



FAIR WORK
COMMISSION

16 January 2013

Ms Lisa Fitzpatrick
Secretary, Victorian Branch
Australian Nursing Federation
540 Elizabeth Street
MELBOURNE VIC 3000

Dear Ms Fitzpatrick,

Re: Lodgement of Financial Statements and Accounts - Australian Nursing Federation, Victorian Branch - for year ended 30 June 2012 (FR2012/261)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia (now known as the Fair Work Commission) on 14 December 2012. I also acknowledge receipt of an amended Designated Officer' Certificate lodged on 14 January 2013.

I have taken the time to examine the report closely as well as previous reports and correspondence from FWA, and identified a couple of minor areas where future reports can more correctly comply with provisions in the *Fair Work (Registered Organisations) Act 2009* ('the RO Act'). I have clarified these matters with Ms Marilyn Ryan, Finance Manager, and I attach relevant references.

In brief, Certificates of Prescribed Designated Officer accompanying financial reports under section 268 of the RO Act must correctly identify and certify the meeting held in accordance with section 266. The meeting at which presentation formally occurs in accordance with section 266 is always that second meeting which, if a general members meeting, takes place no less than 21 days after the report has been provided to the members, or, if a committee of management meeting, takes place as soon as practicable after the report has been provided to the members, and which is *not* the first committee of management meeting that resolves declarations in respect of the report and signs the Committee of Management Statement.

In addition, the Operating Report should disclose the following items of information slightly differently:

- (i) The results of the principal activities required by sub-section 254(2)(a) are those which may be said to follow directly from the representational activities which the Report elsewhere describes as "*the industrial and professional representation of persons providing nursing and midwifery*". The information usually provided under the heading "Operating Result" is, strictly speaking, of a different and purely financial nature.

Results which the Branch might relevantly describe here include things like whether membership had increased, disputes satisfactorily resolved, agreements successfully negotiated, governments successfully lobbied, workplace conditions improved etc.

I note that the Branch has a website link at <http://anf.org.au/> where news and similar examples of these kinds of results may appear in detail throughout the year. The

Operating Report does not have to duplicate such information but may contain brief mention of non-financial results the Branch considers relevant.

- (ii) Regulation 159(b) requires Operating Reports to disclose the number of employees expressed as a full-time equivalent, where both full-time and part-time employees are included.

The documents have been filed. There is no further action required in respect of this return. If you wish to discuss any aspect of the financial reporting requirements for the future, please do not hesitate to contact me on (02) 6723 7237.

Yours sincerely

A handwritten signature in black ink, appearing to read "Stephen Kellett", with a long horizontal stroke extending to the right.

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

cc. Ms Marilyn Ryan, Finance Manager



AUSTRALIAN
NURSING
FEDERATION

victorian

BRANCH



13 December 2012

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 2012.**

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)

mf/FWA06-10

Australian Nursing Federation (Victorian Branch)
ANF 80 571 091 192
Postal Address: Box 12600 A'Beckett Street PO Melbourne Vic 8006
5a0 Elizabeth Street Melbourne Vic 3000
Phone: (03) 9275 9333 Fax: (03) 9275 9344
www.anfvic.asn.au

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 30 November 2012.
- The full report was presented to a meeting of Members of ANF (Victorian Branch) on 11 December 2012; in accordance with sections 266 for the *Fair Work (Registered Organisations) Act 2009*, and

Signature:



Date:

14 January 2013

SAWARD / DAWSON

chartered accountants

**Australian Nursing Federation
(Victorian Branch) and Controlled Entity
ABN: 80 571 091 192**

Financial Report for the year ended
30 June 2012

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Financial Report

For the Year Ended 30 June 2012

Contents	Page
Financial Report	
Operating Report	1
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	10
Notes to the Financial Statements	11
Statement by Branch Council	32
Independent Audit Report	33

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Operating Report

For the Year Ended 30 June 2012

Your councillors present this financial report of Australian Nursing Federation (Victorian Branch) (the entity) and Australian Nursing Federation (Victorian Branch) and its controlled entity (the group) for the financial year ended 30 June 2012.

Councillors

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

Ms Lisa Auchetti	
Mr Thomas Noel Bannon	(Appointed 30/11/2011)
Mr Michael Belleville	(Resigned 30/11/2011)
Ms Leanne Boase	
Ms Caterina Bortolot	
Ms Maree Burgess	
Ms Pip Carew	
Ms Margaret Crosby	(Resigned 30/11/2011)
Ms Lisa Fitzpatrick	
Mr Paul Gilbert	
Ms Lynette Hedges	
Ms Samantha Hennessey	
Ms Deborah Holloway	(Appointed 30/11/2011)
Ms Jacqueline Kriz	(Appointed 30/11/2011)
Ms Amanda Maberly	
Ms Marian Macdonald	(Resigned 30/11/2011)
Mr Stephen McKenzie	
Ms Sheryn Martin	(Resigned 30/11/2011)
Ms Lynette Mauger	
Ms Rita Moreno-Diaz	(Appointed 30/11/2011)
Ms Myshalee Morrissey	(Resigned 30/11/2011)
Ms Patricia Munn	(Appointed 30/11/2011)
Mr Timothy O'Brien	
Ms Vivienne Schembri	(Appointed 30/11/2011)
Ms Heather Selkrig	(Appointed 30/11/2011)
Ms Lori-anne Sharp	
Ms Tracy Skinner	
Ms Rachel Weaver	

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Operating Report

For the Year Ended 30 June 2012

Principal activities

The principal activities of the consolidated group during the financial year were the industrial and professional representation of persons providing nursing and midwifery.

Significant changes

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

Operating result

The surplus of the consolidated group for the financial year amounted to \$ 795,274 (2011: \$ 5,238,695).

\$618,660 of the surplus from the 2012 financial year has been committed to be spent in future years on several projects and campaigns including the:

- ACTU 2012-2013 Levy Reserve
- CPD Project
- Legal Services

Reserves have been recognised as per the Statement of Changes in Equity to set aside the 2012 surplus for the above mentioned projects and campaigns amounting to a total of \$618,660. See pages 6 and 8 for further details.

Events subsequent to the end of the reporting period

The group has entered into a contract through NSE Property Trust to purchase the land and building at 529-541 Elizabeth Street, Melbourne, Victoria on 22 August 2012. The contract amounts to \$11,010,000 (including GST) which will be funded through cash reserves and bank loans.

Except for the above, 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.

Resignation from membership

A member of Australian Nursing Federation (Victorian Branch) may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the group in accordance with section 10 of the entity's rules and section 174 of the Fair Work (Registered Organisations) Act 2009.

Trustee of superannuation entity

1. Mr Brendan Soraghan, who was a director of Health Super Pty Ltd (HSPL) for the period 1 July 2011 till 30 June 2012. HSPL was the trustee of the Health Super Fund until 30 June 2011 at which time it merged with First State Super Trustee Corporation, the trustee of First State Super (FSS). HSPL continued as a wholly owned subsidiary of FSS providing post merger administrative services to FSS; and

2. Belinda Morieson, who was a director of FSS for the period from 1 July 2011 till 30 June 2012.

With the exception of the above, to the best of our knowledge there are no officeholders or members of Australian Nursing Federation (Victorian Branch) who acts as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Operating Report

For the Year Ended 30 June 2012

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisation) Regulations 2009:

The number of members at the end of the financial year was 63,807 (2011: 60,686)

The number of employees at the end of the financial year was 92 full time and 21 part time (2011: 93 full time and 19 part time)

Signed in accordance with a resolution of the Branch Council:

Acting Secretary:



Mr Paul Gilbert

Assistant Secretary:



Ms Pip Carew

Dated

13 November 2012

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Statement of Comprehensive Income

For the Year Ended 30 June 2012

	Note	Consolidated		Parent	
		2012 \$	2011 \$	2012 \$	2011 \$
Revenue	2	26,598,236	25,208,470	26,792,804	25,288,812
Other income	2	73,318	91,052	73,318	91,052
Employee benefits expense		(12,022,681)	(10,937,020)	(12,022,681)	(10,937,020)
Administration expense		(1,687,673)	(1,747,208)	(1,687,673)	(1,747,208)
Australian Nursing Journal (ANJ)		(1,201,214)	(1,022,327)	(1,201,214)	(1,022,327)
ANF capitation fees - Federal Office	3	(1,002,624)	(833,772)	(1,002,624)	(833,772)
Depreciation expense	3	(884,302)	(814,644)	(477,937)	(408,280)
Education and training expense		(611,143)	(504,559)	(611,143)	(504,559)
Professional indemnity insurance		(569,053)	(592,970)	(569,053)	(592,970)
Legal expense		(534,300)	(488,916)	(534,300)	(488,916)
Finance cost	3	(308,373)	(486,959)	(250,876)	(255,332)
Occupancy expense		(490,088)	(426,469)	(1,200,857)	(1,194,221)
Member/Rep. professional development		(633,754)	(333,053)	(633,754)	(333,053)
Affiliation fees non-political		(174,159)	(242,201)	(174,159)	(242,201)
Grants expense		(42,195)	(100,340)	(42,195)	(100,340)
Donations expense		(20,920)	(39,950)	(20,920)	(39,950)
Loss on sale of assets	3	-	(6,016)	-	(6,016)
EBA campaign expense	3	(4,200,318)	(1,467)	(4,200,318)	(1,467)
Other expenses		(1,493,483)	(1,482,956)	(1,441,144)	(1,433,537)
Surplus for the year		795,274	5,238,695	795,274	5,238,695
Other comprehensive income:					
Total comprehensive income for the year		795,274	5,238,695	795,274	5,238,695

The accompanying notes form part of the financial statements

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Statement of Financial Position

As at 30 June 2012

	Note	Consolidated		Parent	
		2012 \$	2011 \$	2012 \$	2011 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	6,395,434	3,708,606	6,376,162	3,657,122
Trade and other receivables	5	12,497	29,215	6,388	27,822
Other assets	8	158,329	344,412	158,329	344,412
TOTAL CURRENT ASSETS		6,566,260	4,082,233	6,540,879	4,029,356
NON-CURRENT ASSETS					
Trade and other receivables	5	*	#	16,094,277	16,384,526
Financial assets	6	*	#	14	14
Property, plant and equipment	7	22,258,918	22,445,745	2,008,589	1,789,051
TOTAL NON-CURRENT ASSETS		22,258,918	22,445,745	18,102,880	18,173,591
TOTAL ASSETS		28,825,178	26,527,978	24,643,759	22,202,947
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	9	1,557,210	942,775	1,527,889	942,775
Borrowings	10	342,641	353,031	342,641	353,031
Short-term provisions	11	3,006,267	2,267,100	3,006,267	2,267,100
Other liabilities	12	544,859	406,598	544,859	406,598
TOTAL CURRENT LIABILITIES		5,450,977	3,969,504	5,421,456	3,969,504
NON-CURRENT LIABILITIES					
Borrowings	10	514,618	625,609	504,618	442,476
Long-term provisions	11	296,498	165,054	296,498	165,054
TOTAL NON-CURRENT LIABILITIES		811,116	790,663	801,116	607,530
TOTAL LIABILITIES		6,262,093	4,760,167	6,222,572	4,577,034
NET ASSETS		22,563,085	21,767,811	18,421,187	17,625,913
EQUITY					
Reserves		4,760,558	9,673,560	618,660	5,531,662
Accumulated surpluses		17,802,527	12,094,251	17,802,527	12,094,251
TOTAL EQUITY		22,563,085	21,767,811	18,421,187	17,625,913

The accompanying notes form part of the financial statements

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Statement of Changes in Equity

For the Year Ended 30 June 2012

2012

Parent

	Accumulated Surpluses	ACTU Levy Fund	Members Entitlement Protection Fund	Special Projects Fund	General Reserve	Federal Aged Care Campaign Reserve	Aged Care EBA Campaign Reserve	CPD Project Reserve	EBA Reserve	Legal Services Reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	12,094,251	-	400,000	22,335	186,327	125,000	125,000	673,000	3,700,000	300,000	17,625,913
Surplus for the year	795,274	-	-	-	-	-	-	-	-	-	795,274
Transfers to and from reserves											
- ACTU levy fund	(120,000)	120,000	-	-	-	-	-	-	-	-	-
- Members entitlement protection fund	400,000	-	(400,000)	-	-	-	-	-	-	-	-
- Special projects fund	22,335	-	-	(22,335)	-	-	-	-	-	-	-
- General reserve	186,327	-	-	-	(186,327)	-	-	-	-	-	-
- Federal aged care campaign reserve	125,000	-	-	-	-	(125,000)	-	-	-	-	-
- Aged care EBA campaign reserve	125,000	-	-	-	-	-	(125,000)	-	-	-	-
- CPD project reserve	474,340	-	-	-	-	-	-	(474,340)	-	-	-
- EBA reserve	3,700,000	-	-	-	-	-	-	-	(3,700,000)	-	-
Balance at 30 June 2012	17,802,527	120,000	-	-	-	-	-	198,660	-	300,000	18,421,187

The accompanying notes form part of the financial statements

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Statement of Changes in Equity

For the Year Ended 30 June 2012

2011

Parent

	Accumulated Surpluses	ACTU Levy Fund	Members Entitlement Protection Fund	Special Projects Fund	General Reserve	Federal Aged Care Campaign Reserve	Aged Care EBA Campaign Reserve	CPD Project Reserve	EBA Reserve	Legal Services Reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2010	11,778,556	-	400,000	22,335	186,327	-	-	-	-	-	12,387,218
Surplus for the year	5,238,695	-	-	-	-	-	-	-	-	-	5,238,695
Transfers to and from reserves											
- Federal aged care campaign reserve	(125,000)	-	-	-	-	125,000	-	-	-	-	-
- Aged care EBA campaign reserve	(125,000)	-	-	-	-	-	125,000	-	-	-	-
- CPD project reserve	(673,000)	-	-	-	-	-	-	673,000	-	-	-
- EBA reserve	(3,700,000)	-	-	-	-	-	-	-	3,700,000	-	-
- Legal services reserve	(300,000)	-	-	-	-	-	-	-	-	300,000	-
Balance at 30 June 2011	12,094,251	-	400,000	22,335	186,327	125,000	125,000	673,000	3,700,000	300,000	17,625,913

The accompanying notes form part of the financial statements

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Statement of Changes in Equity

For the Year Ended 30 June 2012

2012

Consolidated

	Accumulated Surpluses	ACTU Levy Fund	Asset Revaluation Reserve	Members Entitlement Protection Fund	Special Projects Fund	General Reserve	Federal Aged Care Campaign Reserve	Aged Care EBA Campaign Reserve	CPD Project Reserve	EBA Reserve	Legal Services Reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	12,094,251		4,141,898	400,000	22,335	186,327	125,000	125,000	673,000	3,700,000	300,000	21,767,811
Surplus for the year	795,274											795,274
Transfers to and from reserves												
- ACTU levy Fund	(120,000)	120,000										
- Members entitlement protection fund	400,000			(400,000)								
- Special projects fund	22,335				(22,335)							
- General reserve	186,327					(186,327)						
- Federal aged care campaign reserve	125,000						(125,000)					
- Aged care EBA campaign reserve	125,000							(125,000)				
- CPD project reserve	474,340								(474,340)			
- EBA reserve	3,700,000									(3,700,000)		
Balance at 30 June 2012	17,802,527	120,000	4,141,898						198,660		300,000	22,563,085

The accompanying notes form part of the financial statements

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Statement of Changes in Equity

For the Year Ended 30 June 2012

2011

Consolidated

	Accumulated Surpluses	ACTU Levy Fund	Asset Revaluation Reserve	Members Entitlement Protection Fund	Special Projects Fund	General Reserve	Federal Aged Care Campaign Reserve	Aged Care EBA Campaign Reserve	CPD Project Reserve	EBA Reserve	Legal Services Reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2010	11,778,556	-	4,141,898	400,000	22,335	186,327	-	-	-	-	-	16,529,116
Surplus for the year	5,238,695	-	-	-	-	-	-	-	-	-	-	5,238,695
Transfers to and from reserves												
- Federal aged care campaign reserve	(125,000)	-	-	-	-	-	125,000	-	-	-	-	-
- Aged care EBA campaign reserve	(125,000)	-	-	-	-	-	-	125,000	-	-	-	-
- CPD project reserve	(673,000)	-	-	-	-	-	-	-	673,000	-	-	-
- EBA reserve	(3,700,000)	-	-	-	-	-	-	-	-	3,700,000	-	-
- Legal services reserve	(300,000)	-	-	-	-	-	-	-	-	-	300,000	-
Balance at 30 June 2011	12,094,251	-	4,141,898	400,000	22,335	186,327	125,000	125,000	673,000	3,700,000	300,000	21,767,811

The accompanying notes form part of the financial statements

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Statement of Cash Flows

For the Year Ended 30 June 2012

Note	Consolidated		Parent	
	2012 \$	2011 \$	2012 \$	2011 \$
Cash from operating activities:				
	29,489,919	27,591,182	29,573,723	27,463,177
	(24,808,318)	(20,362,467)	(25,380,527)	(20,847,959)
	126,589	139,764	126,326	138,381
	(308,373)	(486,959)	(250,876)	(255,332)
	(1,002,624)	(833,772)	(1,002,624)	(833,772)
	<hr/>			
Net cash provided by (used in) operating activities	3,497,193	6,047,748	3,066,022	5,664,495
	<hr/>			
Cash flows from investing activities:				
	179,583	49,658	179,583	49,658
	(816,814)	(811,169)	(816,814)	(718,604)
			290,249	(4,180,135)
	<hr/>			
Net cash used by investing activities	(637,231)	(761,511)	(346,982)	(4,849,081)
	<hr/>			
Cash flows from financing activities:				
				169,695
	(173,134)	(4,423,303)		
	<hr/>			
Net cash used by financing activities	(173,134)	(4,423,303)		169,695
	<hr/>			
Net cash increase (decreases) in cash and cash equivalents	2,686,828	862,934	2,719,040	985,109
Cash and cash equivalents at beginning of year	3,708,606	2,845,672	3,657,122	2,672,013
	<hr/>			
Cash and cash equivalents at end of year	6,395,434	3,708,606	6,376,162	3,657,122

The accompanying notes form part of the financial statements

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

The financial report includes the consolidated financial statements and notes for Australian Nursing Federation (Victorian Branch) and Controlled Entity ("Group"), and the separate financial statements and notes of Australian Nursing Federation - Victorian Branch as an individual entity ("Parent Entity").

Note 1 Summary of Significant Accounting Policies

1a Basis of preparation

Australian Nursing Federation (Victorian Branch) and Controlled Entity has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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 these 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.

1b Comparative figures

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

1c 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.

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

Details on the controlled entity is contained in Note 16 of the financial statements.

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 1 Summary of Significant Accounting Policies continued

1d Property, plant and equipment

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

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

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

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of comprehensive income.

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 depreciated replacement cost.

Depreciation

The depreciable amount of fixed assets (excluding land and buildings and including capitalised leased assets) is depreciated on a diminishing value basis and over the asset's useful life to the group commencing from the time the asset is held ready for use. Buildings are depreciated on a straight line basis and land is excluded from depreciation.

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 1 Summary of Significant Accounting Policies continued

1d Property, plant and equipment continued

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and Equipment	15% - 30%
Motor Vehicles	25%
Leasehold improvements	33%

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

Each asset class' carrying amount is written down immediately to its recoverable amount if the class' 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 accumulated surpluses.

1e Financial Instruments

Initial recognition and measurement

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

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

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 1 Summary of Significant Accounting Policies continued

1e Financial Instruments continued

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition; less principal repayments; 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*; 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 the statement of comprehensive income.

(i) 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. All other loans and receivables are classified as non-current assets.

(ii) 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. (All other investments are classified as current assets.)

(iii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the group assesses whether there is objective evidence that a financial instrument has been impaired. 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 group 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 discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is 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 statement of comprehensive income.

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 1 Summary of Significant Accounting Policies continued

1f Impairment

At the end of each reporting period, the group reviews the carrying values of its 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 or depreciated replacement cost, is compared 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 an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

1g Employee benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to the end of the reporting period including on-costs. 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 outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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

1h 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.

1i Income taxes

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

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 1 Summary of Significant Accounting Policies continued

1j 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 group, are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the group will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

1k Revenue

Grant and sponsorship revenue is recognised in the statement of comprehensive income when the group obtains control of the grant or sponsorship and it is probable that the economic benefits gained from the grant or sponsorship will flow to the group and the amount of the grant or sponsorship can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

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.

Donations are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument.

Revenue from membership subscriptions is recognised as revenue when received.

Student fees and professional development fees are recognised as income when received except for RTO related fees. RTO related fees are recognised as income in advance until the completion of the student's course.

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

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 1 Summary of Significant Accounting Policies continued

1l Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO.

1m Critical Accounting Estimates and Judgments

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

(i) Key Estimates - Impairment

The group assessed 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 depreciated replacement cost calculations which incorporate various key assumptions.

The freehold land and buildings were independently valued at 30 June 2010 by Charter Keck Cramer. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the capitalisation of net income approach and the direct comparison approach. The valuation resulted in a revaluation decrement of \$1,309,400 being recognised for the year ended 30 June 2010.

At 30 June 2012, the branch council reviewed the key assumptions adopted by the valuers in 2010 and do not believe there has been a significant change in the assumptions at 30 June 2012. The councillors therefore believe the carrying value of the land correctly reflects the fair value less cost to sell at 30 June 2012.

(ii) Key Judgment - Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their useful life and the depreciation rates are assessed when the assets are acquired or when there is a significant change that affects the remaining useful life of the asset.

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 2 Revenue and Other Income

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
Revenue				
- Membership fees	24,469,949	21,761,393	24,469,949	21,761,393
- RTO income, sponsorships and grants	1,228,983	2,642,838	1,228,983	2,642,838
- Distributions received	*	-	378,963	287,197
- Rent received	184,182	205,472	*	*
- Education and training	369,024	459,003	369,024	459,003
- Interest received	126,589	139,764	126,376	138,381
- EBA merchandise sales	219,509	-	219,509	*
Total revenue	26,598,236	25,208,470	26,792,804	25,288,812
Other income				
- Sundry income	64,826	91,052	64,826	91,052
- Net gain on disposal of property, plant and equipment	8,492	-	8,492	-
Total other income	73,318	91,052	73,318	91,052

Note 3 Surplus from Ordinary Activities

Interest expense on financial liabilities not at fair value through profit or loss:

- Hire purchase charges	61,910	60,130	61,910	60,130
- Bank fees and interest expense	246,463	426,829	188,966	195,202
Total finance costs	308,373	486,959	250,876	255,332

Other expenses:

Contributions to defined contribution superannuation funds	1,218,167	1,181,889	1,218,167	1,181,889
ANF capitation fees - Federal Office	1,002,624	833,772	1,002,624	833,772
Depreciation expense	884,302	814,644	477,937	408,280
Net loss on disposal of property, plant and equipment	*	6,016	-	6,016
EBA campaign expense	4,200,318	1,467	4,200,318	1,467

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Other income:

Net gain on disposal of property, plant and equipment	8,492	-	8,492	-
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Note 4 Cash and Cash Equivalents

	Consolidated		Parent	
	2012	2011	2012	2011
Note	\$	\$	\$	\$
Cash at bank and in hand	2,025,585	953,554	2,006,313	902,070
Short-term bank deposits	4,369,849	2,755,052	4,369,849	2,755,052
	<u>6,395,434</u>	<u>3,708,606</u>	<u>6,376,162</u>	<u>3,657,122</u>

Note 5 Trade and other receivables

CURRENT

Other receivables	12,497	29,215	6,388	27,822
Total current trade and other receivables	<u>12,497</u>	<u>29,215</u>	<u>6,388</u>	<u>27,822</u>

NON-CURRENT

Related party receivables (a)	*	-	16,094,277	16,384,526
	*	-	<u>16,094,277</u>	<u>16,384,526</u>

(a) The related party receivables relates to a receivable from its controlled entity, NSE Property Trust (NSE). These loans were provided to NSE to fund building costs for redevelopment and extensions to the building. The terms of the loans are interest free and are not repayable within the next 12 months. There are no assets held as security on the loans.

Note 6 Other Financial Assets

NON-CURRENT

Investment in NSE Property Trust	*	-	14	14
	*	-	<u>14</u>	<u>14</u>

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 7 Property plant and equipment

Note	Consolidated		Parent	
	2012 \$	2011 \$	2012 \$	2011 \$
LAND AND BUILDINGS				
Freehold land				
At fair value	6,000,000	6,000,000	-	-
Total land	6,000,000	6,000,000	-	-
Building				
At fair value	14,890,624	14,890,624	-	-
Less accumulated depreciation	(744,531)	(372,265)	-	-
Total buildings	14,146,093	14,518,359	-	-
Total land and buildings	20,146,093	20,518,359	-	-
PLANT AND EQUIPMENT				
Plant and equipment				
At cost	4,818,377	4,456,294	3,738,573	3,376,490
Less accumulated depreciation	(3,601,640)	(3,336,648)	(2,626,072)	(2,395,179)
Total plant and equipment	1,216,737	1,119,646	1,112,501	981,311
Motor vehicles				
At cost	1,190,003	1,103,354	1,190,003	1,103,354
Less accumulated depreciation	(340,849)	(321,410)	(340,849)	(321,410)
Total motor vehicles	849,154	781,944	849,154	781,944
Improvements				
At cost	98,082	55,528	98,082	55,528
Less accumulated depreciation	(51,148)	(29,732)	(51,148)	(29,732)
Total improvements	46,934	25,796	46,934	25,796
Total plant and equipment	2,112,825	1,927,386	2,008,589	1,789,051
Total property, plant and equipment	22,258,918	22,445,745	2,008,589	1,789,051

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 7 Property plant and equipment continued

7a 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:

Parent

	Plant and Equipment \$	Motor Vehicles \$	Improvements \$	Total \$
Balance at 1 July 2011	981,311	781,944	25,796	1,789,051
Additions	362,082	463,931	42,553	868,566
Disposals	*	(171,091)	*	(171,091)
Depreciation expense	(230,892)	(225,630)	(21,415)	(477,937)
Balance at 30 June 2012	1,112,501	849,154	46,934	2,008,589

Consolidated

	Land \$	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Improvements \$	Total \$
Balance at 1 July 2011	6,000,000	14,518,359	1,119,646	781,944	25,796	22,445,745
Additions	*	*	362,082	463,931	42,553	868,566
Disposals	*	*	*	(171,091)	*	(171,091)
Depreciation expense	*	(372,266)	(264,991)	(225,630)	(21,415)	(884,302)
Balance at 30 June 2012	6,000,000	14,146,093	1,216,737	849,154	46,934	22,258,918

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 7 Property plant and equipment continued

7b Asset revaluations

The freehold land and buildings were independently valued at 30 June 2010 by Charter Keck Cramer. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the capitalisation of net income approach and the direct comparison approach. The valuation resulted in a revaluation decrement of \$1,309,400 being recognised for the year ended 30 June 2010.

At 30 June 2012, the branch council reviewed the key assumptions adopted by the valuers in 2010 and do not believe there has been a significant change in the assumptions at 30 June 2012. The councillors therefore believe the carrying value of the land correctly reflects the fair value less cost to sell at 30 June 2012.

7c Security

Property situated at 532 and 540 Elizabeth St Melbourne VIC are pledged as security for the bank loans as per Note 10.

Note 8 Other Assets

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
CURRENT				
Prepayments	158,329	344,412	158,329	344,412
	158,329	344,412	158,329	344,412

Note 9 Trade and other payables

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Trade and other payables	1,557,210	942,775	1,527,689	942,775
	1,557,210	942,775	1,527,689	942,775

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 10 Borrowings

	Note	Consolidated		Parent	
		2012 \$	2011 \$	2012 \$	2011 \$
CURRENT					
Secured liabilities:					
Finance lease obligation	13	342,621	353,031	342,621	353,031
Bank overdraft		20	-	20	-
Total current borrowings		342,641	353,031	342,641	353,031
NON-CURRENT					
Secured liabilities:					
Finance lease obligation	10(b), 13	504,618	442,476	504,618	442,476
Bank loans	10(a)	10,000	183,133	*	*
Total non-current borrowings		514,618	625,609	504,618	442,476

(a) NSE Property Trust has a bank bill facility of \$2,000,000, which was reduced from \$7,500,000 during the year. \$173,133 was repaid during the year, with a remaining balance of \$10,000 to be repaid in future years. The facility expires on 31 December 2018 and bears a variable interest rate.

The bank bill is secured by registered mortgages over the property situated at 532 and 540 Elizabeth Street Melbourne VIC, a fixed and floating charge over the whole of the assets of NSE Property Pty Ltd as trustee for the NSE Property Trust and guarantee and indemnity for \$2,000,000 given by Australian Nursing Federation (Victorian Branch).

(b) Lease liabilities are secured by the underlying leased assets.

Note 11 Provisions

Analysis of total provisions					
Current		3,006,267	2,267,100	3,006,267	2,267,100
Non-current		296,498	165,054	296,498	165,054
		3,302,765	2,432,154	3,302,765	2,432,154

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 11 Provisions continued

Movement in carrying amounts

Parent

	Total \$
Employee entitlements	
Opening balance at 1 July 2011	2,432,154
Additional provisions	1,663,177
Utilised during the period	<u>(792,565)</u>
Balance at 30 June 2012	<u>3,302,766</u>

Consolidated

	Total \$
Employee entitlements	
Opening balance at 1 July 2011	2,432,154
Additional provisions	1,663,177
Utilised during the period	<u>(792,565)</u>
Balance at 30 June 2012	<u>3,302,766</u>

Note 12 Income in Advance

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
Student fees in advance	<u>544,859</u>	<u>406,598</u>	<u>544,859</u>	<u>406,598</u>
	<u>544,859</u>	<u>406,598</u>	<u>544,859</u>	<u>406,598</u>

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 13 Capital and Leasing Commitments

13a Finance lease commitments

Note	Consolidated		Parent	
	2012 \$	2011 \$	2012 \$	2011 \$
Payable - minimum lease payments:				
- no later than 1 year	392,982	376,340	392,982	376,340
- between 1 year and 5 years	541,264	479,297	541,264	479,297
Minimum lease payments	<u>934,246</u>	<u>855,637</u>	<u>934,246</u>	<u>855,637</u>
Less: finance charges	<u>(87,007)</u>	<u>(60,130)</u>	<u>(87,007)</u>	<u>(60,130)</u>
Present value of minimum lease payments	<u>847,239</u>	<u>795,507</u>	<u>847,239</u>	<u>795,507</u>

Finance leases are in place for motor vehicles and normally have a term of 3 years.

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 14 Financial Risk Management

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

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:

Financial Assets

Cash and cash equivalents	4, (i)	6,395,434	3,708,606	6,376,162	3,657,122
Trade and other receivables	5, (i)	12,497	29,215	16,094,277	16,384,526
Total financial assets		6,407,931	3,737,821	22,470,439	20,041,648

Financial Liabilities

Trade and other payables	9, (i)	1,557,210	942,775	1,527,689	942,775
Bank loan - secured	10, (i)	10,020	183,133	20	*
Student fees in advance	12, (i)	544,859	406,598	544,859	406,598
Finance lease obligation		847,239	795,507	847,239	795,507
Total financial liabilities		2,959,328	2,328,013	2,919,807	2,144,880

Net Fair Values

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables, trade and other payables, borrowings and student fees in advance are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for relating to annual and long service leave which is not considered a financial instrument.

(ii) The fair values of finance leases are determined by using a discounted cash flow model incorporating the current commercial borrowing rates.

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 15 Key Management Personnel Compensation.

Branch councillors are not remunerated in their capacity as councillors, but for other roles within the entity. The totals of remuneration paid to key management personnel of the entity and the group during the year are as follows:

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
Key management personnel compensation	491,431	514,172	491,431	514,172

Note 16 Controlled Entity

Subsidiaries of Australian Nursing Federation - Victorian Branch:

NSE Property Trust - The trust is a discretionary trust and the trustee of the trust is NSE Property Pty Ltd. Australian Nursing Federation - Victorian Branch has ultimate control over the trust and the trustee as Australian Nursing Federation - Victorian Branch is the appointor of the trust and also owns 100% of the trustee company. Under the trust deed, the sole beneficiary of the trust are the members of Australian Nursing Federation - Victorian Branch.

Note 17 Contingent Liabilities and Contingent Assets

In the opinion of the councillors, the group did not have any contingencies at 30 June 2012.

Note 18 Related Party Transactions

The group's main related parties are as follow:

18a Entities exercising controls over the group

Australian Nursing Federation (Victorian Branch) is the ultimate parent entity, which exercises control over NSE Property Trust.

Balances and transactions between Australian Nursing Federation (Victorian Branch) and NSE Property Trust have been eliminated on consolidation.

18b Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 15: Key Management Personnel Compensation.

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 18 Related Party Transactions continued

18c Other related parties

Other related parties consist of Federal Office in its role as the umbrella organisation. The Federal Office undertook related party transactions with the entity in relation to the charging of Capitation and Subscription fees. These charges were based on the number of members and were on normal commercial terms. Total Capitation and subscription fee charged was \$1,002,624 (2011: \$833,772)

18d Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
Property lease:				
Australian Nursing Federation (Victorian Branch) leases their property from NSE Property Trust			1,097,100	1,060,004
18e Balances from related parties				
NON-CURRENT				
Amounts receivable from:				
- NSE Property Trust (Note 5(a))			16,094,277	16,384,526

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 19 Cash Flow Information

Reconciliation of cashflow from operations with surplus for the year

	Consolidated		Parent	
	2012	2011	2012	2011
	\$	\$	\$	\$
Net surplus for the year	795,274	5,238,695	795,274	5,238,695
Non-cash flows in surplus				
Depreciation	884,302	814,644	477,947	408,280
Net (gain)/loss on disposal of property, plant and equipment	(8,492)	6,016	(8,492)	6,016
Changes in assets and liabilities				
(Increase)/decrease in trade and term receivables	16,718	10,977	21,434	7,166
(Increase)/decrease in other assets	186,083	(264,332)	186,083	(264,332)
Increase/(decrease) in trade payables and accruals	614,436	170,829	584,914	197,751
Increase/(decrease) in other payables	138,261	(116,474)	138,261	(116,474)
Increase/(decrease) in provisions	870,611	187,393	870,611	187,393
	3,497,193	6,047,748	3,066,032	5,664,495

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 20 Reserves

Asset revaluation reserve

The asset revaluation reserve records revaluation of property recorded at fair value.

Members entitlement protection fund

The members entitlement protection fund records funds set aside to ensure member entitlements are covered by the consolidated group.

Special projects fund

The special projects fund records funds set aside for special projects of the consolidated group.

General reserve

The general reserve records funds set aside for future expansion of the consolidated group.

Federal aged care campaign reserve

The federal aged care campaign reserve records funds set aside for campaign expenditure in relation to the federal aged care campaign of the group.

Aged care EBA campaign reserve

The aged care EBA campaign reserve records funds set aside for campaign expenditure in relation to the aged care enterprise bargaining campaign of the group.

CPD project reserve

The CPD project reserve records funds set aside for the development of online courses that the Australian Nursing Federation (Victorian Branch) will be offering to members as part of the membership package in the provision of CPD hours.

EBA reserve

The EBA reserve records funds set aside for campaign expenditure in relation to the Enterprise Bargaining Agreement 2011 of the consolidated group.

Legal services reserve

The legal services reserve records funds set aside to provide legal services to members as part of the membership package.

ACTU levy reserve

The Victorian Branch allocated funds for the Federal Office contribution to ACTU levy.

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 21 Events after the end of the Reporting Period

Other than the following, the branch council is not aware of any significant event since the end of the reporting period

The group has entered into a contract through NSE Property Trust to purchase the land and building at 529-541 Elizabeth Street, Melbourne, Victoria on 22 August 2012. The contract amounts to \$11,010,000 (including GST) which will be funded through cash reserves and bank loans.

Note 22 Entity 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 Information to be Supplied to Members or General Manager

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

- (1) A member of the Australian Nursing Federation and Consolidated Entity (group), or the General Manager, may apply to the group for specific prescribed information in relation to the group 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 less than 14 days after the application has been given to the group.
- (3) The group must comply with an application made under subsection (1).

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Statement by Branch Council

For the Year Ended 30 June 2012

On 13 November 2012 the Branch Council of the Australian Nursing Federation (Victorian Branch) and Controlled Entity passed the following resolution in relation to the general purpose financial report of the group for the year ended 30 June 2012:

The Branch Council declare that:

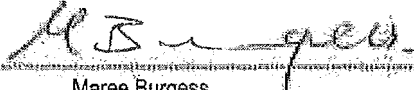
1. The financial statements and notes, as set out on pages 4 to 31, are in accordance with the Fair Work (Registered Organisations) Act 2009 and:
 - a. comply with Australian Accounting Standards-Reduced Disclosure Regime (including Australian Accounting Interpretations); and
 - b. comply with the reporting guidelines of the General Manager of the Fair Work Act; and
 - c. give a true and fair view of the financial position as at 30 June 2012 and of the performance and cash flows for the year ended on that date
2. In the councillors' opinion, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.
3. During the financial year ended 30 June 2012 and since the end of that year:
 - a. meetings of the Branch Council were held in accordance with the rules of Australian Nursing Federation (Victorian Branch) and controlled entity;
 - b. the financial affairs of the group have been managed in accordance with the rules of the group
 - c. the financial records of the group have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009;
 - d. the information sought in any request of a member of the group or the General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of Fair Work Australia;
 - e. there has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009; and
 - f. the group did not participate in any recovery of wages activity.

Signed in accordance with a resolution of the Branch Council:

Acting Secretary


Paul Gilbert

President


Maree Burgess

Dated

13 November 2012

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

Independent Audit Report to the members of Australian Nursing Federation (Victorian Branch) and Controlled Entity

Report on the Financial Report

We have audited the accompanying general purpose financial report of Australian Nursing Federation (Victorian Branch) and Controlled Entity (the group), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Branch Council of the group comprising the entity 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 group are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards - Reduced Disclosure Regime (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 group'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 group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by councillors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Australian Nursing Federation (Victorian Branch) and Controlled Entity

ABN: 80 571 091 192

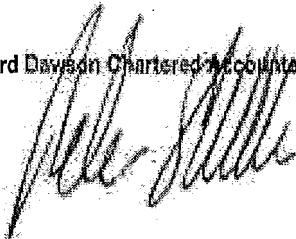
Independent Audit Report to the members of Australian Nursing Federation (Victorian Branch) and Controlled Entity

Auditor's Opinion

In our opinion:

- (a) the general purpose financial report of the Australian Nursing Federation (Victorian Branch) and Controlled Entity presents fairly the financial position as at 30 June 2012 and of its financial performance and cash flows for the year then ended and is in accordance with:
- (i) Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations); and
 - (ii) requirements of the Fair Work (Registered Organisations) Act 2009 (the Act) including Part 3 of Chapter 8 of the Act
- (b) the group did not participate in any recovery of wages activity during the year.

Saward Dawson Chartered Accountants

Peter Shields
Partner

Blackburn VIC

Dated: 13 November 2012



FAIR WORK
AUSTRALIA

15 August 2012

Ms Lisa Fitzpatrick
Branch Secretary
Australian Nursing Federation-Victorian Branch
By email: records@anfvic.asn.au

Dear Ms Fitzpatrick,

**Lodgement of Financial Documents for year ended 30 June 2012 [FR2012/261]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Australian Nursing Federation-Victorian Branch (the “reporting unit”) has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit’s financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. The information can be viewed at www.fwa.gov.au – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial Reporting Guidelines.

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at orgs@fwa.gov.au. Alternatively, you can forward the documents by fax to (03) 9655 0410.

Please do not hesitate to contact me on (03) 8661 7817 or by email at robert.pfeiffer@fwa.gov.au if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Robert Pfeiffer
Organisations, Research & Advice
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
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(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement)*

Provide full report free of charge to members – s265 The full report includes:	/ /
<ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	

(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,

or

(b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.*

Present full report to:	/ /
(a) General Meeting of Members - s266 (1),(2); OR	
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.



FAIR WORK
AUSTRALIA

3 August 2012

Ms Lisa Fitzpatrick
Branch Secretary
Australian Nursing Federation-Victorian Branch

records@anfvic.asn.au

Dear Ms Fitzpatrick,

**Lodgement of Financial Documents for year ended 30 June 2012 [FR2012/261]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

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The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

Failure to comply with these obligations is subject to a civil penalty provision - see s305 RO Act.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. The information can be viewed at www.fwa.gov.au – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial Reporting Guidelines.

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at orgs@fwa.gov.au. Alternatively, you can forward the documents by fax to (03) 9655 0410.

Please do not hesitate to contact me on (03) 8661 7787 or by email at Andrea.O'HALLORAN@fwa.gov.au if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Andrea O'Halloran
Organisations, Research & Advice
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
--

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Within 6 months of end of financial year

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