	\$	\$	\$	\$	\$	\$
Economic Entity						
Balance at 1 July 2004	4,216,935	5,451,299	200,000	27,026	186,327	10,081,587
Profit attributable to members of parent entity	1,433,017	-	-	-	-	1,433,017
Transfers to and from reserves						
— Members Entitlement Protection Fund	(200,000)	-	200,000	-	-	-
Balance at 30 June 2005	5,449,952	5,451,299	400,000	27,026	186,327	11,514,604
Profit attributable to members of parent entity	1,144,320	-	-	-	-	1,144,320
Balance at 30 June 2006	6,594,272	5,451,299	400,000	27,026	186,327	12,658,924
Branch						
Balance at 1 July 2004	4,355,986	-	200,000	27,026	186,327	4,769,339
Profit attributable to members of parent entity	1,293,956	-	-	-	-	1,293,956
Transfers to and from reserves						
— Members Entitlement Protection Fund	(200,000)	-	200,000	-	-	-
Balance at 30 June 2005	5,449,942	-	400,000	27,026	186,327	6,063,295
Profit attributable to members of parent entity	1,144,320	-	-	-	-	1,144,320
Balance at 30 June 2006	6,594,262	-	400,000	27,026	186,327	7,207,615

The accompanying notes form part of these financial statements.

**AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH ABN: 80 571 091 192 AND CONTROLLED
ENTITY
CASH FLOW STATEMENT**

	Note	Economic Entity		Branch	
		2006	2005	2006	2005
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		16,415,721	13,964,444	16,065,436	13,886,731
Dividends received		-	634,723	-	634,723
Interest received		176,246	65,480	176,245	65,479
Rent received		-	200,754	-	-
Payments to suppliers and employees		(13,618,367)	(12,243,624)	(13,267,210)	(11,949,152)
Income tax paid		(776,325)	(707,919)	(675,996)	(646,415)
Net cash provided by (used in) operating activities	20	<u>2,197,275</u>	<u>1,913,858</u>	<u>2,298,475</u>	<u>1,991,366</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		147,015	161,465	147,015	161,465
Purchase of property, plant and equipment		(586,407)	(825,597)	(518,420)	(421,720)
Loans to related parties					
— payments made		-	-	(168,287)	(480,191)
Net cash provided by (used in) investing activities		<u>(439,392)</u>	<u>(664,132)</u>	<u>(539,692)</u>	<u>(740,446)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		79,968	3,282	79,968	3,282
Net cash provided by (used in) financing activities		<u>79,968</u>	<u>3,282</u>	<u>79,968</u>	<u>3,282</u>
Net increase in cash held		1,837,851	1,253,008	1,838,751	1,254,202
Cash at beginning of financial year		3,059,838	1,806,830	3,045,438	1,791,236
Cash at end of financial year	7	<u>4,897,689</u>	<u>3,059,838</u>	<u>4,884,189</u>	<u>3,045,438</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH ABN: 80 571 091 192 AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

Note 1 Statement of Significant Accounting Policies

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

The financial report covers the Australian Nursing Federation - Victorian Branch as an individual branch and Australian Nursing Federation - Victorian Branch and the controlled entity as an economic entity.

The financial report of Australian Nursing Federation - Victorian Branch and the controlled entity and Australian Nursing Federation - Victorian Branch as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

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

Basis of Preparation

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

Australian Nursing Federation - Victorian Branch and the controlled entities, and Australian Nursing Federation - Victorian Branch as an individual parent entity have prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These consolidated accounts are the first financial statements of Australian Nursing Federation - Victorian Branch to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented.

No reconciliations of the transition from previous Australian GAAP to IFRS have been included in Note 2 to this report as no adjustments were necessary.

Reporting Basis and Conventions

The financial report has been prepared on an accruals 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.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity controlled by the Australian Nursing Federation - Victorian Branch. Control exists where the Australian Nursing Federation - Victorian Branch has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Australian Nursing Federation - Victorian Branch to achieve the objectives of Australian Nursing Federation - Victorian Branch. Details of the controlled entity are contained in Note 10.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

(b) Income Tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 23(f) of the Income Tax Assessment Act 1936.

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are measured at their fair value being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is policy of the economic entity to have an independent valuation every three years.

Plant and equipment

Plant and equipment are measured on the cost basis.

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

Depreciation

The depreciable amount of buildings, but excluding freehold land, is depreciated on a straight line basis over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. All other assets are depreciated on a diminishing value basis.

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	15 - 20%

(d) Employee Benefits

Provision is made for the branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related oncosts. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(e) **Cash**

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(f) **Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

Subscription fees are recognised on a cash basis when they are received.

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

(g) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows from operating activities are shown on a gross basis in the Statement of Cash Flows.

(h) **Leases**

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

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

Leased assets are depreciated on a diminishing value over the shorter of their estimated useful lives or the lease term.

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

(i) **Financial Instruments**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the realted contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 1039: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(j) **Impairment of Assets**

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

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

Note 2 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

No adjustments were necessary upon transition from GAAP to Australian Equivalents to International Financial Reporting Standards.

Note 3 Revenue

	Note	Economic Entity		Branch	
		2006 \$	2005 \$	2006 \$	2005 \$
Operating activities					
— Interest received	3(a)	176,246	65,480	176,245	65,479
— Sponsorship and grants		7,350	-	7,350	-
— Distributions received		-	-	357,957	208,719
— Rent received		243,159	200,754	-	-
— Members subscriptions		13,161,404	12,535,537	13,161,404	12,535,537
— Grants		2,350	-	2,350	-
— Other revenue from operating activities		1,472,599	634,723	1,472,599	634,723
Total Revenue		<u>15,063,108</u>	<u>13,436,494</u>	<u>15,177,905</u>	<u>13,444,458</u>
Non-operating activities					
— gain on disposal of property, plant and equipment		32,473	12,448	32,473	12,448
Other Income		<u>32,473</u>	<u>12,448</u>	<u>32,473</u>	<u>12,448</u>
(a) Interest revenue from:					
— other persons		176,246	65,480	176,245	65,479
Total interest revenue		<u>176,246</u>	<u>65,480</u>	<u>176,245</u>	<u>65,479</u>

Note 4 Profit from Ordinary Activities

	Economic Entity		Branch	
	2006	2005	2006	2005
	\$	\$	\$	\$
(a) Expenses				
Other Expenses Include:				
— Dontations	18,610	40,202	18,610	40,202
Employee Benefits Expense:				
— Employees	6,202,262	5,674,521	6,202,262	5,674,521
— Officeholders	265,302	-	265,302	-
	<u>6,467,564</u>	<u>5,674,521</u>	<u>6,467,564</u>	<u>5,674,521</u>

Note 5 Key Management Personnel Compensation

Key Management Personnel

Councillors

Ms Clare McGinness	Ms Terry Swanson	Ms Lisa Fitzpatrick
Ms Jan Brownrigg	Ms Kate Barker	Mr Geoffrey Devine
Ms Amanda Garrett (until 30/11/05)	Ms Catherine Walker	Ms Michelle Ashworth (until 30/11/05)
Ms Barbara Bell (until 30/11/05)	Ms Caterina Bortolot	Ms Frances Bridley (until 13/6/06)
Ms Sandy Buckley	Ms Sandra Criddle	Ms Margaret Crosby
Ms Amanda Maberly	Ms Judith Milne	Ms Susan Nunis
Mr Denzyl Hein	Ms Lori-Anne Sharp	Ms Donna Hansen (from 13/9/05)
Ms Tracey Williams	Ms Amy Bowler (from 1/12/05)	Ms Nicole Davies (from 1/12/05)
Ms Amanda Sutherland (from		

Compensated Councillors

Ms Lisa Fitzpatrick
Ms Jan Brownrigg

	Short-term Benefits		Post Employment Benefit		Total
	Salary & Fees	Bonus	Superannuation	Long-term Benefits Long Service Leave	
	\$	\$	\$	\$	\$
2006					
Total compensation	232,729	-	32,583	23,034	288,346
2005					
Total compensation	214,325	-	30,006	8,832	253,163

Note 6 Auditors' Remuneration

	Economic Entity		Branch	
	2006	2005	2006	2005
	\$	\$	\$	\$
Remuneration of the auditor of the Branch for:				
— auditing or reviewing the financial report	19,687	16,500	16,687	13,500

Note 7 Cash and Cash Equivalents

	Note	Economic Entity		Branch	
		2006	2005	2006	2005
		\$	\$	\$	\$
National Australia Bank		864,760	677,744	851,274	663,358
Petty Cash		3,014	3,014	3,000	3,000
NAB - Professional Fund		3,152,651	1,731,938	3,152,651	1,731,938
NAB - Education & Training		147,015	288,119	147,015	288,119
NAB - Contingency Fund		188,700	222,039	188,700	222,039
NAB - PII Account		93,164	91,461	93,164	91,461
NAB - No Lifting Account		-	10,884	-	10,884
NAB - RTO Student Fees		61,300	34,640	61,300	34,640
NAB - Professional Fund		210,401	-	210,401	-
NAB - OTTE Funding (RTO)		54,086	-	54,086	-
NAB - C*Wealth Dept Funding (RTO)		81,627	-	81,627	-
NAB - C*Wealth Dept Funding (AIN)		40,971	-	40,971	-
		<u>4,897,689</u>	<u>3,059,838</u>	<u>4,884,189</u>	<u>3,045,438</u>

Note 8 Trade and Other Receivables

Note	Economic Entity		Branch	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Other receivables	25,080	8,920	25,080	8,920
NON-CURRENT				
Amounts receivable from wholly owned subsidiary at call	-	-	3,747,128	3,985,884

Note 9 Other Assets

	Economic Entity		Branch	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Prepayments	110,000	27,500	110,000	27,500

Note 10 Financial Assets

	Economic Entity		Branch	
	2006	2005	2006	2005
	\$	\$	\$	\$
Available for Sale Financial Assets:				
Shares in NSE Property Pty Ltd - at cost	-	-	4	4
Trust Capital - NSE Property Trust - at cost	-	-	10	10
	-	-	14	14

Note 11 Controlled Entities

	Country of Incorporation	Percentage Owned (%)	
		2006	2005
Parent Entity:			
Australian Nursing Federation - Victorian Branch	Australia		
Subsidiaries of Australian Nursing Federation - Victorian Branch:			
NSE Property Pty Ltd	Australia	100	100
as trustee for the NSE Property Trust			

Note 12 Property, Plant and Equipment

	Economic Entity		Branch	
	2006	2005	2006	2005
	\$	\$	\$	\$
LAND AND BUILDINGS				
Freehold land at:				
— cost	1,295,000	1,295,000	-	-
Total land	1,295,000	1,295,000	-	-
Buildings at:				
— cost	8,110,614	8,110,614	-	-
Less accumulated depreciation	(557,622)	(354,857)	-	-
Total buildings	7,552,992	7,755,757	-	-
Total land and buildings	8,847,992	9,050,757	-	-
PLANT AND EQUIPMENT				
Plant and equipment:				
At cost	3,598,075	3,378,281	2,523,481	2,371,674
Accumulated depreciation	(2,514,667)	(2,247,686)	(1,852,710)	(1,688,889)
	1,083,408	1,130,595	670,771	682,785
Leased plant and equipment				
Capitalised leased assets	861,367	769,684	861,367	769,684
Accumulated depreciation	(260,075)	(270,305)	(260,075)	(270,305)
	601,292	499,379	601,292	499,379
Total plant and equipment	1,684,700	1,629,974	1,272,063	1,182,164
Total property, plant and equipment	10,532,692	10,680,731	1,272,063	1,182,164

(a) Movements in Carrying Amounts

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

	Freehold Land	Buildings	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$	\$
Economic Entity:					
Balance at the beginning of year	1,295,000	7,755,757	1,130,595	499,379	10,680,731
Additions	-	-	219,794	366,613	586,407
Disposals	-	-	-	(114,542)	(114,542)
Depreciation expense	-	(202,765)	(266,981)	(150,158)	(619,904)
Carrying amount at the end of year	1,295,000	7,552,992	1,083,408	601,292	10,532,692

Note 13 Trade and Other Payables

	Economic Entity		Branch	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Trade payables	704,544	433,259	704,544	433,259

Note 14 Borrowings

	Note	Economic Entity		Branch	
		2006	2005	2006	2005
		\$	\$	\$	\$
CURRENT					
Lease liability	18	239,035	238,532	239,035	238,532
NON-CURRENT					
Lease liability	18	366,657	287,192	366,657	287,192

Note 15 Tax Liabilities

	Note	Economic Entity		Branch	
		2006	2005	2006	2005
		\$	\$	\$	\$
(a) Liabilities					
CURRENT					
Goods and Services Tax		210,499	181,495	134,821	105,735

Note 16 Provisions

	Note	Economic Entity		Branch	
		2006	2005	2006	2005
		\$	\$	\$	\$
CURRENT					
Employee Entitlements		1,058,497	790,317	1,058,497	790,317
NON-CURRENT					
Employee Entitlements		327,305	331,590	327,305	331,590
Analysis of Total Provisions					
Current		1,058,497	790,317	1,058,497	790,317
Non-current		327,305	331,590	327,305	331,590
		1,385,802	1,121,907	1,385,802	1,121,907
Employees		1,288,718	1,045,848	1,288,718	1,045,848
Officeholders		97,084	76,059	97,084	76,059
		1,385,802	1,121,907	1,385,802	1,121,907

Note 17 Reserves

- (a) Asset Revaluation Reserve**
The asset revaluation reserve records revaluations of non-current assets
- (b) Members Entitlement Protection Reserve**
- (c) Future Special Projects Fund**
- (d) Other General Reserve**
The general reserve records funds set aside for future expansion of the economic entity

Note 18 Capital and Leasing Commitments

	Note	Economic Entity		Branch	
		2006	2005	2006	2005
		\$	\$	\$	\$
(a) Finance Lease Commitments					
Payable — minimum lease payments					
— not later than 12 months		293,096	261,124	293,096	261,124
— between 12 months and five years		388,405	309,784	388,405	309,784
— greater than five years					
Minimum lease payments		681,501	570,908	681,501	570,908
Less future finance charges		(75,809)	(45,184)	(75,809)	(45,184)
Present value of minimum lease payments	14	605,692	525,724	605,692	525,724
(b) Operating Lease Commitments					
There are no operating lease commitments					
(c) Capital Expenditure Commitments					
There are no capital expenditure commitments currently contracted					

Note 19 Segment Reporting

The economic entity operates predominately in one business and geographical segment being the representation of nurses in Victoria.

Note 20 Cash Flow Information

	Economic Entity		Branch	
	2006 \$	2005 \$	2006 \$	2005 \$
(a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax				
Profit from ordinary activities after income tax	1,144,320	1,433,017	1,144,320	1,293,956
Non-cash flows in profit from ordinary activities				
Depreciation	619,904	645,479	313,979	330,763
Net gain on disposal of property, plant and equipment	(32,473)	(12,448)	(32,473)	(12,448)
Rent expense unpaid	-	-	765,000	765,000
Distributions unpaid	-	-	(357,957)	(208,719)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and term receivables	(16,160)	2,171	(16,160)	2,171
(Increase)/decrease in other assets	(82,500)	-	(82,500)	-
Increase/(decrease) in payables	271,285	(193,568)	271,285	(193,568)
Increase/(decrease) in gst payable	29,004	29,104	29,086	4,108
Increase/(decrease) in provisions	263,895	10,103	263,895	10,103
	<u>2,197,275</u>	<u>1,913,858</u>	<u>2,298,475</u>	<u>1,991,366</u>

Note 21 Events After the Balance Sheet Date

No events have occurred after the balance sheet date that impact the financial statement.

Note 22 Related Party Transactions

The Branch did not take part in any transactions with related parties during the period ended 30 June 2006 apart from those transactions that it undertakes with the Federal Office in its role as the umbrella organisation.

Note 23 Economic Dependence

The continuing operation of the trade union is dependant upon nurses remaining financial members.

(a) Financial Risk Management

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

The main purpose of non-derivative financial instruments is to finance for the operations of the entity.

The group does not have any derivative instruments at 30 June 2006.

(i) Financial Risks

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

Interest rate risk

Interest rate risk is managed with fixed rate debt, being the lease liabilities.

Foreign currency risk

The group is not exposed to fluctuations in foreign currencies.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate surplus cash is maintained.

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 impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The economic entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

Price risk

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

(b) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective		Floating Interest Rate		Within Year	
	Interest Rate		2006	2005	2006	2005
	2006	2005	2006	2005	2006	2005
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	5.60	5.40	4,897,689	3,059,839	-	-
Total Financial Assets			4,897,689	3,059,839	-	-
Financial Liabilities:						
Lease liabilities	7.25	7.25	-	-	239,035	238,532
Total Financial Liabilities			-	-	239,035	238,532

	Weighted Average Effective		Fixed Interest Rate Maturing		Total	
	Interest Rate		1 to 5 years		2006	2005
	2006	2005	2006	2005	2006	2005
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	5.60	5.40	-	-	4,897,689	3,059,839
Total Financial Assets			-	-	4,897,689	3,059,839
Financial Liabilities:						
Lease liabilities	7.25	7.25	366,657	287,192	605,692	525,724
Total Financial Liabilities			366,657	287,192	605,692	525,724

(c) Net Fair Values

For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Note 25 Contingent Liabilities

There are no contingent liabilities known of to disclose.

Note 26 Organisation Details

The registered office and principal place of business of the organisation is:
Australian Nursing Federation - Victorian Branch
540 Elizabeth Street
Melbourne Vic 3000

Note 27 Florence Nightingale Fund

	2006	2005
	\$	\$
Inflows		
Bank interest	365	505
Loan repayments - members	-	1,000
Donations received	<u>2,000</u>	<u>-</u>
	<u>2,365</u>	<u>1,505</u>
Less: Outflows		
Personal assistance to members (loan)	8,000	5,000
Bank charges	<u>248</u>	<u>254</u>
	<u>8,248</u>	<u>5,254</u>
Net Inflow / (Outflow)	(5,883)	(3,749)
Balance of fund at 1 July 2005	36,288	40,037
Balance of fund at 30 June 2006	<u>30,405</u>	<u>36,288</u>

These funds are held in a separate Trust Account.

Note 28 Information Available Upon Request

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

**AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH ABN: 80 571 091 192 AND
CONTROLLED ENTITY
DESIGNATED OFFICER'S CERTIFICATE**

I, Lisa Fitzpatrick, being the Branch Secretary of the Australian Nursing Federation (Victorian Branch), certify:

1. that the documents lodged herewith are copies of the full report referred to in section 268 of the RAO Schedule;
2. that the full report was made available to members on our website from 1 November 2006 ; and
3. that the report was presented to a meeting of the Committee of Management on 31 October 2006 in accordance with section 266 of the RAO Schedule.

Lisa Fitzpatrick

Ms Lisa Fitzpatrick

Dated this 15 day of NOVEMBER 2006

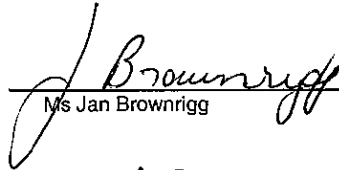
**AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH ABN: 80 571 091 192 AND CONTROLLED ENTITY
DESIGNATED OFFICER'S CERTIFICATE
COMMITTEE OF MANAGEMENT STATEMENT**

The Committee of Management declares that:

1. The financial statements and notes, as set out on pages 1 to 15, are in accordance with the Workplace Relations Act 1996:
 - a. comply with Australian Accounting Standards and the reporting guidelines of the Industrial Registrar; and
 - b. give a true and fair view of the Federation's financial position as at 30 June 2006 and of the performance and cash flows for the year ended on that date.
2. In the Committee's opinion there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.
3. During the financial year ended 30 June 2006 and since the end of the year:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation;
 - b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation;
 - c. the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - d. the financial records have been kept, as far as practicable, in a consistent manner to each of the other reporting units to ensure compliance with the Australian Accounting Standards in the subsequent years.
 - e. No requests have been made by a member under section 272 of the RAO Schedule requesting information of the Federation; and
 - f. No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

This declaration is made in accordance with a resolution of the Committee of Management:

Assistant Branch Secretary



Ms Jan Brownrigg

Dated this

15 day of NOVEMBER 2006

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH**

Scope

The financial report and councillors' responsibility

We have audited the financial report of Australian Nursing Federation - Victorian Branch for the financial year ended 30 June 2006 as set out on pages 2 to 16

The financial report includes the Operating Report and Committee of Management Statement, Balance Sheet, Income Statement, Statement of Cash Flows and notes to and forming part of the financial statements of the Australian Nursing Federation (Victorian Branch). The members of the Executive Committee are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the organisation.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's and consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements.

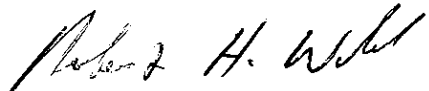
Audit Opinion

In our opinion:

- a. the financial report of the Australian Nursing Federation (Victorian Branch) is in accordance with section 253 of Schedule 1B of the Workplace Relations Act 1996, as amended, to;
 - i. give a true and fair view of the financial position as at 30 June 2006 and of the performance for the year ended on that date as represented by the results of their operations and their cash flows of the Australian Nursing Federation (Victorian Branch); and
 - ii. comply with Accounting Standards in Australia;
- b. the Australian Nursing Federation (Victorian Branch) kept satisfactory accounting records for the year ended 30 June 2006, which detailed the sources and nature of the income of the Federation (including income from members) and the nature and purposes of expenditure; and
- c. all information and explanations that are required under schedule 1(b) of the Workplace Relations Act 1996 have been provided by officers and employees of the Australian Nursing Federation (Victorian Branch).



BELL DUKE & CO
CHARTERED ACCOUNTANTS



ROBERT HENRY WALD
Registered Company Auditor

Dated this 16 day of NOVEMBER, 2006

Level 7, 468 St. Kilda Road
Melbourne Victoria 3004



Ms Lisa Fitzpatrick
Secretary
Australian Nursing Federation
Victorian Branch
Box 12600 A'Beckett Street PO
Melbourne VIC 8006

By Email: records@anfvic.asn.au

Dear Ms Fitzpatrick,

**The Australian Nursing Federation - Victorian Branch
Financial report for Year Ended 30th June 2006 - FR2006/431
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial documents of the Victorian Branch of the Australian Nursing Federation for the year ended 30th June 2006. The documents were lodged in the Industrial Registry under cover of correspondence from Jan Brownrigg dated 15 January 2007.

I apologise for the delay in providing a response to the documents.

The documents have been filed, however the following matters require attention when preparing financial documents in future years:

Timing of Financial Documents

The Auditor's report is dated 16 November 2006, which is after the date on which the documents were provided to members (1 November 2006), and after the date on which they were presented to a committee of management meeting (31 October 2006).

Similarly the Operating Report is dated after those two events (15 November 2006).

The Auditor's Report and Operating Report must be signed and dated before the full report is both provided to members and presented to the Committee of Management meeting.

Committee of Management Statement

Clause 26 of the Industrial Registrar's reporting guidelines made under section 255 of the RAO Schedule reads:

"26. The committee of management statement must:

- (a) be made in accordance with such resolution as is passed by the committee of management of the reporting unit in relation to the matters requiring declaration;*
- (b) specify the date of passage of the resolution;*
- (c) be signed by a designated officer within the meaning of section 243 of the RAO Schedule; and*
- (d) be dated as at the date the designated officer signs the statement."*

In future financial years the Committee of Management Statement should state that it has been made in accordance with a resolution passed by the Committee and provide the date of the resolution.

Auditor's Report

The wording of the auditor's report in relation to the opinion of the auditor does not fully comply with the relevant requirement set out in S257(5) of the RAO Schedule. The following wording would, in our view, meet that requirement:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996". (my underlining)

If you wish to discuss this correspondence, I may be contacted on (03) 8661 7984 or by email at ken.ophel@air.gov.au.

A copy of this correspondence has been sent to the auditor.

yours sincerely



Ken Ophel
Manager
RIA Team 1
Statutory Services Branch
14 August 2007

cc: Robert Wald, Bell Duke & Co