



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition St, Melbourne Vic 3000
GPO Box 1994, Melbourne, VIC 3001
Tel: (03) 8661 7990 - Fax: (03) 9655 0410
Email – andrew.schultz@air.gov.au

Ms Lisa Fitzpatrick
Secretary
ANF - Victorian Branch
540 Elizabeth Street
MELBOURNE VIC 3000

Dear Ms Fitzpatrick,

By email: records@anfvic.asn.au

Re: Financial Documents for year ended 30 June 2007 - FR2007/417
Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

I have received the Financial Report for the Victorian Branch of the Australian Nursing Federation for the year ended 30 June 2007. The documents were lodged on 24 January 2008.

The report has been filed. However the following improvements are required in future years:

Expenditure items to be separately disclosed

An organisation is required to *separately disclose* a wide range of expenditure items in the accounts – these include:

- Affiliation Fees or Subscriptions to political parties or industrial bodies
- Donations or Grants
- Conferences - fees/allowance for attendance
- Conference Expenses
- Capitation fees/membership subscriptions

In future years please ensure that each of these items are disclosed separately (see Item 11 of the Reporting Guidelines at http://www.airc.gov.au/registered/rao/rao_253.pdf).

Committee of Management Statement

The Committee of Management Statement must be made by resolution of the Committee and include the date of the resolution (see Item 26 of the Reporting Guidelines).

Operating Report – superannuation trustees

The Operating Report must state whether any *member* of the branch is a trustee of a superannuation entity (not just whether any officer is a trustee of such an entity). If no officer and/or member is a trustee the Operating Report should state this (see s254 RAO Schedule).

Resignation from membership

The Operating Report prepared under s254 of the RAO Schedule is required to give details of the right of members to resign under s174. The lodged Operating Report did not refer to s174. Accordingly, in future years please ensure that the Operating Report refers to s174.

If you have any queries I may be contacted on (03) 8661 7990.

Yours faithfully,

Andrew Schultz
Statutory Services Branch
27 February 2008

ANF

AUSTRALIAN
NURSING
FEDERATION

victorian

B R A N C H

FR2007/417



22 January 2007

Our Ref: File No. 101-050-004

Ken Ophel
Manager
RIA Team 1
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994
MELBOURNE 3001

Dear Ken,

**The Australian Nursing Federation – Victorian Branch
Financial Report for Year Ended 30th June 2007 – FR2006/431
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

We enclose herewith a copy of the Australian Nursing Federation (Vic. Branch) audited Annual Report in accordance to the RAO Schedule 1 of the Workplace Relations Act 1996.

Yours sincerely,

A handwritten signature in black ink that reads 'Yvonne Chaperon'.

Yvonne Chaperon
ACTING STATE SECRETARY

**AUSTRALIAN NURSING FEDERATION
VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 80 571 091 192

**Annual Financial Report For The Year Ended
30 June 2007**

**AUSTRALIAN NURSING FEDERATION - VICTORIAN
BRANCH
AND CONTROLLED ENTITY**

30 June 2007

ABN: 80 571 091 192

| CONTENTS | Page |
|-----------------------------------|-------------|
| Operating Report | 1 |
| Income Statement | 2 |
| Balance Sheet | 3 |
| Statement of Changes in Equity | 4 |
| Cash Flow Statement | 5 |
| Notes to the Financial Statements | 6 |
| Designated Officers Certificate | 14 |
| Committee of Management Statement | 15 |
| Independent Audit Report | 16 |

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

Your Branch Council present their report on the branch and its controlled entity for the financial year ended 30 June 2007.

The names of the Councillors who held office at any time during, or since the end of the year ended 30 June 2007 are as follows:

| | |
|----------------------------------|------------------------------------|
| Ms Lisa Fitzpatrick | Ms Amy Bowler |
| Ms Claire McGinness | Mr Geoffrey Devine |
| Ms Sandy Buckley | Ms Margaret Crosby |
| Ms Amanda Maberly | Ms Susan Nunis (until 31/12/06) |
| Mr Denzyl Hein | Ms Donna Hansen |
| Ms Tracey Williams | Ms Nicole Davies |
| Ms Amanda Sutherland | Ms Jan Brownrigg (until 01/03/07) |
| Ms Terry Swanson | Ms Yvonne Chaperon (from 02/03/07) |
| Ms Kate Barker | Ms Catherine Walker |
| Ms Caterina Bortolot | Ms Magie Guy (from 12/06/07) |
| Ms Sandra Criddle | Ms Lynette Hedges (from 03/04/07) |
| Ms Judith Milne (until 13/12/06) | Ms Kate Lamble (from 13/03/07) |
| Ms Lori-Anne Sharp | |

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

The consolidated surplus of the consolidated group for the financial year amounted to \$1,293,115.

A review of the operations of the consolidated group during the financial year and the results of those operations found that the changes in market demand and competition have seen an increase in sales of 7% to \$14,486,852. The increase in fees has contributed to an increase in the consolidated group's operating surplus.

No significant changes in the consolidated group's state of affairs occurred during the financial year.

The principal activities of the consolidated group 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.

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

Likely developments in the operations of the consolidated group 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 consolidated group.

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

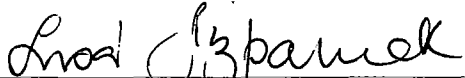
The number of members at the end of the financial year was 38,562.

The number of employees at the end of financial year measured on a full time basis was 81.

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 26th day of October 2007

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITY
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

| | Note | Consolidated Group | | Branch | |
|---|------|--------------------|------------------|------------------|------------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| Revenue | 2 | 14,486,852 | 13,588,159 | 14,637,141 | 13,702,956 |
| Other income | 2 | 298,496 | 1,507,422 | 298,496 | 1,507,422 |
| Employee benefits expense | | (6,884,678) | (6,467,564) | (6,884,678) | (6,467,564) |
| Administration Expenses | | (1,657,156) | (2,127,690) | (1,657,156) | (2,127,690) |
| Professional Indemnity Insurance | | (440,471) | (550,388) | (440,471) | (550,388) |
| ANF Capitation and Affiliation Fees | | (692,964) | (639,913) | (692,964) | (639,913) |
| Occupancy Expenses | | (357,831) | (372,760) | (793,794) | (793,482) |
| Education and Training | | (488,385) | (966,583) | (488,385) | (966,583) |
| IR Campaign | | (261,733) | (232,197) | (261,733) | (232,197) |
| AJN | | (650,430) | (629,356) | (650,430) | (629,356) |
| Legal | | (452,809) | (412,064) | (452,809) | (412,064) |
| Workcover Members | | (301,787) | (337,473) | (301,787) | (337,473) |
| Depreciation and amortisation expenses | | (615,437) | (619,904) | (329,763) | (313,979) |
| Finance costs | 3 | (157,176) | (165,882) | (157,176) | (165,882) |
| Other expenses | | (531,377) | (429,487) | (531,377) | (429,487) |
| Surplus attributable to members of the Branch | | <u>1,293,115</u> | <u>1,144,320</u> | <u>1,293,115</u> | <u>1,144,320</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 2007

| | Note | Consolidated Group | | Branch | |
|--------------------------------------|------|--------------------|-------------------|-------------------|-------------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 6 | 6,485,795 | 4,897,689 | 6,472,388 | 4,884,189 |
| Trade and other receivables | 7 | 14,654 | 25,080 | 14,654 | 25,080 |
| Other assets | 8 | 110,000 | 110,000 | 110,000 | 110,000 |
| TOTAL CURRENT ASSETS | | 6,610,449 | 5,032,769 | 6,597,042 | 5,019,269 |
| NON-CURRENT ASSETS | | | | | |
| Trade and other receivables | 7 | - | - | 3,654,274 | 3,747,128 |
| Financial assets | 9 | - | - | 14 | 14 |
| Property, plant and equipment | 11 | 10,440,659 | 10,532,692 | 1,271,911 | 1,272,063 |
| TOTAL NON-CURRENT ASSETS | | 10,440,659 | 10,532,692 | 4,926,199 | 5,019,205 |
| TOTAL ASSETS | | 17,051,108 | 15,565,461 | 11,523,241 | 10,038,474 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 12 | 934,427 | 704,544 | 934,427 | 704,544 |
| Financial liabilities | 13 | 226,110 | 239,035 | 226,110 | 239,035 |
| Current tax liabilities | 14 | 76,559 | 210,499 | - | 134,821 |
| Short-term provisions | 15 | 1,199,291 | 1,058,497 | 1,199,291 | 1,058,497 |
| TOTAL CURRENT LIABILITIES | | 2,436,387 | 2,212,575 | 2,359,828 | 2,136,897 |
| NON-CURRENT LIABILITIES | | | | | |
| Financial liabilities | 13 | 381,621 | 366,657 | 381,621 | 366,657 |
| Long-term provisions | 15 | 281,063 | 327,305 | 281,063 | 327,305 |
| TOTAL NON-CURRENT LIABILITIES | | 662,684 | 693,962 | 662,684 | 693,962 |
| TOTAL LIABILITIES | | 3,099,070 | 2,906,537 | 3,022,511 | 2,830,859 |
| NET ASSETS | | 13,952,038 | 12,658,924 | 8,500,729 | 7,207,615 |
| EQUITY | | | | | |
| Reserves | | 6,064,652 | 6,064,652 | 613,353 | 613,353 |
| Retained earnings | | 7,887,387 | 6,594,272 | 7,887,377 | 6,594,262 |
| TOTAL EQUITY | | 13,952,038 | 12,658,924 | 8,500,729 | 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
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

| Note | Retained Earnings (Accumulated Losses) | Asset Revaluation Reserve | Members Entitlement Protection Fund | Future Special Projects fund | General Reserves | Total |
|---|---|---------------------------------|---|---------------------------------|---------------------|------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Consolidated Group | | | | | | |
| Balance at 1 July 2005 | 5,449,952 | 5,451,299 | 400,000 | 27,026 | 186,327 | 11,514,604 |
| Surplus attributable to members of Branch | 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 |
| Surplus attributable to members of Branch | 1,293,115 | - | - | - | - | 1,293,115 |
| Balance at 30 June 2007 | 7,887,387 | 5,451,299 | 400,000 | 27,026 | 186,327 | 13,952,039 |
| Branch | | | | | | |
| Balance at 1 July 2005 | 5,449,942 | - | 400,000 | 27,026 | 186,327 | 6,063,295 |
| Surplus attributable to members of Branch | 1,144,320 | - | - | - | - | 1,144,320 |
| Balance at 30 June 2006 | 6,594,262 | - | 400,000 | 27,026 | 186,327 | 7,207,615 |
| Surplus attributable to members of Branch | 1,293,115 | - | - | - | - | 1,293,115 |
| Balance at 30 June 2007 | 7,887,377 | - | 400,000 | 27,026 | 186,327 | 8,500,730 |

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 FOR THE YEAR ENDED 30 JUNE 2007

| | Note | Consolidated Group | | Branch | |
|---|-------|--------------------|------------------|------------------|------------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | | 14,209,097 | 16,415,722 | 14,647,567 | 16,065,436 |
| Interest received | | 289,181 | 176,245 | 289,180 | 176,245 |
| Payments to suppliers and employees | | (12,093,848) | (13,452,485) | (12,818,989) | (13,101,328) |
| Finance costs | | (157,176) | (165,882) | (157,176) | (165,882) |
| Tax paid | | (133,890) | (776,325) | (134,821) | (675,996) |
| Net cash provided by (used in) operating activities | 19(a) | <u>2,113,364</u> | <u>2,197,275</u> | <u>1,825,761</u> | <u>2,298,475</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Proceeds from sale of property, plant and equipment | | 107,645 | 147,015 | 107,645 | 147,015 |
| Purchase of property, plant and equipment | | (630,863) | (586,407) | (436,072) | (518,420) |
| Loans to related parties | | | | | |
| — payments made | | - | - | - | (168,287) |
| — proceeds from repayments | | - | - | 92,904 | - |
| Net cash provided by (used in) investing activities | | <u>(523,218)</u> | <u>(439,392)</u> | <u>(235,523)</u> | <u>(539,692)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from borrowings | | - | 79,968 | - | 79,968 |
| Repayment of borrowings | | (2,039) | - | (2,039) | - |
| Net cash provided by (used in) financing activities | | <u>(2,039)</u> | <u>79,968</u> | <u>(2,039)</u> | <u>79,968</u> |
| Net increase in cash held | | 1,588,107 | 1,837,851 | 1,588,199 | 1,838,751 |
| Cash at beginning of financial year | | 4,897,688 | 3,059,838 | 4,884,189 | 3,045,438 |
| Cash at end of financial year | 6 | <u>6,485,795</u> | <u>4,897,689</u> | <u>6,472,388</u> | <u>4,884,189</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 2007

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers the Australian Nursing Federation - Victorian Branch as an individual parent entity and Australian Nursing Federation - Victorian Branch and the controlled entity as an consolidated group.

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 (AIFRS) in their entirety.

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

Basis of Preparation

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

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, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

A list of controlled entities is contained in Note 10 to the financial statements. All controlled entities have a June financial year-end.

All inter-federation balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(a) 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.

(b) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown 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 consolidated group to have an independent valuation every three years.

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these 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 all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use.

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

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

(c) 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 consolidated group 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 leased property 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 straight-line basis 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 incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related 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 AASB139 Financial Instruments: Recognition and Measurement. Derivatives are also categorised as held for trading unless they are designated as hedges. 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.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

(e) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible 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 statement.

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

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(h) Revenue

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

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.

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

(i) 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 are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Comparative Figures

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

Critical Accounting Estimates and Judgments

The councillors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key

Key judgements — Employee Benefits

The employee benefits calculation is based upon the probability that staff will continue to be employed by the federation until such time as they are entitled to long service leave on a pro-rata basis. These probabilities are estimates based on past history of staff turnover.

Note 2 Revenue

| | Note | Consolidated Group | | Branch | |
|---|------|--------------------|-------------------|-------------------|-------------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| Operating activities | | | | | |
| — interest received | 2(a) | 289,181 | 176,246 | 289,180 | 176,245 |
| — Membership Fees | | 13,960,171 | 13,161,404 | 13,960,171 | 13,161,404 |
| — Sponsorship and Grants | | 2,991 | 7,350 | 2,991 | 7,350 |
| — Distributions Received | | - | - | 384,800 | 357,957 |
| — Rent Received | | 234,510 | 243,159 | - | - |
| Total revenue | | <u>14,486,852</u> | <u>13,588,159</u> | <u>14,637,141</u> | <u>13,702,956</u> |
| Non-operating activities | | | | | |
| — gain on disposal of property, plant and equipment | | - | 32,473 | - | 32,473 |
| — other income | | 298,496 | 1,474,949 | 298,496 | 1,474,949 |
| Total other income | | <u>298,496</u> | <u>1,507,422</u> | <u>298,496</u> | <u>1,507,422</u> |
| (a) Interest revenue from: | | | | | |
| — other persons | | 289,181 | 176,246 | 289,180 | 176,245 |
| Total interest revenue | | <u>289,181</u> | <u>176,246</u> | <u>289,180</u> | <u>176,245</u> |

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 3 Profit from Ordinary Activities

| | Consolidated Group | | Branch | |
|---------------------------------|--------------------|-----------|-----------|-----------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| (a) Expenses | | | | |
| Finance costs: | | | | |
| — Leasing Costs | 38,336 | 58,527 | 38,336 | 58,527 |
| — Bank Fees | 118,841 | 107,355 | 118,841 | 107,355 |
| Total finance costs | 157,176 | 165,882 | 157,176 | 165,882 |
| Employee Benefits Expense: | | | | |
| — Employees | 6,571,654 | 6,202,262 | 6,571,654 | 6,202,262 |
| — Officeholders | 313,024 | 265,302 | 313,024 | 265,302 |
| Total employee benefits expense | 6,884,678 | 6,467,564 | 6,884,678 | 6,467,564 |

Note 4 Key Management Personnel Compensation

Compensated Councillors (Elected)

Ms Lisa Fitzpatrick
Ms Jan Brownrigg
Ms Yvonne Chaperon

| | Short-term Benefits | | Post Employment Benefits | | Total |
|--------------------|---------------------|-------|--------------------------|--------------------|---------|
| | Salary & Fees | Bonus | Superannuation | Long-term Benefits | |
| | \$ | \$ | \$ | \$ | \$ |
| 2007 | | | | | |
| Total compensation | 266,699 | - | 37,338 | 8,987 | 313,024 |
| 2006 | | | | | |
| Total compensation | 232,729 | - | 32,583 | - | 265,312 |

Note 5 Auditors' Remuneration

| | Consolidated Group | | Branch | |
|--|--------------------|--------|--------|--------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| Remuneration of the auditor of the Branch for: | | | | |
| — auditing or reviewing the financial report | 20,000 | 19,867 | 17,000 | 16,867 |

Note 6 Cash and Cash Equivalents

| | Note | Consolidated Group | | Branch | |
|-----------------------------------|------|--------------------|-----------|-----------|-----------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| Cash at bank and in hand | | 898,982 | 867,774 | 885,575 | 854,274 |
| NAB - Professional Fund | | 4,079,615 | 3,152,651 | 4,079,615 | 3,152,651 |
| NAB - Education & Training | | 176,749 | 147,015 | 176,749 | 147,015 |
| NAB - Contingency Fund | | 617,525 | 188,700 | 617,525 | 188,700 |
| NAB - PII Account | | 95,002 | 93,164 | 95,002 | 93,164 |
| NAB - RTO Students Fees | | 119,032 | 61,300 | 119,032 | 61,300 |
| Members Equity Deposit | | 223,464 | 210,401 | 223,464 | 210,401 |
| NAB - OTTE Funding (RTO) | | 55,353 | 54,086 | 55,353 | 54,086 |
| NAB - C'wealth Dept Funding(RTO) | | 74,691 | 81,627 | 74,691 | 81,627 |
| NAB - C'wealth Dept Funding (AIN) | | 40,258 | 40,971 | 40,258 | 40,971 |
| SGE Credit Union | | 105,125 | - | 105,125 | - |
| | | 6,485,795 | 4,897,689 | 6,472,388 | 4,884,189 |

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

| | | | | |
|---------------------------|-----------|-----------|-----------|-----------|
| Cash and cash equivalents | 6,485,795 | 4,897,689 | 6,472,388 | 4,884,189 |
| | 6,485,795 | 4,897,689 | 6,472,388 | 4,884,189 |

Note 7 Trade and Other Receivables

| | Note | Consolidated Group | | Branch | |
|---|------|--------------------|--------|-----------|-----------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| CURRENT | | | | | |
| Other Receivables | | 14,654 | 25,080 | 14,654 | 25,080 |
| | | 14,654 | 25,080 | 14,654 | 25,080 |
| NON-CURRENT | | | | | |
| Amounts receivable from wholly owned subsidiary | | - | - | 3,654,274 | 3,747,128 |
| | | - | - | 3,654,274 | 3,747,128 |

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 8 Other Assets

| | Consolidated Group | | Branch | |
|-------------|--------------------|----------------|----------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| CURRENT | | | | |
| Prepayments | 110,000 | 110,000 | 110,000 | 110,000 |
| | <u>110,000</u> | <u>110,000</u> | <u>110,000</u> | <u>110,000</u> |

Note 9 Financial Assets

| | Consolidated Group | | Branch | |
|--|--------------------|----------|-----------|-----------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| Available-for-sale Financial Assets: | | | | |
| — Shares in NSE Property Pty Ltd - at cost | - | - | 10 | 10 |
| — Trust Capital - NSE Property Trust - at cost | - | - | 4 | 4 |
| Total available-for-sale financial assets | <u>-</u> | <u>-</u> | <u>14</u> | <u>14</u> |

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

Note 10 Controlled Entities

| Controlled Entities Consolidated | Country of Incorporation | Percentage Owned (%) | |
|--|--------------------------|----------------------|------|
| | | 2007 | 2006 |
| Parent Entity: | | | |
| Australian Nursing Federation - Victorian Branch | Australia | | |
| Subsidiaries of Australian Nursing Federation - Victorian NSE Property Trust | Australia | 100 | 100 |

Note 11 Property, Plant and Equipment

| | Consolidated Group | | Branch | |
|-------------------------------------|--------------------|-------------------|------------------|------------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| LAND AND BUILDINGS | | | | |
| Freehold land at: | | | | |
| — independent valuation 2003 | 1,295,000 | 1,295,000 | - | - |
| Total land | <u>1,295,000</u> | <u>1,295,000</u> | <u>-</u> | <u>-</u> |
| Buildings at: | | | | |
| — independent valuation 2003 | 8,110,614 | 8,110,614 | - | - |
| — Building Development | 190,524 | - | - | - |
| Less accumulated depreciation | (760,387) | (557,622) | - | - |
| Total buildings | <u>7,540,751</u> | <u>7,552,992</u> | <u>-</u> | <u>-</u> |
| Total land and buildings | <u>8,835,751</u> | <u>8,847,992</u> | <u>-</u> | <u>-</u> |
| PLANT AND EQUIPMENT | | | | |
| Plant and equipment: | | | | |
| At cost | 3,717,350 | 3,598,075 | 2,639,486 | 2,523,481 |
| Accumulated depreciation | (2,752,829) | (2,514,667) | (2,007,962) | (1,852,710) |
| Accumulated impairment losses | - | - | - | - |
| | <u>964,521</u> | <u>1,083,408</u> | <u>631,524</u> | <u>670,771</u> |
| Leased plant and equipment: | | | | |
| Capitalised leased assets | 920,218 | 861,367 | 920,218 | 861,367 |
| Accumulated depreciation | (308,715) | (260,075) | (308,715) | (260,075) |
| | <u>611,503</u> | <u>601,292</u> | <u>611,503</u> | <u>601,292</u> |
| Leasehold Improvements | | | | |
| At Cost | 30,581 | - | 30,581 | - |
| Accumulated depreciation | (1,697) | - | (1,697) | - |
| | <u>28,884</u> | <u>-</u> | <u>28,884</u> | <u>-</u> |
| Total plant and equipment | <u>1,604,908</u> | <u>1,684,700</u> | <u>1,271,911</u> | <u>1,272,063</u> |
| Total property, plant and equipment | <u>10,440,659</u> | <u>10,532,692</u> | <u>1,271,911</u> | <u>1,272,063</u> |

The group's land and buildings were revalued at 01/09/2003 by independent valuers. Valuations were made on the basis of open market value.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment

| | Freehold Land \$ | Buildings \$ | Plant and Equipment \$ | Leasehold Improvements \$ | Leased Plant and Equipment \$ | Total \$ |
|---------------------------------|---------------------|-----------------|------------------------------|---------------------------------|-------------------------------------|-------------|
| Consolidated Group: | | | | | | |
| Balance at 1 July 2005 | 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) |
| Balance at 30 June 2006 | 1,295,000 | 7,552,992 | 1,083,408 | - | 601,292 | 10,532,692 |
| Additions | | 195,524 | 114,272 | 30,581 | 294,489 | 634,866 |
| Disposals | | | | | (111,464) | (111,464) |
| Depreciation expense | | (207,765) | (233,159) | (1,697) | (172,814) | (615,435) |
| Carrying amount at 30 June 2007 | 1,295,000 | 7,540,751 | 964,521 | 28,884 | 611,503 | 10,440,659 |

Note 12 Trade and Other Payables

| | Consolidated Group | | Branch | |
|----------------|--------------------|------------|------------|------------|
| | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| CURRENT | | | | |
| Trade payables | 934,427 | 704,544 | 934,427 | 704,544 |
| | 934,427 | 704,544 | 934,427 | 704,544 |

Note 13 Financial Liabilities

| | Note | Consolidated Group | | Branch | |
|--------------------|------|--------------------|------------|------------|------------|
| | | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| CURRENT | | | | | |
| Lease liability | 17 | 226,110 | 239,035 | 226,110 | 239,035 |
| | | 226,110 | 239,035 | 226,110 | 239,035 |
| NON-CURRENT | | | | | |
| Lease liability | 17 | 381,621 | 366,657 | 381,621 | 366,657 |
| | | 381,621 | 366,657 | 381,621 | 366,657 |

Note 14 Tax

| | Consolidated Group | | Branch | |
|--------------------|--------------------|------------|------------|------------|
| | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| Liabilities | | | | |
| CURRENT | | | | |
| GST Payable | 76,559 | 210,499 | - | 134,821 |
| TOTAL | 76,559 | 210,499 | - | 134,821 |

Note 15 Provisions

| | Consolidated Group | | Branch | |
|--|--------------------|------------|------------|------------|
| | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| CURRENT | | | | |
| Long-term Employee Benefits | | | | |
| Opening balance at beginning of year | 1,058,497 | 790,317 | 1,058,497 | 790,317 |
| Additional provisions raised during year | 140,794 | 268,180 | 140,794 | 268,180 |
| Balance at end of the year | 1,199,291 | 1,058,497 | 1,199,291 | 1,058,497 |
| NON-CURRENT | | | | |
| Long-term Employee Benefits | | | | |
| Opening balance at beginning of year | 327,305 | 331,590 | 327,305 | 331,590 |
| Amounts used | (46,242) | (4,285) | (46,242) | (4,285) |
| Balance at end of the year | 281,063 | 327,305 | 281,063 | 327,305 |
| | | | | |
| | | | | |
| | | | | |
| Analysis of Total Provisions | | | | |
| Current | 1,199,291 | 1,058,497 | 1,199,291 | 1,058,497 |
| Non-current | 281,063 | 327,305 | 281,063 | 327,305 |
| | 1,480,353 | 1,385,802 | 1,480,353 | 1,385,802 |

Note 16 Reserves

- (a) **Asset Revaluation Reserve**
The asset revaluation reserve records revaluations of non-current assets.
- (b) **General Reserve**
The general reserve records funds set aside for future expansion of the consolidated group.
- (c) **Financial Assets Reserve**
The financial assets reserve records revaluation of financial assets.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 17 Capital and Leasing Commitments

| | Note | Consolidated Group | | Branch | |
|---|------|--------------------|----------|----------|----------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| (a) Finance Lease Commitments | | | | | |
| Payable — minimum lease payments | | | | | |
| — not later than 12 months | | 272,313 | 293,096 | 272,313 | 293,096 |
| — between 12 months and five years | | 412,522 | 388,405 | 412,522 | 388,405 |
| — greater than five years | | | - | | - |
| Minimum lease payments | | 684,835 | 681,501 | 684,835 | 681,501 |
| Less future finance charges | | (77,104) | (75,809) | (77,104) | (75,809) |
| Present value of minimum lease payments | 13 | 607,731 | 605,692 | 607,731 | 605,692 |

(b) Operating Lease Commitments
There are no operating lease payments.

(c) Capital Expenditure Commitments
There are no capital expenditure commitments currently contracted.

Note 18 Segment Reporting

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

Note 19 Cash Flow Information

| | Consolidated Group | | Branch | |
|--|--------------------|------------------|------------------|------------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| (a) Reconciliation of Cash Flow from Operations with Profit after Income Tax | | | | |
| Profit after income tax | 1,293,115 | 1,144,320 | 1,293,115 | 1,144,320 |
| Non-cash flows in profit | | | | |
| Depreciation | 615,435 | 619,904 | 328,763 | 313,979 |
| Net gain on disposal of property, plant and equipment | 3,843 | (32,473) | 3,843 | (32,473) |
| Rent Expense unpaid | - | - | - | 765,000 |
| Distributions Unpaid | - | - | - | (357,957) |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries | | | | |
| Increase/(decrease) in trade and term debtors | 10,426 | (16,160) | 10,426 | (16,160) |
| Increase/(decrease) in other assets | - | (82,500) | - | (82,500) |
| (Increase)/decrease in payables | 229,883 | 271,285 | 229,883 | 271,285 |
| Increase/(decrease) in GST payable | (133,890) | 29,004 | (134,821) | 29,086 |
| Increase/(decrease) in provisions | 94,552 | 263,895 | 94,552 | 263,895 |
| | <u>2,113,364</u> | <u>2,197,275</u> | <u>1,825,761</u> | <u>2,298,475</u> |

Note 20 Related Party Transactions

The group did not take part in any transactions with related parties during the period ended 30 June 2007 apart from those transactions that it undertakes with the Federal Office in its role as the umbrella organisation.

Note 21 Economic Dependence

The continuing operations of the trade union is dependent upon nurses remaining financial members.

Note 22 Financial Instruments

(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, loans to and from subsidiaries, bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

The group does not have any derivative instruments at 30 June 2007.

Financial Risks

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

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

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 unutilised borrowing facilities are 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 consolidated group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated group.

Price risk

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

(b) Interest Rate Risk

The consolidated group'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 Interest Rate | | Floating Interest Rate | | Fixed Interest Rate Maturing | | | |
|------------------------------------|--|-------|------------------------|------------------|------------------------------|----------------|------------------|------------------|
| | 2007 | 2006 | 2007 | 2006 | Within Year | | 1 to 5 years | |
| | % | % | \$ | \$ | 2007 | 2006 | 2007 | 2006 |
| Financial Assets: | | | | | | | | |
| Cash and cash equivalents | 6.02% | 5.60% | 6,485,795 | 4,897,689 | - | - | - | - |
| Total Financial Assets | | | <u>6,485,795</u> | <u>4,897,689</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Financial Liabilities: | | | | | | | | |
| Lease liabilities | 7.25% | 7.25% | - | - | 226,110 | 239,035 | 381,621 | 366,657 |
| Total Financial Liabilities | | | <u>-</u> | <u>-</u> | <u>226,110</u> | <u>239,035</u> | <u>381,621</u> | <u>366,657</u> |
| | | | | | Non-interest Bearing | | Total | |
| | | | | | 2007 | 2006 | 2007 | 2006 |
| | | | | | \$ | \$ | \$ | \$ |
| Financial Assets: | | | | | | | | |
| Cash and cash equivalents | 6.02% | 5.60% | | | - | - | 6,485,795 | 4,897,689 |
| Total Financial Assets | | | | | <u>-</u> | <u>-</u> | <u>6,485,795</u> | <u>4,897,689</u> |
| Financial Liabilities: | | | | | | | | |
| Lease liabilities | 7.25% | 7.25% | | | - | - | 607,731 | 605,692 |
| Total Financial Liabilities | | | | | <u>-</u> | <u>-</u> | <u>607,731</u> | <u>605,692</u> |

(c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. 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. Financial assets where the carrying amount exceeds net fair values have not been written down as the consolidated group intends to hold these assets to maturity.

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

Note 23 Accounting Policies

(a) The following Australian Accounting Standards have been issued or amended which are applicable to the branch and consolidated group but the amendments are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

| AASB Amendment | Standards Affected | | Outline of Amendment | Application date of the standard | Application date for Group |
|--|--|---|--|----------------------------------|----------------------------|
| AASB 2005-10 Amendments to Australian Accounting Standards | AASB 1 AASB 4 AASB 101 AASB 114 AASB 117 AASB 133 AASB 1023 AASB 1038 AASB 139 | First time adoption of AIFRS Insurance Contracts Presentation of Financial Statements Segment Reporting Leases Earnings per Share General Insurance Contracts Life Insurance Contracts Financial Instruments: Recognition and Measurement | The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard. | 1 Jan 2007 | 1 July 2007 |
| AASB 7 Financial Instruments: Disclosures | AASB 132 | Financial Instruments: Disclosure and Presentation | As above. | 1 Jan 2007 | 1 July 2007 |

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 24 Branch Details

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

Note 25 Florence Nightingale Fund

| | 2007 \$ | 2006 \$ |
|--|---------------|---------------|
| Income | | |
| Sundry Income | 4,023 | 2,000 |
| Bank Interest | 266 | 365 |
| | <u>4,289</u> | <u>2,365</u> |
| Less: Outflows | | |
| Personal assistance to members (loan) | 6,680 | 8,000 |
| Bank charges | 245 | 248 |
| | <u>6,925</u> | <u>8,248</u> |
| Net Inflow / (Outflow) | (2,636) | (5,883) |
| Balance of fund at 1 July 2006 | 30,405 | 36,288 |
| Balance of fund at 30 June 2007 | <u>27,769</u> | <u>30,405</u> |

These funds are held in a separate trust account.

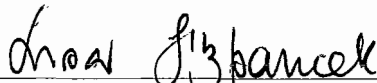
Note 26 Information Available Upon Request

- 1 A member of the Federation, or a Registrar, may apply to the Federation for specific prescribed information in relation to the Federation to be made available to the person making the application.
- 2 The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must 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 3 December 2007 ; and
- 3) that the report was presented to a meeting of the Committee of Management on 13 November 2007 in accordance with section 266 of the RAO Schedule.



Ms Lisa Fitzpatrick

Dated this 15th day of November 2007

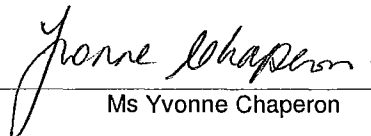
AUSTRALIAN NURSING FEDERATION
ABN: 80 571 091 192
AND CONTROLLED ENTITY
COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management declares that:

1. The financial statements and notes, as set out on pages 3 to 14, are in accordance with the Workplace Relations Act 1996 and:
 - 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 2007 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 2007 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 passed by the Committee of Management on 13 November 2007

Assistant Branch Secretary


Ms Yvonne Chaperon

Dated this

15th

day of

November

2007

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

Report on the Financial Report

We have audited the accompanying financial report of Australian Nursing Federation - Victorian Branch and controlled entity, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the councillors' declaration of the consolidated entity comprising the Federation and the entity it controlled at the year's end or from time to time during the financial year.

Councillors' responsibility for the financial report

The councillors of the Federation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the councillors also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRSs) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the councillors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional and ethical pronouncements.

Auditor's Opinion

In our opinion the general purpose financial report of the Australian Nursing Federation - Victorian Branch and controlled entity is in accordance with:

- (a) the Workplace Relations Act 1996, including:
- (i) giving a true and fair view of the Branch's financial position as at 30 June 2007 and its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and other mandatory professional reporting requirements in Australia; and
 - (iii) complying with any other requirements of the RAO.

Name of firm: Bell Duke & Co.
Bell Duke & Co.

Name of Partner: Robert H Wald
Robert H Wald

Address: Level 7, 468 St Kilda Road
MELBOURNE VIC 3004

Dated this 1 day of NOVEMBER 2007