



FAIR WORK
AUSTRALIA

18 March 2010

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

Dear Ms Fitzpatrick,

**Fair Work (Registered Organisations) Act 2009 ("RO Act")
Financial Report for the year ended 30 June 2009 – FR2009/265**

I note that the following events have occurred with respect to the financial documents of the Branch for the year ended 30 June 2009:

| | |
|-----------------|---|
| 23 October 2009 | Statement of Loans, Grants, and Donations was lodged |
| 6 January 2010 | Financial Report was lodged |
| 2 March 2010 | Letter from FWA stating that the financial report must be again presented to a meeting |
| 5 March 2010 | Letter from the Branch advising that the Branch will undertake the required further action |
| 15 March 2010 | Letter and Designated Officer's Certificate lodged which confirmed that the financial report was again presented to a meeting |

The documents have been filed.

Please keep in mind the recommendations set out in our letter dated 2 March 2010 when preparing the next financial report.

Yours faithfully,

Tom Cagorski
Law Graduate
Tribunal Services & Organisations



AUSTRALIAN
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victorian

B R A N C H

15 March 2010

Mr T Cagorski
Law Graduate
Fair Work Australia
Level 5
11 Exhibition Street
MELBOURNE VIC 3001

Dear Mr Cagorski,

RE: ANF (VIC BRANCH) FINANCIAL REPORT – YEAR ENDED 30 JUNE 2009

I refer to your letter dated 2 March 2010 and our reply dated 5 March 2010 concerning the financial report for the year ended 30 June 2009.

I now enclose a signed *Designated Officer's Certificate* enclosing a copy of the full audited annual report, the date the report was provided to our members, and the date it was again presented to our Branch Council. This document has been signed by Lisa Fitzpatrick, Branch Secretary.

Yours sincerely,

Graham Neal
ADMINISTRATION MANAGER
Direct line 03 9275 9328

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Designated Officer's Certificate

s268 Fair Work (Registered Organisations) Act 2009

I Lisa Fitzpatrick being Branch **Secretary of Australian Nursing Federation (Victorian Branch), 540 Elizabeth Street Melbourne 3000** certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 8 December 2009 at the Annual General Meeting, and
- that the full report was again presented to a meeting of our committee of management, ANF (Victorian Branch) Council on 10 March 2010; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:

Date: 15 March 2010



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B R A N C H

5 March 2010

Mr T Cagorski
Law Graduate
Fair Work Australia
Level 5
11 Exhibition Street
MELBOURNE VIC 3001

Dear Mr Cagorski,

RE: ANF (VIC BRANCH) FINANCIAL REPORT – YEAR ENDED 30 JUNE 2009

I refer to your letter dated 2 March 2010 concerning the financial report for the year ended 30 June 2009.

I would like to thank you for your comments which will be taken into consideration when preparing our financial report for the year ending 30 June 2010. A copy of your letter has been sent to our auditors Bell Partners for their information and action as appropriate later this year.

Concerning the financial report for the year ended 30 June 2009, I would like to advise that the audited financial report will again be presented to our committee of management, ANF (Victorian Branch) Council at the next meeting on Wednesday 10 March 2010 for their information and resolution to accept the report.

Following such acceptance, I will forward to Fair Work Australia a duly signed *Designated Officer's Certificate* enclosing a copy of the full audited annual report, the date the report was provided to our members, and the date it was again presented to our Branch Council.

Yours sincerely,

Lisa Fitzpatrick
ANF SECRETARY (Vic Branch)

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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



FAIR WORK
AUSTRALIA

2 March 2010

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

Dear Ms Fitzpatrick,

**Fair Work (Registered Organisations) Act 2009 (“RO Act”)
Financial Report for the year ended 30 June 2009 – FR2009/265**

I acknowledge receipt of the financial report for the Australian Nursing Federation – Victorian Branch for the year ended 30 June 2009. The documents were lodged on 6 January 2010.

Further action is required as set out below.

Presentation of Financial Report to Committee of Management Meeting

The Independent Audit Report is dated 11 November 2009, which is after the date on which the documents were presented to the Committee of Management Meeting (10 November 2009).

Before we can file the documents, the full audited financial report must be presented to a Committee of Management Meeting in accordance with sections 265 and 266 of the RO Act. A revised Designated Officer's certificate will then need to be lodged under section 268 of the RO Act to confirm that this has been done.

Please advise in writing by 5 March 2010 as to when this will occur.

I would like to comment on some other issues arising from the financial report. I make the following comments to assist you when you prepare the next financial report. You do not need to take any further action in respect of the documents already lodged in relation to these particular matters.

Operating Report

Section 254(2)(b) of the RO Act requires the Operating Report to “give details of any significant changes to the reporting unit's financial affairs during the year”.

Note 11 to the Financial Statements discloses an amount of \$11,535,015 for “building development” during the year compared to \$1,163,223 in the previous year. It appears that this project was funded by both internal and external loans – see Note 13 to the Accounts (which refers to a “loan to fund building costs for redevelopment and extensions to the building”) and the Statement of Cash Flows.

This large increase in non-current assets appears to be a significant change to the branch's financial affairs – however the details of this increase were not provided in the Operating Report.

Please ensure that the Operating Report for year ended 30 June 2010 gives details of the abovementioned building development as required by section 254(2)(b) of the RO Act.

Income Statement - Expenses

The financial report must separately and individually disclose a wide range of expenditure items (if there has been expenditure on any such items) – these include (this list is not meant to be exhaustive):

- Conference & meeting allowances
- Conference & meeting expenses
- Fees for payroll deductions
- Fees or Subscriptions to political parties or industrial bodies
- Compulsory levies

For further information regarding these expenditure items please see Item 11 of the Reporting Guidelines at: <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines#what>.

Balance Sheet – Current & Non-Current Liabilities

Provisions for employee benefits for those employees who are holders of an office and those who do not hold office must be separately and individually disclosed in accordance with Item 14(c) and (d) of the Reporting Guidelines.

Cash Flow Statement

Cash outflows to another reporting unit must be separately and individually disclosed in accordance with Item 15 of the Reporting Guidelines. This would normally include the payment of “Capitation Fees” to the national office of an organisation.

Notes to the Financial Statements

In accordance with Item 8 of the Reporting Guidelines the following sub-sections from the RO Act must be included in the notes to the financial statements (rather than in the operating report):

Section 272 - Information to be provided to members or General Manager

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

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

Note: This subsection is a civil penalty provision (see section 305).

Committee of Management Statement

Wages Recovery Activity

I note that the financial report did not provide information in relation to any recovery of wages activity. The financial reporting obligations regarding recovery of wages activity is specified in Items 16 to 23 and Item 25(f) of the Reporting Guidelines.

Where the reporting unit has not undertaken any recovery of wages activity for the financial year it is suggested that the committee of management statement or the independent audit report include a statement to this effect.

Information sought and provided

The committee of management statement must include a declaration that during the financial year to which the financial report relates and since the end of that year the information sought in any request of a member of a reporting unit or the General Manager duly made under section 272 of the RO Act has been furnished to the member or General Manager as required by Item 25(e)(v) of the Reporting Guidelines.

Independent Audit Report

The independent audit report at the beginning refers to a “directors’ declaration of the consolidated entity...” and does not mention the committee of management statement as an audited document. Please ensure that the committee of management statement is clearly mentioned and identified in future audit reports.

Statement of Loans, Grants and Donations (“LGD Statement”)

I acknowledge receipt of the LGD Statement for the Australian Nursing Federation – Victorian Branch for the year ended 30 June 2009. The document was lodged on 23 October 2009.

Please take note in future that a LGD Statement must be lodged with FWA within 90 days after the end of each financial year in accordance with section 237 of the RO Act.

Legislation

In future years please ensure that the financial report refers to the relevant provisions of the current legislation:

- *Fair Work (Registered Organisations) Act 2009*
- *Fair Work (Registered Organisations) Regulations 2009*

The *Reporting Guidelines* previously issued by the Industrial Registrar continue to apply under the above legislation – see <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines>.

Your attention to the abovementioned matters when preparing future documents will be much appreciated.

Please note, once the financial report has been filed the documents and relevant correspondence will appear on our registered organisation website at <http://www.e-airc.gov.au/145vic/financial>, with the exception of the LGD Statement which will not be published in any form.

Should you wish to discuss any matters contained in this letter I may be contacted on (03) 8661 7988 or by e-mail at tom.cagorski@fwa.gov.au.

Yours faithfully,



Tom Cagorski
Law Graduate
Tribunal Services & Organisations

ANF

AUSTRALIAN
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23 December 2009

Our Ref: File No. 101-050-004

Andrew Schultz
Statutory Services Branch
Fair Work Australia
GPO Box 1994
MELBOURNE 3001

Dear Andrew

**The Australian Nursing Federation – Victorian Branch
Financial Report for Year Ended 30th June 2009**

We enclose herewith a copy of the Australian Nursing Federation (Vic. Branch) audited Annual Report in compliance with the Fair Work (Registered Organisation) Act 2009..

Yours sincerely,

A handwritten signature in black ink, appearing to read "Lisa Fitzpatrick".

Lisa Fitzpatrick
STATE SECRETARY

**AUSTRALIAN NURSING FEDERATION
(VICTORIAN BRANCH)
AND CONTROLLED ENTITIES**

ABN: 80 571 091 192

Annual Financial Report

For the Year Ended 30 June 2009

**AUSTRALIAN NURSING FEDERATION
(VICTORIAN BRANCH)
AND CONTROLLED ENTITIES**

30 June 2009

ABN: 80 571 091 192

| CONTENTS | Page |
|-----------------------------------|-------------|
| Operating Report | 1 |
| Income Statement | 3 |
| Balance Sheet | 4 |
| Statement of Changes in Equity | 5 |
| Cash Flow Statement | 6 |
| Notes to the Financial Statements | 7 |
| Committee of Management Statement | 16 |
| Independent Audit Report | 17 |
| Designated Officers Certificate | 18 |

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

Your councillors present their report on the federation and its controlled entities for the financial year ended 30 June 2009.

The names of the directors in office at any time during, or since the end of, the year are:

| | |
|--|--|
| Ms Lisa Fitzpatrick | Mr Geoffrey Devine |
| Ms Clare McGinness | Ms Margaret Crosby |
| Ms Amanda Maberly | Ms Nicole Davies |
| Mr Denzyl Hein | Ms Yvonne Chaperon |
| Ms Tracey Williams (resigned 08/07/2008) | Ms Magie Guy |
| Ms Kate Barker | Ms Lynette Hedges |
| Ms Caterina Bortolot | Ms Kate Lamble |
| Ms Lori-Anne Sharp | Ms Shelley Strauss (resigned 12/05/2009) |
| Ms Michelle Ashworth | Ms Amanda Sutherland (resigned 09/12/2008) |
| Ms Katie Smith | Ms Marian Macdonald |
| Ms Pippa Strang | Mr Michael Belleville (appointed 08/07/2008) |
| | Ms Maree Burgess (appointed 08/07/2008) |

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 \$1,581,531. (2008: \$873,620)

A review of the operations of the consolidated group during the financial year and the results of those operations found an increase in members by 3.8% which resulted in an increase in membership income to \$16.2 million. Despite increases in employee benefits expense, finance costs and other expenses the federation produced a healthy 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 47,292. (2008: 45,569).

The number of employees at the end of the financial year measured on a full time basis was 88. (2008: 76).

No officeholder or member of the Branch Council acts as;

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

272 Information to be provided to members or Registrar.

- (1) A member of the federation, or the 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 has been given to the branch.
- (3) The branch must comply with an application made under subsection (1).

Members retain the right to resign from the Australian Nursing Federation in accordance with section 10 of the Federal Rules and Section 174 of Schedule 1B to the Workplace Relations Act 1996. A member of the organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or branch of the organisation.

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

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the consolidated group.

No person has applied for leave of Court to bring proceedings on behalf of the federation or intervene in any proceedings to which the federation is a party for the purpose of taking responsibility on behalf of the federation for all or any part of those proceedings.

The federation was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Branch Council.

State Secretary


Ms Lisa Fitzpatrick

10 November 2009

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

| | Note | Consolidated Group | | Branch | |
|--|------|--------------------|----------------|------------------|----------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | \$ | \$ | \$ | \$ |
| Revenue | 2 | 17,434,428 | 16,387,834 | 17,624,216 | 16,544,551 |
| Other income | 2 | 67,351 | 106,383 | 67,351 | 106,383 |
| Employee benefits expense | | (8,475,443) | (7,670,050) | (8,475,443) | (7,670,050) |
| Donations | | (44,060) | (14,985) | (44,060) | (14,985) |
| Administration expenses | | (1,544,024) | (1,525,151) | (1,544,024) | (1,522,151) |
| Professional indemnity insurance | | (489,475) | (492,032) | (489,475) | (492,032) |
| Occupancy expenses | | (344,559) | (435,356) | (834,464) | (864,438) |
| Education and training | | (426,490) | (438,086) | (426,490) | (438,086) |
| IR campaign | | - | (399,834) | - | (399,834) |
| ANJ | | (789,120) | (760,857) | (789,120) | (760,857) |
| Legal | | (385,637) | (397,071) | (385,637) | (397,071) |
| Workcover members | | (264,513) | (293,397) | (264,513) | (293,397) |
| Activites fund members (EBA) | | (143,457) | (979,866) | (143,457) | (979,866) |
| Depreciation and amortisation expenses | | (624,280) | (601,820) | (368,235) | (332,455) |
| Finance costs | 3 | (348,399) | (207,497) | (304,327) | (207,497) |
| Grants | | (57,327) | (29,000) | (57,327) | (29,000) |
| ANF capitation fees federal office | | (682,296) | (603,936) | (682,296) | (603,936) |
| Affiliation fees non-political | | (107,899) | (177,571) | (107,899) | (177,571) |
| Staff professional development | | (67,780) | (38,436) | (67,780) | (38,436) |
| Other expenses | | (1,125,489) | (555,652) | (1,125,489) | (555,652) |
| Surplus (Deficit) attributable to members of the branch | | 1,581,531 | 873,620 | 1,581,531 | 873,620 |

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
BALANCE SHEET AS AT 30 JUNE 2009

| | Note | Consolidated Group | | Branch | |
|--------------------------------------|------|--------------------|-------------------|-------------------|-------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | \$ | \$ | \$ | \$ |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 6 | 1,635,201 | 6,895,008 | 1,567,261 | 6,876,983 |
| Trade and other receivables | 7 | 245,990 | 12,133 | 245,990 | 12,133 |
| Other assets | 8 | 77,000 | 110,000 | 77,000 | 110,000 |
| TOTAL CURRENT ASSETS | | <u>1,958,191</u> | <u>7,017,141</u> | <u>1,890,251</u> | <u>6,999,116</u> |
| NON-CURRENT ASSETS | | | | | |
| Trade and other receivables | 7 | - | - | 11,487,838 | 4,361,665 |
| Financial assets | 9 | - | - | 14 | 14 |
| Property, plant and equipment | 11 | 21,210,751 | 11,033,521 | 1,223,121 | 1,161,438 |
| TOTAL NON-CURRENT ASSETS | | <u>21,210,751</u> | <u>11,033,521</u> | <u>12,710,973</u> | <u>5,523,117</u> |
| TOTAL ASSETS | | <u>23,168,942</u> | <u>18,050,662</u> | <u>14,601,224</u> | <u>12,522,233</u> |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 12 | 1,164,452 | 1,012,756 | 1,088,751 | 935,635 |
| Borrowings | 13 | 259,412 | 247,971 | 259,412 | 247,971 |
| Short-term provisions | 14 | 1,719,013 | 1,323,015 | 1,719,013 | 1,323,015 |
| TOTAL CURRENT LIABILITIES | | <u>3,142,877</u> | <u>2,583,741</u> | <u>3,067,176</u> | <u>2,506,620</u> |
| NON-CURRENT LIABILITIES | | | | | |
| Borrowings | 13 | 3,517,941 | 323,862 | 477,233 | 323,862 |
| Long-term provisions | 14 | 105,625 | 322,091 | 105,625 | 322,091 |
| TOTAL NON-CURRENT LIABILITIES | | <u>3,623,566</u> | <u>645,953</u> | <u>582,858</u> | <u>645,953</u> |
| TOTAL LIABILITIES | | <u>6,766,443</u> | <u>3,229,695</u> | <u>3,650,034</u> | <u>3,152,574</u> |
| NET ASSETS | | <u>16,402,499</u> | <u>14,820,968</u> | <u>10,951,190</u> | <u>9,369,659</u> |
| MEMBERS FUNDS | | | | | |
| Reserves | | 6,059,960 | 6,059,960 | 608,661 | 608,661 |
| Retained earnings | | 10,342,539 | 8,761,008 | 10,342,529 | 8,760,998 |
| TOTAL MEMBERS FUNDS | | <u>16,402,499</u> | <u>14,820,968</u> | <u>10,951,190</u> | <u>9,369,659</u> |

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

| | Accumulated Surplus (Deficit) | Asset Revaluation Reserve | Members Entitlement Protection Fund | Special Projects Fund | General Reserves | Total |
|---|----------------------------------|------------------------------|---|--------------------------|-----------------------|--------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Consolidated Group | | | | | | |
| Balance at 1 July 2007 | 7,887,387 | 5,451,299 | 400,000 | 27,026 | 186,327 | 13,952,039 |
| Surplus (Deficit) attributable to members of the branch | 873,620 | - | - | - | - | 873,620 |
| Transfers from retained surplus | - | - | - | (4,691) | - | (4,691) |
| Balance at 30 June 2008 | <u>8,761,007</u> | <u>5,451,299</u> | <u>400,000</u> | <u>22,335</u> | <u>186,327</u> | <u>14,820,968</u> |
| Surplus (Deficit) attributable to members of the branch | 1,581,531 | - | - | - | - | 1,581,531 |
| Balance at 30 June 2009 | <u><u>10,342,538</u></u> | <u><u>5,451,299</u></u> | <u><u>400,000</u></u> | <u><u>22,335</u></u> | <u><u>186,327</u></u> | <u><u>16,402,499</u></u> |
| Branch | | | | | | |
| Balance at 1 July 2007 | 7,887,377 | - | 400,000 | 27,026 | 186,327 | 8,500,730 |
| Surplus (Deficit) attributable to members of the branch | 873,620 | - | - | - | - | 873,620 |
| Transfers from retained surplus | - | - | - | (4,691) | - | (4,691) |
| Balance at 30 June 2008 | <u>8,760,997</u> | <u>-</u> | <u>400,000</u> | <u>22,335</u> | <u>186,327</u> | <u>9,369,659</u> |
| Surplus (Deficit) attributable to members of the branch | 1,581,531 | - | - | - | - | 1,581,531 |
| Balance at 30 June 2009 | <u><u>10,342,528</u></u> | <u><u>-</u></u> | <u><u>400,000</u></u> | <u><u>22,335</u></u> | <u><u>186,327</u></u> | <u><u>10,951,190</u></u> |

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

| | Note | Consolidated Group | | Branch | |
|--|------|---------------------|--------------------|--------------------|------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | \$ | \$ | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | | 17,267,922 | 15,523,279 | 17,457,710 | 15,679,996 |
| Interest received | | 156,065 | 374,293 | 155,747 | 374,293 |
| Payments to suppliers and employees | | (14,730,536) | (14,083,698) | (15,218,917) | (14,510,341) |
| Finance costs | | (348,399) | (207,497) | (304,327) | (207,497) |
| Net cash provided by (used in) operating activities | 18 | <u>2,345,052</u> | <u>1,606,377</u> | <u>2,090,213</u> | <u>1,336,451</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Proceeds from sale of property, plant and equipment | | 201,705 | 133,329 | 201,705 | 133,329 |
| Purchase of property, plant and equipment | | (11,012,084) | (1,294,595) | (640,292) | (321,896) |
| Loans to related parties | | | | | |
| — payments made | | - | - | (7,126,173) | (707,391) |
| Net cash provided by (used in) investing activities | | <u>(10,810,379)</u> | <u>(1,161,266)</u> | <u>(7,564,760)</u> | <u>(895,958)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from borrowings | | 3,205,520 | - | 164,825 | - |
| Repayment of borrowings | | - | (35,898) | - | (35,898) |
| Net cash provided by (used in) financing activities | | <u>3,205,520</u> | <u>(35,898)</u> | <u>164,825</u> | <u>(35,898)</u> |
| Net increase (decrease) in cash held | | (5,259,807) | 409,213 | (5,309,722) | 404,595 |
| Cash at beginning of financial year | | 6,895,008 | 6,485,795 | 6,876,983 | 6,472,388 |
| Cash at end of financial year | 6 | <u>1,635,201</u> | <u>6,895,008</u> | <u>1,567,261</u> | <u>6,876,983</u> |

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

This financial report includes the consolidated financial statements and notes of Australian Nursing Federation - Victorian Branch and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Australian Nursing Federation - Victorian Branch as an individual parent entity ('Branch').

Note 1 Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

A controlled entity is any entity over which Australian Nursing Federation - Victorian Branch has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 10 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group 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 adopted by the parent entity.

(b) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated 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), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by councillors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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% |
| Leased plant and equipment | 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) 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 on a straight-line basis over the lease term.

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

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) 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.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
 ABN: 80 571 091 192
 AND CONTROLLED ENTITIES
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(g) **Employee Benefits**

Provision is made for the branch'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. 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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(h) **Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at balance date.

(i) **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.

(j) **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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).

(k) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(l) **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 Tax 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.

(m) **Comparative Figures**

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

(n) **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

(a) *Impairment*

The Group assesses impairment at each reporting date by evaluation of conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(o) **New Accounting Standards for application in future periods**

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for future reporting periods and which the group has decided not to early adopt. A discussion of those future requirements and their impact on the group is as follows:

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefine the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

The group does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the group's financial statements.

Note 2 Revenue and Other Income

| | Note | Consolidated Group | | Branch | |
|----------------------------|------|--------------------|------------|------------|------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | \$ | \$ | \$ | \$ |
| Revenue | | | | | |
| — Interest received | 2(a) | 156,065 | 374,293 | 155,747 | 374,293 |
| — Membership fees | | 16,267,753 | 15,253,285 | 16,267,753 | 15,253,285 |
| — Sponsorship and grants | | 317,425 | 26,000 | 317,425 | 26,000 |
| — Distributions received | | - | - | 331,107 | 398,190 |
| — Rent received | | 141,001 | 241,473 | - | - |
| — Education and training | | 552,184 | 492,783 | 552,184 | 492,783 |
| Total revenue | | 17,434,428 | 16,387,834 | 17,624,216 | 16,544,551 |
| Other income | | | | | |
| — Sundry income | | 67,351 | 106,383 | 67,351 | 106,383 |
| Total other income | | 67,351 | 106,383 | 67,351 | 106,383 |
| (a) Interest revenue from: | | | | | |
| — Other persons | | 156,065 | 374,293 | 155,747 | 374,293 |
| Total interest revenue | | 156,065 | 374,293 | 155,747 | 374,293 |

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 3 Surplus from ordinary activities

| | Consolidated Group | | Branch | |
|---------------------|--------------------|---------|---------|---------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$ | \$ | \$ | \$ |
| (a) Expenses | | | | |
| Finance costs | | | | |
| — Leasing costs | 150,115 | 57,058 | 150,115 | 57,058 |
| — Bank fees | 198,284 | 150,439 | 154,212 | 150,439 |
| Total finance costs | 348,399 | 207,497 | 304,327 | 207,497 |

Note 4 Key Management Personnel Compensation

| | Short-term Benefits | Post Employment Benefit | Total |
|--------------------|---------------------|-------------------------|---------|
| | \$ | \$ | \$ |
| 2009 | | | |
| Total compensation | 274,260 | 45,239 | 319,499 |
| 2008 | | | |
| Total compensation | 269,070 | 44,633 | 313,703 |

Note 5 Auditors' Remuneration

| | Consolidated Group | | Branch | |
|---|--------------------|--------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$ | \$ | \$ | \$ |
| Remuneration of the auditor of the parent entity for: | | | | |
| — auditing or reviewing the financial report | 22,400 | 19,400 | 20,000 | 17,000 |
| — preparation of the financial report | 3,100 | 2,600 | 2,500 | 2,000 |

Note 6 Cash and Cash Equivalents

| | Consolidated Group | | Branch | |
|-----------------------------------|--------------------|-----------|-----------|-----------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$ | \$ | \$ | \$ |
| CURRENT | | | | |
| Cash at bank and in hand | 442,472 | 5,646,079 | 374,532 | 5,628,054 |
| Short-term bank deposits | 34,176 | 71,993 | 34,176 | 71,993 |
| NAB - Professional Fund | 224,802 | 163,798 | 224,802 | 163,798 |
| NAB - Education & Training | 316,533 | 229,193 | 316,533 | 229,193 |
| NAB - Contingency Fund | 9,387 | 49,514 | 9,387 | 49,514 |
| NAB - PII Account | 97,431 | 96,818 | 97,431 | 96,818 |
| NAB - RTO Students Fees | 61,024 | 60,742 | 61,024 | 60,742 |
| Members Equity Deposit | - | 243,541 | - | 243,541 |
| NAB - OTTE Funding (RTO) | 211,977 | 34,458 | 211,977 | 34,458 |
| NAB - C'wealth Dept Funding (RTO) | 210,116 | 160,178 | 210,116 | 160,178 |
| NAB - C'wealth Dept Funding (AIN) | 27,283 | 27,420 | 27,283 | 27,420 |
| SGE Credit Union | - | 111,275 | - | 111,275 |
| | 1,635,201 | 6,895,008 | 1,567,261 | 6,876,983 |

The effective interest rate on short-term bank deposits was 0.10% (2008: 4.55%); these deposits have an average maturity of 30 days.

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 | 1,635,201 | 6,895,008 | 1,567,261 | 6,876,983 |
| | 1,635,201 | 6,895,008 | 1,567,261 | 6,876,983 |

Note 7 Trade and Other Receivables

| | Consolidated Group | | Branch | |
|---|--------------------|--------|------------|-----------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$ | \$ | \$ | \$ |
| CURRENT | | | | |
| Other receivables | 245,990 | 12,133 | 245,990 | 12,133 |
| Total current trade and other receivables | 245,990 | 12,133 | 245,990 | 12,133 |
| NON-CURRENT | | | | |
| Amounts receivable from wholly owned subsidiary | - | - | 11,487,838 | 4,361,665 |
| Total non-current trade and other receivables | - | - | 11,487,838 | 4,361,665 |
| Trade and other receivables | | | | |
| — Total Current | 245,990 | 12,133 | 245,990 | 12,133 |
| — Total Non-Current | - | - | 11,487,838 | 4,361,665 |
| | 245,990 | 12,133 | 11,733,828 | 4,373,797 |

Note 8 Other Assets

| | Consolidated Group | | Branch | |
|-------------|--------------------|---------|--------|---------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$ | \$ | \$ | \$ |
| CURRENT | | | | |
| Prepayments | 77,000 | 110,000 | 77,000 | 110,000 |
| | 77,000 | 110,000 | 77,000 | 110,000 |

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 9 Financial Assets

| | Note | Consolidated Group | | Branch | |
|---|------|--------------------|----------|-----------|-----------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | \$ | \$ | \$ | \$ |
| NON-CURRENT | | | | | |
| Unlisted investments at cost | 9(a) | - | - | 14 | 14 |
| Total Non-Current Assets | | - | - | 14 | 14 |
| (a) Unlisted investments at cost | | | | | |
| Shares in NSE Property Trust Pty Ltd | | - | - | 10 | 10 |
| Trust Capital (NSE Property Trust) | | - | - | 4 | 4 |
| | | - | - | 14 | 14 |

Note 10 Controlled Entities

| Controlled Entities Consolidated | Country of Incorporation | Percentage Owned (%)* | |
|---|--------------------------|-----------------------|------|
| | | 2009 | 2008 |
| Subsidiaries of Australian Nursing Federation - Victorian Branch: | | | |
| NSE Property Trust | Australia | 100 | 100 |

* Percentage of voting power in proportion to ownership

Note 11 Property, Plant and Equipment

| | Consolidated Group | | Branch | |
|--|--------------------|-------------------|------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$ | \$ | \$ | \$ |
| LAND AND BUILDINGS | | | | |
| Freehold land at: | | | | |
| — independent valuation (2003) | 1,295,000 | 1,295,000 | - | - |
| Total Land | 1,295,000 | 1,295,000 | - | - |
| Buildings at: | | | | |
| — independent valuation (2003) | 8,110,614 | 8,110,614 | - | - |
| — building development | 11,535,015 | 1,163,223 | - | - |
| Less accumulated depreciation | (1,165,917) | (963,152) | - | - |
| Total buildings | 18,479,712 | 8,310,685 | - | - |
| Total Land and Buildings | 19,774,712 | 9,605,685 | - | - |
| PLANT AND EQUIPMENT | | | | |
| Plant and equipment: | | | | |
| At cost | 4,018,462 | 3,822,628 | 2,940,798 | 2,744,764 |
| Accumulated depreciation | (3,162,963) | (2,973,851) | (2,298,217) | (2,162,385) |
| | 855,499 | 848,776 | 642,581 | 582,378 |
| Leased motor vehicles | | | | |
| At cost | 867,912 | 880,625 | 867,912 | 880,625 |
| Accumulated depreciation | (300,839) | (321,665) | (300,839) | (321,665) |
| | 567,073 | 558,960 | 567,073 | 558,960 |
| Leasehold improvements | | | | |
| At cost | 31,653 | 31,653 | 31,653 | 31,653 |
| Accumulated depreciation | (18,186) | (11,553) | (18,186) | (11,553) |
| | 13,467 | 20,100 | 13,467 | 20,100 |
| Total Plant and Equipment | 1,436,039 | 1,427,836 | 1,223,121 | 1,161,438 |
| Total Property, Plant and Equipment | 21,210,751 | 11,033,521 | 1,223,121 | 1,161,438 |

The group's land and buildings were revalued in 2003 by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve in members' funds. A revaluation of the property will be undertaken when the current redevelopment of land and building is complete.

(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

| | Land and Buildings | Plant and Equipment | Leased Improvements | Leased Motor Vehicles | Total |
|---------------------------------|--------------------|---------------------|---------------------|-----------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Consolidated Group: | | | | | |
| Balance at 1 July 2007 | 8,835,751 | 964,521 | 28,884 | 611,503 | 10,440,659 |
| Additions | 972,699 | 105,277 | 1,072 | 215,547 | 1,294,595 |
| Disposals | - | - | - | (99,913) | (99,913) |
| Depreciation expense | (202,765) | (221,022) | (9,856) | (168,177) | (601,820) |
| Balance at 30 June 2008 | 9,605,685 | 848,776 | 20,100 | 558,960 | 11,033,521 |
| Additions | 10,371,792 | 195,835 | - | 444,457 | 11,012,084 |
| Disposals | - | - | - | (210,574) | (210,574) |
| Depreciation expense | (202,765) | (189,112) | (6,633) | (225,770) | (624,280) |
| Carrying amount at 30 June 2009 | 19,774,712 | 855,499 | 13,467 | 567,073 | 21,210,751 |

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 12 Trade and Other Payables

| | Note | Consolidated Group | | Branch | |
|--------------------------------------|------|--------------------|------------------|------------------|----------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | \$ | \$ | \$ | \$ |
| CURRENT | | | | | |
| Sundry payables and accrued expenses | | 1,164,452 | 1,012,756 | 1,088,751 | 935,635 |
| | | <u>1,164,452</u> | <u>1,012,756</u> | <u>1,088,751</u> | <u>935,635</u> |

Note 13 Borrowings

| | Note | Consolidated Group | | Branch | |
|--|------|--------------------|----------------|----------------|----------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | \$ | \$ | \$ | \$ |
| CURRENT | | | | | |
| Lease liability | 15 | 259,412 | 247,971 | 259,412 | 247,971 |
| Total current borrowings | | <u>259,412</u> | <u>247,971</u> | <u>259,412</u> | <u>247,971</u> |
| NON-CURRENT | | | | | |
| Bank loan secured | | 3,040,708 | - | - | - |
| Lease liability | 15 | 477,233 | 323,862 | 477,233 | 323,862 |
| Total non-current borrowings | | <u>3,517,941</u> | <u>323,862</u> | <u>477,233</u> | <u>323,862</u> |
| Total borrowings | 22 | <u>3,777,353</u> | <u>571,833</u> | <u>736,645</u> | <u>571,833</u> |
| (a) Total current and non-current secured liabilities: | | | | | |
| Bank loan | | 3,040,708 | - | - | - |
| | | <u>3,040,708</u> | <u>-</u> | <u>-</u> | <u>-</u> |

NSE Property Pty Ltd required the loan to fund building costs for redevelopment and extensions to the buildings. The mortgage is secured against land and buildings owned by NSE Property Pty Ltd.

Note 14 Provisions

| | | Consolidated Group | | Branch | |
|---|--|--------------------|------------------|------------------|------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | \$ | \$ | \$ | \$ |
| CURRENT | | | | | |
| Short-term Employee Benefits | | | | | |
| Opening balance at beginning of year | | 1,323,015 | 1,199,291 | 1,323,015 | 1,199,291 |
| Additional provisions raised and amounts used during year | | 395,998 | 123,724 | 395,998 | 123,724 |
| Balance at end of the year | | <u>1,719,013</u> | <u>1,323,015</u> | <u>1,719,013</u> | <u>1,323,015</u> |
| NON-CURRENT | | | | | |
| Long-term Employee Benefits | | | | | |
| Opening balance at beginning of year | | 322,091 | 281,063 | 322,091 | 281,063 |
| Additional provisions raised and amounts used during year | | (216,466) | 41,028 | (216,466) | 41,028 |
| Balance at end of the year | | <u>105,625</u> | <u>322,091</u> | <u>105,625</u> | <u>322,091</u> |
| Analysis of Total Provisions | | | | | |
| Current | | 1,719,013 | 1,323,015 | 1,719,013 | 1,323,015 |
| Non-current | | 105,625 | 322,091 | 105,625 | 322,091 |
| | | <u>1,824,638</u> | <u>1,645,106</u> | <u>1,824,638</u> | <u>1,645,106</u> |

Provision for Long-term Employee Benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1(g).

Note 15 Capital and Leasing Commitments

| | Note | Consolidated Group | | Branch | |
|---|------|--------------------|----------------|----------------|----------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | \$ | \$ | \$ | \$ |
| (a) Finance Lease Commitments | | | | | |
| Payable — minimum lease payments | | | | | |
| — not later than 12 months | | 307,902 | 310,078 | 307,902 | 310,078 |
| — between 12 months and five years | | 502,482 | 320,238 | 502,482 | 320,238 |
| — greater than five years | | - | - | - | - |
| Minimum lease payments | | <u>810,384</u> | <u>630,316</u> | <u>810,384</u> | <u>630,316</u> |
| Less future finance charges | | (57,144) | (58,493) | (57,144) | (58,493) |
| Present value of minimum lease payments | 13 | <u>753,240</u> | <u>571,823</u> | <u>753,240</u> | <u>571,823</u> |

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
 ABN: 80 571 091 192
 AND CONTROLLED ENTITIES
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

| | Consolidated Group | | Branch | |
|---|--------------------|-------------------|----------|----------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$ | \$ | \$ | \$ |
| (b) Operating Lease Commitments | | | | |
| There are no operating lease commitments | | | | |
| (c) Capital Expenditure Commitments | | | | |
| Capital expenditure commitments contracted for: | | | | |
| Plant and equipment purchases | - | 1,800,000 | - | - |
| Capital expenditure projects | 2,180,000 | 10,900,000 | - | - |
| | <u>2,180,000</u> | <u>12,700,000</u> | <u>-</u> | <u>-</u> |
| Payable | | | | |
| — not later than 12 months | 2,180,000 | 12,700,000 | - | - |
| | <u>2,180,000</u> | <u>12,700,000</u> | <u>-</u> | <u>-</u> |

Note 16 Contingent Liabilities and Contingent Assets

The councillors were not aware of any contingent assets or contingent liabilities at balance date.

Note 17 Cash Flow Information

| | Consolidated Group | | Branch | |
|--|--------------------|------------------|------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$ | \$ | \$ | \$ |
| (a) Reconciliation of Cash Flow from Operations | | | | |
| with Surplus attributable to members | | | | |
| Surplus attributable to members | 1,581,531 | 873,620 | 1,581,531 | 873,620 |
| Non-cash flows in surplus | | | | |
| Depreciation | 624,280 | 601,820 | 368,235 | 332,455 |
| Net (gain)/loss on disposal of property, plant and equipment | 8,869 | (33,064) | 8,869 | (33,064) |
| Changes in assets and liabilities: | | | | |
| (Increase)/decrease in trade and term debtors | (233,857) | (2,521) | (233,857) | (2,521) |
| (Increase)/decrease in other assets | 33,000 | - | 33,000 | - |
| Increase/(decrease) in payables | 151,697 | 1,769 | 152,903 | 1,208 |
| Increase/(decrease) in provisions | 179,532 | 164,752 | 179,532 | 164,752 |
| | <u>2,345,052</u> | <u>1,606,376</u> | <u>2,090,213</u> | <u>1,336,450</u> |

(b) The following unused facilities with the National Australia Bank at 30 June 2009 were:

| | |
|---------------------------------------|-----------|
| — Asset finance for leasing | \$124,462 |
| — Business lending for business cards | \$45,461 |

Note 18 Events After the Balance Sheet Date

Since the end of the financial year, no matters which may significantly affect the operations of the federation, the results of those operations or the state of affairs of the federation in subsequent financial years have arisen.

Note 19 Related Party Transactions

The group did not take part in any transactions with related parties during the period ended 30 June 2009, apart from those transactions that it undertakes with the Federal Office in its role as the umbrella organisation.

Note 20 Economic Dependence

The results of the branch are dependant on the ability to maintain and increase its membership numbers.

Note 21 Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bank loans and equity in subsidiaries.

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

| | Note | Consolidated Group | | Branch | |
|---|------|--------------------|------------------|-------------------|-------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | \$ | \$ | \$ | \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 6 | 1,635,201 | 6,895,008 | 1,567,261 | 6,876,983 |
| Loans and receivables | 7 | 245,990 | 12,133 | 11,733,828 | 4,373,797 |
| | | <u>1,881,191</u> | <u>6,907,141</u> | <u>13,301,089</u> | <u>11,250,781</u> |
| Financial Liabilities | | | | | |
| Financial liabilities at amortised cost | | | | | |
| — Trade and other payables | 12 | 1,164,452 | 1,012,756 | 1,088,751 | 935,635 |
| — Borrowings | 13 | 3,777,353 | 571,833 | 736,645 | 571,833 |
| | | <u>4,941,805</u> | <u>1,584,589</u> | <u>1,825,396</u> | <u>1,507,468</u> |

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Financial Risk Management Policies

The councillors' overall risk management strategy seeks to assist the group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Executive Council on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for the federation's operations. The federation does not have any derivative instruments at 30 June 2009.

Specific Financial Risk Exposures and Management

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

(a) Interest rate risk

At the end of the financial year finance lease agreements were at fixed interest rates and the bank bill facility at a bank bill rate (yield rate).

Councillors manage interest rate risk by monitoring interest rate fluctuations and assessing potential impact on cash flow.

(b) Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

Financial liability and financial asset maturity analysis

| Consolidated Group | Within 1 Year | | 1 to 5 years | | Over 5 years | | Total | |
|------------------------------|------------------|------------------|------------------|----------------|--------------|----------|------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Financial liabilities | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Trade and other payables | 1,164,452 | 935,635 | - | - | - | - | 1,164,452 | 935,635 |
| Borrowings | 259,412 | 247,971 | 3,517,941 | 323,862 | - | - | 3,777,353 | 571,833 |
| Total financial | 1,423,864 | 1,183,606 | 3,517,941 | 323,862 | - | - | 4,941,805 | 1,507,468 |

Financial Assets

| | | | | | | | | |
|-------------------------------|------------------|------------------|----------|----------|----------|----------|------------------|------------------|
| Cash and cash equivalents | 1,635,201 | 6,895,008 | - | - | - | - | 1,635,201 | 6,895,008 |
| Trade and other receivables | 245,990 | 12,133 | - | - | - | - | 245,990 | 12,133 |
| Total financial assets | 1,881,191 | 6,907,141 | - | - | - | - | 1,881,191 | 6,907,141 |

| Parent Entity | Within 1 Year | | 1 to 5 years | | Over 5 years | | Total contractual cash flow | |
|------------------------------|------------------|------------------|----------------|----------------|--------------|----------|-----------------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Financial liabilities | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Trade and other payables | 1,088,751 | 935,635 | - | - | - | - | 1,088,751 | 935,635 |
| Borrowings | 259,412 | 247,971 | 477,233 | 323,862 | - | - | 736,645 | 571,833 |
| Total financial | 1,348,163 | 1,183,606 | 477,233 | 323,862 | - | - | 1,825,396 | 1,507,468 |

Financial Assets

| | | | | | | | | |
|-------------------------------|------------------|------------------|-------------------|------------------|----------|----------|-------------------|-------------------|
| Cash and cash equivalents | 1,567,261 | 6,876,983 | - | - | - | - | 1,567,261 | 6,876,983 |
| Trade and other receivables | 245,990 | 12,133 | 11,487,838 | 4,361,665 | - | - | 11,733,828 | 4,373,797 |
| Total financial assets | 1,813,251 | 6,889,116 | 11,487,838 | 4,361,665 | - | - | 13,301,089 | 11,250,781 |

Financial assets pledged as collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

(c) Foreign exchange risk

The group is not exposed to fluctuations in foreign currencies.

(d) Credit risk

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

Credit risk is managed on a group basis and reviewed regularly by the finance committee.

Credit Risk Exposures

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
 ABN: 80 571 091 192
 AND CONTROLLED ENTITIES
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(e) Price risk

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

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

| Year ended 30 June 2009 | Consolidated Group | | Branch | |
|-------------------------|--------------------|--------------|--------------|--------------|
| | Profit \$ | Equity \$ | Profit \$ | Equity \$ |
| +/- 1% in interest rate | +/- 21,421 | +/- 21,421 | +/- 8,306 | +/- 8,306 |

| Year ended 30 June 2008 | Consolidated Group | | Branch | |
|-------------------------|--------------------|--------------|--------------|--------------|
| | Profit \$ | Equity \$ | Profit \$ | Equity \$ |
| +/- 1% in interest rate | +/- 63,231 | +/- 63,231 | +/- 63,051 | +/- 63,051 |

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Note 22 Union 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 23 Florence Nightingale Fund

Statement of income and expenditure for the year ended 30 June 2009

| | 2009 \$ | 2008 \$ |
|---|----------------------|----------------------|
| Income | | |
| Sundry income | 28,000 | - |
| Bank interest | 1 | 260 |
| Loan repayments - members | 1,000 | 24 |
| | <u>29,001</u> | <u>284</u> |
| Expenditure | | |
| Personal assistance to members (loan) | 6,500 | 8,069 |
| Victorian bushfire appeal | 30,000 | - |
| Bank charges | 248 | 245 |
| | <u>36,748</u> | <u>8,314</u> |
| Net Inflow / (Outflow) | (7,747) | (8,030) |
| Balance of fund at beginning of financial year | 19,740 | 27,770 |
| Balance of fund at end of financial year | <u>11,993</u> | <u>19,740</u> |

These funds are held in a separate trust account by Australian Nursing Federation (Victorian Branch).

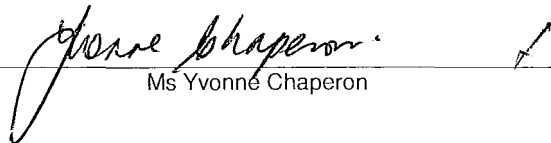
AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITY
BRANCH COUNCIL (COMMITTEE OF MANAGEMENT) STATEMENT

On the 10th November 2009 the Branch Council of the Australian Nursing Federation (Victorian Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 30 June 2009.

The councillors of the branch declare that:

1. The financial statements and notes, as set out on pages 3 to 15 are in accordance with the Workplace Relations Act 1996:
 - (a) comply with Australian Accounting Standards and with the reporting guidelines of the Industrial Registrar; and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and consolidated group.
2. In the Committee' opinion there are reasonable grounds to believe that the branch will be able to pay its debts as and when they become due and payable.
3. During the financial year ended 30 June 2009 and since the year end of the year:
 - (a) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - (b) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
 - (c) the financial records of the reporting unit have been kept in accordance with the RAO Schedule and the RAO Regulations;
 - (d) the financial records of the branches has been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation to ensure compliance with Accounting Standards;
 - (e) No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

Assistant Branch Secretary


Ms Yvonne Chaperon

10 November 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH

We have audited the accompanying financial report of Australian Nursing Federation - Victorian Branch and controlled entities, which comprises the balance sheet as at 30 June 2009, 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 directors' declaration of the consolidated entity comprising the company 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 Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes designing, implementing 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 (IFRS) 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 directors, 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

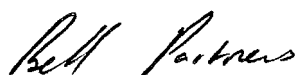
Independence

In conducting our audit, we have complied with the independence requirements of the Australian Professional Ethical pronouncements

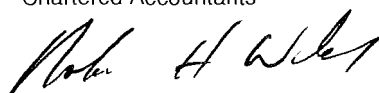
Auditor's Opinion

In our opinion the general purpose financial report of the Australian Nursing Federation - Victorian Branch is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Workplace Relations Act 1996 including;

- a. Giving a true and fair view of the Branch and its controlled entities financial position as at 30 June 2009 and of its financial performance for the year ended on that date in accordance with the accounting policies described in Note 1;
- b. Complying with Australian Accounting Standards (including Australian Accounting Interpretations);
- c. The branch and controlled entities kept satisfactory accounting records for the year ended 30 June 2009, which detailed the sources and nature of the income of the branch (including income from members) and the nature and purpose of expenditure; and
- d. All information and explanations that are required by the RAO schedule of the Workplace Relations Act 1996 have been provided by officers and employees of the federation.



Bell Partners
Chartered Accountants



Robert H Wald, FCA
Partner, RCA 10418

11 November 2009

Level 7, 468 St. Kilda Road, Melbourne

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
DESIGNATED OFFICERS 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 will be made available to members on our website from 1 December 2009 ; and
- 3) that the report was presented to a meeting of the Committee of Management (Branch Council) on 10 November 2009 in accordance with section 266 of the RAO Schedule.

A handwritten signature in black ink, appearing to read 'Lisa Fitzpatrick', is written over a horizontal line. To the right of the signature is a small handwritten mark resembling a cross or the number '4'. Below the line, the text 'Ms Lisa Fitzpatrick' is printed.

Ms Lisa Fitzpatrick

10 November 2009