FAIR WORK AUSTRALIA

5 January 2011

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

By email: records@anfvic.asn.au

Dear Ms Fitzpatrick

Fair Work (Registered Organisations) Act 2009 − (RO Act)
Financial report for year ended 30 June 2010 − FR2010/2561

I acknowledge receipt of the financial report for the year ended 30 June 2010 for the Victorian Branch of the Australian Nursing Federation. The document was lodged with Fair Work Australia (FWA) on 16 December 2010.

The financial report has been filed.

Although the financial report has been filed please note the following comments relating to issues arising out of the 2009 financial report. These comments are made to assist you in the preparation of future financial reports and no further action is required in respect to the 2009 financial report.

Provide full report to members by 30 November

Sub-section 265(1)(a) and 265(5)(b) of the RO Act requires the full report (which includes general purpose financial report, auditor's report and operating report) to be provided to members within the period of 5 months starting at the end of the financial year. Sub-section 265(5) also provides that the reporting unit may apply to the General Manager to extend this period by no longer than 1 month.

At present, the full report was provided to members 7 days later than the legislative requirement. If in future, the timetabling of the reporting unit's meetings prevent this time requirement from being met you should apply for an extension of time under s265(5) or you may wish to consider moving the timetable of the meetings a week earlier so that the audited full report is available to the members by 30 November.

Operating Report - any officer or member who is trustee of superannuation entity

Sub-section 254(2)(d) of the RO Act requires the operating report to disclose whether **any officer or member of the reporting unit** is a trustee or director of a trustee company of a superannuation entity or exempt public sector superannuation scheme. I note the lodged operating report address the 'officeholder of member of the Branch Council' but the legislation requires consideration of all members of the Victorian Branch of the ANF. I understand there are 51,405 members in your reporting unit. Therefore, in future if there are no such trustees amongst the officeholders and members of the reporting unit, it is acceptable to qualify the statement in the operating report with the words "... to the best of my knowledge there are no officeholder or members of the Victorian Branch of the ANF who is a trustee or director of a trustee company of a superannuation entity..."

If you have any queries regarding this letter please do not hesitate to contact me on (03) 8661 7989 (Tuesdays − Fridays) or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely

Cynthia Lo−Booth
Tribunal Services and Organisations

ANF

victorian

BRANCH

AUSTRALIAN
NURSING
FEDERATION

14 December 2010

Fair Work Australia
GPO Box 1994
Melbourne Vic 3001

Sent email: orgs@fwa.gov.au

Dear Sir or Madam;

**The Australian Nursing Federation (Victorian Branch)
Financial Reports for the Year Ended 30 June 2010.**

We enclose herewith a copy of Australian Nursing Federation (Victorian Branch)

1. Designated Officer's Certificate
2. Audited full Annual Financial Report in compliance with *s268 of the Fair Work Australia (Registered Organisations) Act 2009.*

Yours sincerely

Lisa Fitzpatrick
ANF SECRETARY (Vic Branch)

mr/FWA12-10

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
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ANF victorian BRANCH
AUSTRALIAN NURSING FEDERATION

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

- The full report was presented to a meeting of our committee of management, ANF (Victorian Branch) Council on 9 November 2010; in accordance with sections 266 for the *Fair Work (Registered Organisations) Act 2009*, and

- That the full report was provided to members on 7 December 2009 at the Annual General Meeting.

Signature: Lisa Fitzpatrick

Date: 14 December 2010

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

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 80 571 091 192

Financial Report For The Year Ended
30 June 2010

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 80 571 091 192

Financial Report For The Year Ended 30 June 2010

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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 2010.

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

Ms Lisa Fitzpatrick
Ms Michelle Ashworth
Mr Michael Belleville
Ms Caterina Bortolot
Ms Maree Burgess
Ms Margaret Crosby
Mr Geoffrey Devine
Ms Kate Lamble
Ms Amanda Maberly
Ms Marian Macdonald
Ms Lori-Anne Sharp
Ms Lynette Hedges
Ms Kate Barker resigned (8/06/2010)
Ms Yvonne Chaperon resigned (21/05/2010)
Ms Nicole Davies resigned (9/06/2010)
Ms Magie Guy resigned (27/08/2009)
Mr Denzyl Hein resigned (30/11/2009)
Ms Clare McGinness resigned (2/06/2010)
Ms Katie Smith resigned (25/08/2009)
Ms Pippa Strang resigned (30/11/2009)
Ms Lisa Auchettl appointed (30/11/2009)
Ms Leanne Boase appointed (8/09/2009)
Ms Pip Carew appointed (26/05/2010)
Mr Paul Gilbert appointed (30/11/2009)
Ms Sheryn Martin appointed (30/11/2009)
Ms Myshalee Morrissey appointed (30/11/2009)
Mr Timothy O'Brien appointed (30/11/2009)
Ms Rachel Weaver appointed (30/11/2009)

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

The consolidated profit of the consolidated group for the financial year amounted to $1,436,027.

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 8.6%, which resulted in an increase in membership income to $18 million.

During the year the group completed the redevelopment of the properties located at 540 and 532 Elizabeth Street Melbourne at a cost of $14,401,737. The redevelopment was funded in part by a bank bill of $4,776,132 which is secured by the property at 540 Elizabeth Street Melbourne. Other than the redevelopment, there have been no significant changes in the consolidated group's state of affairs 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.

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

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 51,405 (2009: 47,292).

The number of employees at the end of the financial year was 92 full time and 16 part time (2009: 88 full time and 14 part time).

No officeholder of 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.

Members retain the right to resign from the Australian Nursing Federation in accordance with section 10 of the Federal Rules and Section 174 of the *Fair Work (Registered Organisations) Act 2009*. 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.

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

Signed in accordance with a resolution of the Branch Council:

State Secretary ______ Lisa Fitzpatrick
Ms Lisa Fitzpatrick

Assistant Secretary ______
Mr Paul Gilbert

Assistant Secretary ______ P. Carew
Ms Pip Carew

Dated this 9th day of November 2010

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
Revenue	2	20,044,928	17,434,428	19,820,513	17,624,216
Other income	2	290,399	67,351	290,399	67,351
Employee benefits expense		(10,175,517)	(8,475,443)	(10,175,517)	(8,475,443)
Freight and cartage		(19,788)	(44,060)	(19,788)	(44,060)
Administration expenses		(1,449,821)	(1,544,024)	(1,449,821)	(1,544,024)
Professional indemnity insurance		(527,868)	(489,475)	(527,868)	(489,475)
Occupancy expenses		(445,957)	(344,559)	(1,201,111)	(834,464)
Education and training		(675,672)	(426,490)	(675,672)	(426,490)
ANJ		(842,434)	(789,120)	(842,434)	(789,120)
Legal		(405,992)	(385,637)	(405,992)	(385,637)
Workcover members		(233,757)	(264,513)	(233,757)	(264,513)
Activites fund members (EBA)		(1,320)	(143,457)	(1,320)	(143,457)
Depreciation and amortisation expense		(949,632)	(624,280)	(374,774)	(368,235)
Finance costs		(547,527)	(348,399)	(230,807)	(304,327)
Grants		(56,466)	(57,327)	(56,466)	(57,327)
ANF capitation fees federal office		(746,160)	(682,296)	(746,160)	(682,296)
Donations		(30,806)	(44,060)	(30,806)	(44,060)
Affiliation fees non-political		(108,816)	(107,899)	(108,816)	(107,899)
ACTU		(10,185)	-	(10,185)	-
Staff professional development		(83,254)	(67,780)	(83,254)	(67,780)
Other expenses		(1,588,328)	(1,081,429)	(1,500,337)	(1,081,429)
Surplus (deficit) for the year	3	1,436,027	1,581,531	1,436,027	1,581,531

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
Surplus (deficit) for the year		1,436,027	1,581,531	1,436,027	1,581,531
Other comprehensive income:					
Net loss on revaluation of land and buildings		(1,309,400)	-	-	-
Total comprehensive income for the year		126,627	1,581,531	1,436,027	1,581,531

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	2,850,872	1,635,201	2,672,012	1,567,261
Trade and other receivables	7	34,988	245,990	34,988	245,990
Other assets	8	80,080	77,000	80,080	77,000
TOTAL CURRENT ASSETS		2,965,940	1,958,191	2,787,080	1,890,251
NON-CURRENT ASSETS					
Trade and other receivables	7	-	-	12,204,390	11,487,838
Financial assets	9	-	-	14	14
Property, plant and equipment	11	22,504,894	21,210,751	1,534,401	1,223,121
TOTAL NON-CURRENT ASSETS		22,504,894	21,210,751	13,738,805	12,710,973
TOTAL ASSETS		25,470,834	23,168,942	16,525,885	14,601,224
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	12	1,295,013	1,164,462	1,268,094	1,088,750
Borrowings	13	317,216	259,412	317,216	259,412
Short-term provisions	14	2,134,174	1,719,013	2,134,174	1,719,013
TOTAL CURRENT LIABILITIES		3,746,403	3,142,887	3,719,484	3,067,175
NON-CURRENT LIABILITIES					
Borrowings	13	5,084,728	3,517,941	308,596	477,233
Long-term provisions	14	110,587	105,625	110,587	105,625
TOTAL NON-CURRENT LIABILITIES		5,195,315	3,623,566	419,183	582,858
TOTAL LIABILITIES		8,941,718	6,766,453	4,138,667	3,650,033
NET ASSETS		16,529,116	16,402,489	12,387,218	10,951,191
EQUITY					
Reserves	22	4,750,560	6,059,960	608,662	608,662
Accumulated surplus		11,778,556	10,342,529	11,778,556	10,342,529
TOTAL EQUITY		16,529,116	16,402,489	12,387,218	10,951,191

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 2010

	Note	Accumulated Surplus (Deficit)	Asset Revaluation Reserve	Members Entitlement Protection Fund	Special Projects Fund	General Reserve	Total
		$	$	$	$	$	$
Consolidated Group							
Balance at 1 July 2008		8,760,998	5,451,298	400,000	22,335	186,327	14,820,958
Surplus (deficit) for the year		1,581,531	-	-	-	-	1,581,531
Balance at 30 June 2009		10,342,529	5,451,298	400,000	22,335	186,327	16,402,489
Surplus (deficit) for the year		1,436,027	-	-	-	-	1,436,027
Revaluation increment / (decrement)		-	(1,309,400)	-	-	-	(1,309,400)
Balance at 30 June 2010		11,778,556	4,141,898	400,000	22,335	186,327	16,529,116
Parent Entity							
Balance at 1 July 2008		8,760,998	-	400,000	22,335	186,327	9,369,660
Surplus (deficit) for the year		1,581,531	-	-	-	-	1,581,531
Balance at 30 June 2009		10,342,529	-	400,000	22,335	186,327	10,951,191
Surplus (deficit) for the year		1,436,027	-	-	-	-	1,436,027
Balance at 30 June 2010		11,778,556	-	400,000	22,335	186,327	12,387,218

The accompanying notes form part of these financial statements.

AUSTRALIAN NURSING FEDERATION - VICTORIAN BRANCH
ABN: 80 571 091 192
AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		22,410,413	17,267,922	22,196,791	17,457,710
Interest received		29,595	156,065	28,149	155,747
Payments to suppliers and employees		(17,857,801)	(14,048,240)	(18,487,669)	(14,536,608)
Finance costs		(549,261)	(348,399)	(230,389)	(304,327)
Capitatation fees		(746,160)	(682,296)	(746,160)	(682,296)
Net cash provided by/(used in) operating activities	17(a)	3,286,786	2,345,052	2,760,722	2,090,226
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		31,438	201,705	31,438	201,705
Purchase of property, plant and equipment		(3,727,144)	(11,012,084)	(860,023)	(640,292)
Loans to related parties					
— payments made		-	-	(716,553)	(7,126,173)
Net cash provided by/(used in) investing activities		(3,695,706)	(10,810,379)	(1,545,138)	(7,564,760)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		1,624,591	3,205,520	-	164,812
Repayment of borrowings		-	-	(110,833)	-
Net cash provided by/(used in) financing activities		1,624,591	3,205,520	(110,833)	164,812
Net increase/(decrease) in cash held		1,215,671	(5,259,807)	1,104,751	(5,309,722)
Cash and cash equivalents at beginning of financial year		1,635,201	6,895,008	1,567,261	6,876,983
Cash and cash equivalents at end of financial year	6	2,850,872	1,635,201	2,672,012	1,567,261

The accompanying notes form part of these financial statements.

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 ('Parent Entity').

Note 1 Summary 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 Fair Work (Registered Organisations) Act 2009.

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

The financial statements have been prepared on an accruals basis and are 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

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Australian Nursing Federation - Victorian Branch at the end of the reporting period. 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. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

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

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group 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.

In the periods when the freehold land and buildings are not subject to an independent valuation, the councillors conduct management valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

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 statement of comprehensive

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.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated using the diminshing value method 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%
Motor vehicles	22.5%
Leased plant and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to the accumulated surplus.

(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 which 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.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of 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

Financial 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 held for trading for the purpose of short term profit taking. 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. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(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.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(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.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(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 the end of the reporting period, 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 significant or prolonged decline in the value of the instrument below its original cost is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

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 the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(g) Employee Benefits
Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(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 the end of the reporting period.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(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.

Dividend received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue relating to construction activities is detailed at Note 1(e).

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) 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.

(m) 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 statement of financial position are shown inclusive of GST.

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

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(o) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements 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

(i) *Impairment*

The group assesses impairment at the end of each reporting period 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.

(p) Adoption of new and revised accounting standards

During the current year the Group has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Australian Nursing Federation - Victorian Branch.

AASB 101 Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with members in their capacity as members to be presented separately from non-member changes in equity. Member changes in equity are to be presented in the statement of changes in equity, with non-member changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement — the statement of comprehensive income, or two statements — a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The group's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of "other comprehensive income" which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(q) New Accounting Standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods 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 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)*

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined any potential impact on the financial statements.

  The changes made to accounting requirements include:
  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value
  - requiring financial assets and to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

- *AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).*

  These Standards detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

The Group does not anticipate early adoption of any of the above Australian Accounting Standards.

Note 2 Revenue and Other Income

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Revenue:					
— Interest received	2(a)	29,595	156,065	28,149	155,747
— Membership fees		18,021,760	16,267,753	18,021,760	16,267,753
— Sponsorship and grants		1,371,941	317,425	1,371,941	317,425
— Distributions received		-	-	(34,934)	331,107
— Rent received		188,035	141,001	-	-
— Education and training		433,597	552,184	433,597	552,184
Total revenue		20,044,928	17,434,428	19,820,513	17,624,216
Other income:					
— Sundry Income		290,399	67,351	290,399	67,351
Total other Income		290,399	67,351	290,399	67,351
(a) Interest revenue from:					
— Financial institutions		29,595	156,065	28,149	155,747
Total interest revenue on financial assets not at fair value through profit or loss		29,595	156,065	28,149	155,747

Note 3 Surplus from Ordinary Activities

	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
(a) Expenses				
Interest expense on financial liabilities not at fair value through profit of loss				
— Leasing costs	57,838	150,115	57,838	150,115
— Bank fees	489,689	198,284	172,969	154,212
Total finance costs	547,527	348,399	230,807	304,327
Other expenses:				
— Compulsory levies paid (capitation to Federal Office)	756,345	682,296	756,345	682,296

Note 4 Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the Group during the year are as follows:

	2010 $	2009 $
Short-term employee benefits	377,351	274,260
Post-employment benefits	52,053	45,239
	429,404	319,499

The 2010 short-term employee benefits has increased significantly as there are now two assistant secretaries, and there was a payment of annual and long service leave to an assistant secretary upon the completion of her period of office.

Note 5 Auditors' Remuneration

	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Remuneration of the auditor of the parent entity for:				
— auditing the financial statements	23,000	22,400	20,000	20,000
— taxation services	3,040	3,100	1,900	2,500

Note 6 Cash and Cash Equivalents

		Consolidated Group		Parent Entity	
		2010	2009	2010	2009
CURRENT	Note	$	$	$	$
Cash at bank and in hand		935,610	476,648	756,750	408,708
Short-term bank deposits		-	-	-	-
NAB - Professional Fund		404,832	224,802	404,832	224,802
NAB - Education & Training		187,411	316,533	187,411	316,533
NAB - Contingency Fund		9,147	9,387	9,147	9,387
NAB - PII Account		97,398	97,431	97,398	97,431
NAB - RTO Students Fees		60,912	61,024	60,912	61,024
NAB - OTTE Funding (RTO)		212,658	211,977	212,658	211,977
NAB - C'Wealth Dept Funding (RTO)		232,121	210,116	232,121	210,116
NAB - C'Wealth Dept Funding (AIN)		434,745	27,283	434,745	27,283
NAB - SV Funding		276,038	-	276,038	-
	21	2,850,872	1,635,201	2,672,012	1,567,261

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	2,850,872	1,635,201	2,672,012	1,567,261
	2,850,872	1,635,201	2,672,012	1,567,261

Note 7 Trade and Other Receivables

		Consolidated Group		Parent Entity	
		2010	2009	2010	2009
	Note	$	$	$	$
CURRENT					
Other receivables	21	34,988	245,990	34,988	245,990
Total current trade and other receivables		34,988	245,990	34,988	245,990
NON-CURRENT					
Amounts receivable from wholly owned subsidiary	21	-	-	12,204,390	11,487,838
Total non-current trade and other receivables		-	-	12,204,390	11,487,838

Note 8 Other Assets

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
CURRENT				
Prepayments	80,080	77,000	80,080	77,000
	80,080	77,000	80,080	77,000

Note 9 Financial Assets

		Consolidated Group		Parent Entity	
		2010	2009	2010	2009
	Note	$	$	$	$
NON-CURRENT					
Other Investments	9(a)	-	-	14	14
Total Non-Current Assets		-	-	14	14
(a) **Other investments**					
Shares in NSE Property Trust		-	-	10	10
Trust Capital (NSE Property Trust)		-	-	4	4
		-	-	14	14

Note 10 Controlled Entities

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)*	
		2010	2009
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 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
LAND AND BUILDINGS				
Freehold land at:				
— Independent valuation (2010)	6,000,000	1,295,000	-	-
Total land	6,000,000	1,295,000	-	-
Buildings at:				
— Independent valuation (2010)	14,800,000	8,110,614	-	-
— Building development	-	11,535,015	-	-
Accumulated depreciation	-	(1,165,917)	-	-
Total buildings	14,800,000	18,479,712	-	-
Total land and buildings	20,800,000	19,774,712	-	-
PLANT AND EQUIPMENT				
Plant and equipment:				
At cost	4,149,368	4,018,462	3,071,505	2,940,798
Accumulated depreciation	(3,134,678)	(3,162,963)	(2,227,308)	(2,298,217)
	1,014,690	855,499	844,197	642,581
Leased motor vehicles:				
At cost	1,031,342	867,912	1,031,342	867,912
Accumulated depreciation	(350,161)	(300,839)	(350,161)	(300,839)
	681,181	567,073	681,181	567,073
Leasehold improvements				
At cost	31,653	31,653	31,653	31,653
Accumulated depreciation	(22,630)	(18,186)	(22,630)	(18,186)
	9,023	13,467	9,023	13,467
Total plant and equipment	1,704,894	1,436,039	1,534,401	1,223,121
Total property, plant and equipment	22,504,894	21,210,751	1,534,401	1,223,121

(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 & Equipment $	Lease Improvements $	Leased Motor Vehicles $	Total $
Consolidated Group:					
Balance at 1 July 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 - written down value	-	-	-	(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
Additions	2,866,922	556,477	-	301,592	3,724,991
Disposals - written down value	-	(139,618)	-	(34,351)	(173,969)
Revaluation increments/(decrements)	(1,309,400)	-	-	-	(1,309,400)
Depreciation expense	(532,234)	(257,667)	(4,444)	(153,134)	(947,479)
Carrying amount at 30 June 2010	20,800,000	1,014,691	9,023	681,180	22,504,894

(b) Asset revaluations

Freehold land

During the year the freehold land held by the Group was valued by an independent valuer. The fair value of the freehold land based on its fair value less cost to sell, based on an active market, was determined to be $6,000,000. The fair value of the freehold land increased by $4,705,000.

The revaluation surplus was credited to an asset revaluation reserve in members' funds by $4,705,000.

Buildings

During the year the buildings held by the Group were valued by an independent valuer. The fair value of the buildings based on their fair value less cost to sell, based on an active market, was determined to be $14,800,000. The fair value of the buildings decreased by $6,014,400.

The revaluation surplus was debited to an asset revaluation reserve in members' funds by $6,014,400.

Note 12 Trade and Other Payables

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
CURRENT					
Unsecured liabilities					
Sundry payables and accrued expenses		1,295,013	1,164,462	1,268,094	1,088,750
	12(a)	1,295,013	1,164,462	1,268,094	1,088,750

(a) Financial liabilities at amortised cost classified as trade and other payables

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Trade and other payables					
— Total Current		1,295,013	1,164,462	1,268,094	1,088,750
Financial liabilities as trade and other payables	21	1,295,013	1,164,462	1,268,094	1,088,750

Note 13 Borrowings

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
CURRENT					
Lease liability secured	13b, 15	317,216	259,412	317,216	259,412
Total current borrowings		317,216	259,412	317,216	259,412
NON-CURRENT					
Bank bills	13b	4,776,132	3,040,708	-	-
Lease liability secured	13b, 15	308,596	477,233	308,596	477,233
Total non-current borrowings		5,084,728	3,517,941	308,596	477,233
Total borrowings		5,401,944	3,777,353	625,812	736,645
(a) Total current and non-current secured liabilities:					
Bank bills	21	4,776,132	3,040,708	-	-
		4,776,132	3,040,708	-	-

(b) NSE Property Pty Ltd acquired the bank bill to fund building costs for redevelopment and extensions to the buildings. This bank bill is secured by the property located at 540 Elizabeth Street Melbourne.

Lease liabilities are secured by the underlying leased assets.

Note 14 Provisions

EMPLOYEE BENEFITS	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Opening balance at beginning of year	1,824,638	1,645,106	1,824,638	1,645,106
Additional provisions raised during year	1,279,135	855,592	1,279,135	855,592
Amounts used	(859,012)	(676,060)	(859,012)	(676,060)
Balance at end of the year	2,244,761	1,824,638	2,244,761	1,824,638

Analysis of Total Provisions	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Current	2,134,174	1,719,013	2,134,174	1,719,013
Non-current	110,587	105,625	110,587	105,625
	2,244,761	1,824,638	2,244,761	1,824,638

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.

EMPLOYEE BENEFITS OF OFFICE HOLDERS

Analysis of Total Provisions	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Current	225,654	117,166	225,654	117,166
	225,654	117,166	225,654	117,166

Note 15 Capital and Leasing Commitments

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
(a) Finance Lease Commitments					
Payable — minimum lease payments					
— not later than 12 months		331,676	307,902	331,676	307,902
— between 12 months and five years		351,974	485,887	351,974	485,887
— greater than five years		-	-	-	-
Minimum lease payments		683,650	793,789	683,650	793,789
Less future finance charges		(57,838)	(57,144)	(57,838)	(57,144)
Present value of minimum lease payments	13	625,812	736,645	625,812	736,645

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

(c) Capital Expenditure Commitments
Capital expenditure commitments contracted for:

	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Capital expenditure projects	-	2,180,000	-	-
	-	2,180,000	-	-
Payable				
— not later than 12 months	-	2,180,000	-	-
	-	2,180,000	-	-

Note 16 Contingent Liabilities and Contingent Assets

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

Note 17 Cash Flow Information

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
(a) Reconciliation of cash flow from operations with surplus attributable to members				
Surplus attributable to members	1,436,027	1,581,531	1,436,027	1,581,531
Non-cash flows in surplus				
Depreciation	949,632	624,280	374,774	368,235
Net gain/(loss) on disposal of property, plant and equipment	142,531	8,869	142,532	8,869
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and other debtors	211,002	(233,857)	211,002	(233,857)
(Increase)/decrease in other assets	(3,080)	33,000	(3,080)	33,000
Increase/(decrease) in payables	130,551	151,697	179,344	152,916
Increase/(decrease) in provisions	420,123	179,532	420,123	179,532
	3,286,786	2,345,052	2,760,722	2,090,226

Note 18 Events After the Reporting Period

Since the end of reporting period, no matters which may significantly affect the operations of the group, 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 transaction with related parties during the period ended 30 June 2010, 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 group are dependent 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, accounts receivable and payable, loans to and from subsidiaries and bills.

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:

		Consolidated Group		Parent Entity	
		2010	2009	2010	2009
	Note	$	$	$	$
Financial Assets					
Cash and cash equivalents	6	2,850,872	1,635,201	2,672,012	1,567,261
Loans and receivables	7	34,988	245,990	12,239,378	11,733,828
Total Financial Assets		2,885,860	1,881,191	14,911,390	13,301,089
Financial Liabilities					
Financial liabilities at amortised cost					
— Trade and other payables	12(a)	1,295,013	1,164,462	1,268,094	1,088,750
— Borrowings (excluding leases)	13	4,776,132	3,040,708	-	-
Total Financial Liabilities		6,071,145	4,205,170	1,268,094	1,088,750

Financial Risk Management Policies

The committees' overall risk management strategy seeks to assist the branch in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee of Management 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 operations. The branch does not have any derivative instruments at 30 June 2010.

The finance committee, consisting of senior executives of the group meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The finance committee's overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the Committee of Management. Risk management policies are approved and reviewed by the councillors on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

a. **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.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables is provided in Note 7.

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 7

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liability.

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 rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		Greater than 5 years		Total	
	2010	2009	2010	2009	2010	2009
Consolidated Group	$	$	$	$	$	$
Financial liabilities due for payment						
Trade and other payables	1,295,013	1,164,452	-	-	1,295,013	1,164,452
Borrowings (excluding leases)	-	-	4,776,132	3,040,708	4,776,132	3,040,708
Total expected outflows	1,295,013	1,164,452	4,776,132	3,040,708	6,071,145	4,205,160

	Within 1 Year		1 to 5 years		Total	
	2010	2009	2010	2009	2010	2009
Consolidated Group	$	$	$	$	$	$
Financial Assets - cash flows realisable						
Cash and cash equivalents	2,850,872	1,635,201	-	-	2,850,872	1,635,201
Trade and other receivables	34,998	245,990	-	-	34,998	245,990
Total anticipated inflows	2,885,870	1,881,191	-	-	2,885,870	1,881,191
Net (outflow) / inflow on financial instruments	1,590,857	716,739	(4,776,132)	(3,040,708)	(3,185,275)	(2,323,969)

Financial liability maturity analysis

	Within 1 Year		1 to 5 years		Total contractual cash flow	
	2010	2009	2010	2009	2010	2009
Parent Entity	$	$	$	$	$	$
Financial liabilities due for payment						
Trade and other payables	1,268,094	1,088,750	-	-	1,268,094	1,088,750
Total expected outflows	1,268,094	1,088,750	-	-	1,268,094	1,088,750

	Within 1 Year		1 to 5 years		Total contractual cash flow	
	2010	2009	2010	2009	2010	2009
Parent Entity	$	$	$	$	$	$
Financial Assets - cash flows realisable						
Cash and cash equivalents	2,672,012	1,567,261	-	-	2,672,012	1,567,261
Trade and other receivables	34,988	245,990	12,204,390	11,487,838	12,239,378	11,733,828
Total anticipated inflows	2,707,000	1,813,251	12,204,390	11,487,838	14,911,390	13,301,089
Net (outflow) / inflow on financial instruments	1,438,906	724,501	12,204,390	11,487,838	13,643,296	12,212,339

c. Market Risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed by fixing interest rates for finance lease agreements and the bank bill facility, and by monitoring interest rate fluctuations and assessing potential impact on cash flow.

ii. *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 and equity prices. The table indicates the impact on how surplus and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group		Branch	
	Surplus	Equity	Surplus	Equity
Year ended 30 June 2010	$	$	$	$
+/- 1% in interest rates	25,511	25,511	20,462	20,462

	Consolidated Group		Branch	
	Surplus	Equity	Surplus	Equity
Year ended 30 June 2009	$	$	$	$
+/- 1% in interest rates	21,422	21,422	8,306	8,306

Note 22 Reserves

a. **Asset Revaluation Reserve**
The asset revaluation reserve records revaluations of land and buildings of the consolidated group.

b. **Members Entitlement Protection Fund**
The members entitlement protection fund records funds set aside to ensure members entitlements are covered by the consolidated group.

c. **Special Projects Fund**
The special projects funds records funds set aside for special projects of the consolidated group.

d. **General Reserve**
The general reserve records funds set aside for future expansion of the consolidated group.

Note 23 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 24 Florence Nightingale Fund

Statement of income and expenditure for the year ended 30 June 2010

	2010 $	2009 $
Income		
Sundry income	10,000	28,000
Bank interest	-	1
Loan repayments - members	1,447	1,000
	11,447	29,001
Expenditure		
Personal assistance to members (loan)	11,323	6,500
Victorian bushfire appeal	1,000	30,000
Bank charges	247	248
	12,570	36,748
Net Inflow / (Outflow)	(1,123)	(7,747)
Balance of fund at beginning of financial year	11,993	19,740
Balance of fund at end of financial year	10,870	11,993

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

Note 25 Information to be Supplied to Members or Registrar

Information must be provided to members or Registrar as follows in accordance with Section 272 of the *Fair Work (Registered Organisations) Act 2009*:

(1) A member of the branch, or the Registrar, may apply to the branch for specific prescribed information in relation to the branch 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 be 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).

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

On the 10th of November 2010 the Branch Council of the Australian Nursing Federation (Victorian Branch) passed the following resolution in relation to the general purpose financial report of the Branch for the year ended 30 June 2010:

The councillors of the branch declare that:

1. The financial statements and notes, as set out on pages 3 to17, are in accordance with the *Fair Work (Registered Organisations) Act 2009*.
   (a) comply with Australia Accounting Standards and with the reporting guidelines of the General Manager of FWA; and
   (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance and of cash flows for the year ended on that date of the branch and consolidated group.
2. In the Committee's 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 2010 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 the 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 the branch concerned;
   (c) the financial records of the reporting unit have been kept in accordance with the *Fair Work (Registered Organisations) Act 2009*;
   (d) no orders have been made by the Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009;*
   (e) no information has been requested by any member of the branch or the general manager of FWA under Section 272 of the *Fair Work (Registered Organisations) Act 2009*; and
   (f) the branch did not participate in any recovery of wages activity.

Australian Branch Secretary ______ Lisa Fitzpatrick
Ms Lisa Fitzpatrick

DATE 9/11/'10

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 Australian Nursing Federation - Victorian Branch and Controlled Entity (the consolidated entity), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 entities 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 branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*. This responsibility includes designing, implementing and maintaining internal controls 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.

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 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 *Fair Work (Registered Organisations) Act 2009* including:

(a) Giving a true and fair view of the branch and its controlled entities financial position as at 30 June 2010 and of its financial performance and cash flows 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 2010, 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 Fair Work (Registered Organisations) Act 2009 have been provided by officers and employees of the branch.

Bell Partners

Bell Partners
Chartered Accountants

Robert H Wald

Robert H Wald, FCA
Partner, RCA 10418

DATE 9 Nov 2010

Level 7, 468 St Kilda Road, Melbourne