



6 February 2020

Lisa Fitzpatrick
Branch Secretary
Australian Nursing and Midwifery Federation - Victorian Branch

Sent via email: lfitzpatrick@anmfvic.asn.au
CC: peter.shields@sawarddawson.com.au

Dear Lisa Fitzpatrick,

**Australian Nursing and Midwifery Federation - Victorian Branch
Financial Report for the year ended 30 June 2019 – (FR2019/197)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the Australian Nursing and Midwifery Federation - Victorian Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 13 December 2019.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

Reports must be provided to members within 5 months of end of financial year where report is presented to committee of management meeting

Under section 265(5)(b) of the RO Act, where the report is presented to a committee of management meeting, the report must be provided to members within 5 months of the end of the financial year. The designated officer's certificate states that the financial report was presented, for the purposes of section 266, to a committee of management meeting and that the full report was provided to members on 13 December 2019.

If the date of provision certified is correct, the reporting unit should have applied for an extension of time to provide the full report to members in accordance with section 265(5) of the RO Act.

Please note that in future financial years if an extension of time to provide the full report later than 5 months is required, a written request, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 5 months.

General purpose financial report

Nil activities disclosure

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes contained nil activity information for all prescribed RG categories except the following:

- Receive any other revenue from another reporting unit (RG 13(b)).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

References to legislation

It appears that the information provided in Note 25 *Acquisition of assets and liabilities* relates to the disclosure requirement under RG 12. I note however that items (c) and (d) make reference to the Commissioner instead of the General Manager of the Fair Work Commission.

Please ensure this note is amended accordingly in future years.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

Designated Officer's Certificate

s.268 Fair Work (Registered Organisations) Act 2009

I Lisa Fitzpatrick being Branch Secretary of the Australian Nursing and Midwifery Federation (Victorian Branch), 535 Elizabeth Street Melbourne certify:

- That the documents lodged herewith are copies of the full report referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*;
- That the full report was provided to members on 13 December 2019. (Due to an administrative oversight, this was not provided to members until 13 December 2019).
- The full report was presented to a Committee of Management meeting on 12 December 2019, in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature: Lisa Fitzpatrick

Date: 13/12/2019



**Australian Nursing and Midwifery Federation (Victorian Branch)
and Controlled Entities**

ABN: 80 571 091 192

Financial Report

For the Year Ended 30 June 2019

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Financial Report

For the Year Ended 30 June 2019

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Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Operating Report

For the Year Ended 30 June 2019

Your Councillors present this financial report of Australian Nursing and Midwifery Federation (Victorian Branch) (the entity) and its controlled entities (the Group) for the financial year ended 30 June 2019.

(a) Councillors

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

Ms Lisa Fitzpatrick	
Mr Paul Gilbert	
Ms Pip Carew	
Ms Maree Burgess	
Ms Lisa Auchettl	
Ms Ruth Bloom	
Ms Melanie Carron	
Ms Fiona Cresswell	
Ms Jessica Foley	
Ms Deborah Holloway	
Ms Lara Jeffery	Commenced 14 August 2018, Resigned 11 June 2019
Ms Marie Jones	Commenced 13 November 2018
Ms Jacqueline Kriz	Resigned 27 March 2019, Commenced 11 June 2019
Ms Lynette Mauger	
Mr Stephen McKenzie	
Ms Hannah Metcher	Resigned 9 October 2018
Mr Andrew Morgan	
Ms Carol Munro	Commenced 12 February 2019
Ms Tara Nipe	Commenced 12 February 2019
Mr Timothy O'Brien	
Ms Kimberley Pentreath	
Ms Kate Reid	Commenced 11 September 2018
Ms Therese Smyth	Resigned 1 May 2019
Ms Kitsa Soulounias	Resigned 9 October 2018
Ms Anita Stirling	Resigned 30 September 2018
Ms Rachel Weaver	

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

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Operating Report

For the Year Ended 30 June 2019

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the organisation during the financial year continued to be the industrial and professional representation and education of persons studying and/or providing nursing and midwifery. No significant change in the nature of these activities occurred during the year.

The results of the principal activities are as follows:

- Increase in number of members to 81,884 for the year
- Provision of member employment legal services and indemnity insurance
- Negotiation of enterprise agreements
- Lobbying of government for improvement to and expansion of ratios
- Participation in various and state national campaigns to raise awareness of the invaluable and skilled work of nurses, midwives and carers along with securing enterprise agreements for members working in a variety of sectors e.g. Private Aged Care, Local Government, Private Acute and Government sector
- Involvement in various state committees and inquiries dealing with nursing and midwifery issues, such as occupational violence and aggression prevention, voluntary assisted dying and domestic violence.
- An increase in the number of attendees to conferences, seminars, training programmes, professional development opportunities, accredited and non-accredited courses.

Significant changes in financial affairs

There were no significant changes to the entity's financial affairs during the financial year.

Resignation from membership

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

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Operating Report

For the Year Ended 30 June 2019

Trustee of superannuation entity

1. Pip Carew, who was a director of First State Super for the period from 1 July 2018 to 30 June 2019. Director fees have been paid to Australian Nursing and Midwifery Federation (Victorian Branch).

With the exception of the above, to the best of our knowledge there are no officeholders or members of Australian Nursing and Midwifery 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.

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 81,884 (2018: 79,019)
- The number of full time equivalent employees at the end of the financial year was 147 (2018: 130)

Signed in accordance with a resolution of the Branch Council:

Secretary: 
Lisa Fitzpatrick

Assistant Secretary: 
Paul Gilbert

Assistant Secretary: 
Pip Carew

Dated 12 November 2019

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	2	42,729,583	38,543,350
Other income	2	266,558	4,176,094
Employee benefits expense	3(a)	(19,970,983)	(17,717,695)
Journal expense	3(b)	(682,047)	(1,088,371)
Capitation Fees - ANMF Federal Office		(1,657,392)	(1,565,135)
Depreciation and amortisation expense		(3,615,873)	(3,034,138)
Education and training expense		(1,053,968)	(499,631)
Professional indemnity insurance		(520,361)	(537,534)
Legal expense	3(c)	(1,103,957)	(711,480)
Finance cost	3(d)	(723,935)	(996,539)
Occupancy expense		(1,283,970)	(1,049,202)
Member/Rep. professional development		(285,028)	(344,366)
Affiliation and levy fees	3(e)	(418,356)	(392,660)
Grants expense	3(f)	(4,287,012)	(3,539,619)
Donations expense	3(f)	(80,164)	(107,460)
EBA campaign expenses	3(g)	(428,380)	(568,057)
Meeting expenses		(60,153)	(61,291)
Conference expenses		(885,203)	(668,826)
Other operational expenses		(3,488,203)	(3,241,003)
Surplus before income tax		2,451,156	6,596,437
Income tax expense		(4,125)	(1,877)
Surplus for the year from ordinary activities		2,447,031	6,594,560
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year		2,447,031	6,594,560

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Consolidated Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,727,153	10,988,983
Trade and other receivables	5	307,003	464,128
Current tax receivable		-	702
Other assets	8	688,395	441,385
TOTAL CURRENT ASSETS		<u>4,722,551</u>	<u>11,895,198</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	82,348,767	84,674,895
Intangible assets	7	1,081,181	254,357
TOTAL NON-CURRENT ASSETS		<u>83,429,948</u>	<u>84,929,252</u>
TOTAL ASSETS		<u><u>88,152,499</u></u>	<u><u>96,824,450</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	2,026,782	1,025,355
Borrowings	10	434,737	492,317
Current tax liabilities		730	-
Short-term provisions	11	6,474,925	5,466,110
Other liabilities	12	5,089,679	5,628,310
TOTAL CURRENT LIABILITIES		<u>14,026,853</u>	<u>12,612,092</u>
NON-CURRENT LIABILITIES			
Borrowings	10	684,123	13,286,383
Provisions	11	321,443	252,926
TOTAL NON-CURRENT LIABILITIES		<u>1,005,566</u>	<u>13,539,309</u>
TOTAL LIABILITIES		<u>15,032,419</u>	<u>26,151,401</u>
NET ASSETS		<u><u>73,120,080</u></u>	<u><u>70,673,049</u></u>
EQUITY			
Reserves		742,547	747,449
Accumulated surpluses		72,377,533	69,925,600
TOTAL EQUITY		<u><u>73,120,080</u></u>	<u><u>70,673,049</u></u>

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Accumulated Surpluses	Asset Revaluation Reserve	Members Entitlement Protection Fund	General Reserve	Legal Services Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	69,925,600	-	400,000	47,449	300,000	70,673,049
Surplus for the year	2,447,031	-	-	-	-	2,447,031
Transfers to and from reserves						
- General reserve	4,902	-	-	(4,902)	-	-
- Asset Revaluation Reserve	-	-	-	-	-	-
Balance at 30 June 2019	72,377,533	-	400,000	42,547	300,000	73,120,080

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2019

2018

	Accumulated Surpluses	Asset Revaluation Reserve	Members Entitlement Protection Fund	General Reserve	Legal Services Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	53,028,794	10,298,045	400,000	51,650	300,000	64,078,489
Surplus for the year	6,594,560	-	-	-	-	6,594,560
Transfers to and from reserves						
- General reserve	4,201	-	-	(4,201)	-	-
- Asset Revaluation Reserve	10,298,045	(10,298,045)	-	-	-	-
Balance at 30 June 2018	69,925,600	-	400,000	47,449	300,000	70,673,049

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Cash from operating activities:			
Receipts from members and customers		47,007,890	43,567,749
Payments to suppliers and employees		(38,953,497)	(35,145,851)
Interest received		100,251	287,763
Interest and other costs of finance paid		(723,935)	(996,539)
Income tax paid		(2,693)	(4,713)
Net cash provided by operating activities	20	<u>7,428,016</u>	<u>7,708,409</u>
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		249,178	26,752,570
Interest paid on capital work in progress		-	(170,537)
Payment for intangible assets		(982,950)	(223,972)
Acquisition of property, plant and equipment		(1,296,234)	(17,585,437)
Net cash used by investing activities		<u>(2,030,006)</u>	<u>8,772,624</u>
Cash flows from financing activities:			
Procurement/(repayment) of borrowings		(12,659,840)	(21,330,493)
Net cash provided by financing activities		<u>(12,659,840)</u>	<u>(21,330,493)</u>
Net cash increase (decreases) in cash and cash equivalents		<u>(7,261,830)</u>	<u>(4,849,460)</u>
Cash and cash equivalents at beginning of year		<u>10,988,983</u>	<u>15,838,443</u>
Cash and cash equivalents at end of year	4	<u>3,727,153</u>	<u>10,988,983</u>

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report includes the consolidated financial statements and notes for Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities ("Group").

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Nursing and Midwifery Federation (Victorian Branch) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

(b) Comparative figures

When required by Australian Accounting Standards and the Fair Work (Registered Organisation) Act 2009, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Australian Nursing and Midwifery Federation (Victorian Branch) at the end of the reporting period. The parent controls an entity if it is exposed, or has rights, to variable returns from its involvement with the controlled entity and has the ability to affect those returns through its power over the controlled entity. The controlled entities have a reporting date of 30 June.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total surplus of subsidiaries are attributed to Australian Nursing and Midwifery Federation (Victorian Branch).

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.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Details on the controlled entities are contained in Note 19(a) of the financial statements.

The activities of Victorian Nurses Welfare and Hardship Trust Fund and Special Interest Group were not consolidated with the Australian Nursing and Midwifery Federation (Victorian Branch) on the basis that these funds are controlled by its members and not by the Victorian Branch Council. Further details are contained in Note 19(b).

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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

Land and buildings

Freehold land and buildings are measured at cost less accumulated depreciation and impairment losses. The carrying amounts of all assets are reviewed annually by the Directors to ensure that they are not in excess of their recoverable amounts.

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 capitalised leased assets) is depreciated on a straight-line basis and over the asset's useful life to the Group commencing from the time the asset is held ready for use. Capitalised leased assets are depreciated on a diminishing value basis.

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	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 profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated surpluses.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(e) Financial instruments

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group's financial assets at amortised cost includes trade receivables and loans to related parties.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the group has transferred substantially all the risks and rewards of the asset, or
 - (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment - trade receivables

For trade receivables that do not have a significant financing component, the group applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(e) Financial instruments

Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(f) 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 profit or loss.

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.

(g) Intangible Assets

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(h) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within short-term borrowing in current liabilities on the consolidated consolidated statement of financial position.

(i) 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 high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

(j) 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.

(k) 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. The Group has obligation for Fringe Benefit Tax (FBT) and Goods and Services Tax (GST).

Tax is recognised for the controlled entities on an accruals basis. The income tax expense (income) for the year comprises current income tax expense (income) for the controlled entities. The controlled entities do not recognise deferred tax assets or liabilities. Current income tax expense charged to the profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(l) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(l) Leases

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

(m) Revenue

Revenue from membership subscription fee is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Grant and sponsorship revenue is recognised in the statement of profit or loss when the Group obtains control of the grant or sponsorship, 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/member.

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.

Student fees of non-accredited courses and professional development fees are recognised when the course has been delivered. RTO related fees are recognised as income over the length of the student's course.

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

(n) 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.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(o) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

(p) 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.

(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.

(q) New Australian Accounting Standards

Adoption of new and revised accounting standards

The group has adopted all standards which became effective for the first time as at 30 June 2019. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the group.

Future Australian Accounting Standards Requirements

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the organisation. The group has decided not to early adopt any of the new and amended pronouncements. The group's assessment of the new and amended pronouncements that are relevant to the group but applicable in future reporting periods is set out below:

AASB 15: Revenue from Contracts with Customers

(applicable for annual reporting periods commencing on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(q) New Australian Accounting Standards

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Branch Council anticipate that the adoption of AASB 15 will not have a significant impact on the group's financial statements.

AASB 16: Leases

(applicable for annual reporting periods commencing on or after 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

Although the Branch Council anticipate that the adoption of AASB 16 may have an impact on the group's financial statements, it is impracticable at this stage to provide a detailed assessment of such impact.

The parent entity leases its property from a controlled entity. The new standard will result in Land and Buildings being recognised as a right to occupy asset and a corresponding lease liability. The lease cost will be recognised as a nominal lease cost and lease interest. The lease interest will be higher in the early years of the lease. This will be eliminated on consolidation.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Revenue and Other Income

	Note	2019 \$	2018 \$
Revenue			
- Membership subscription fees		38,638,961	36,042,858
- Education and training income		289,565	71,582
- Conference and sponsorship income		1,250,471	985,894
- Rent received		1,362,583	731,825
- Professional development		261,200	305,842
- Interest received		100,251	287,763
- Merchandise sales		5,080	7,372
- Grants received	(b)	821,472	110,214
- Capitation fees		-	-
- Levy income		-	-
- Donations		-	-
- Revenue from recovery of wages activity		-	-
Total revenue		42,729,583	38,543,350
Other income			
- Sundry income		179,995	232,743
- Net gain on disposal of property, plant and equipment	(a)	86,563	3,943,351
Total other income		266,558	4,176,094

(a) Net gain on disposal of property, plant and equipment

Included in 2018 amount is \$3,947,922 of gain on sale of the freehold land and buildings at 532 and 540 Elizabeth St Melbourne Vic. Settlement date was on 5 October 2017.

(b) Grants received

In 2018, grant received was previously recorded as professional development income as it was the purpose of the grants received. The reporting unit has reclassified this income to grants received to meet the requirements of the reporting guidelines under section 253 of the *Fair Work (Registered Organisations) Act 2009*.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Surplus from Ordinary Activities

(a) Employee Expense

	2019	2018
	\$	\$
Holders of office		
Wages and salaries	571,971	506,898
Superannuation	89,754	84,276
Leave entitlements	280,629	122,475
Separation and redundancies	-	-
Other employee expenses	12,708	12,192
	<hr/>	<hr/>
Subtotal employee expenses - holders of office	955,062	725,841
Employees (including contract staff) other than office holders:		
Wages and salaries	12,624,550	11,249,037
Superannuation	2,074,958	1,885,721
Leave entitlements	2,572,606	2,395,513
Separation and redundancies	281,597	175,945
Payroll tax and workcover	956,993	822,293
Other employee expenses	505,217	463,345
	<hr/>	<hr/>
Subtotal employee expenses - employees other than office holders	19,015,921	16,991,854
	<hr/>	<hr/>
Total employee benefit expenses	19,970,983	17,717,695

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Surplus from Ordinary Activities

(b) Journal Expense

	2019	2018
	\$	\$
Australian Nursing and Midwifery Journal (ANMJ) subscription fees - ANMF Federal Office	682,047	974,621
Other journal expenses	-	113,750
Total journal expenses	682,047	1,088,371

(c) Legal expense

Litigation fees	974,444	667,201
Other legal costs	129,513	44,279
Total legal expense	1,103,957	711,480

(d) Finance cost

Hire purchase charges	54,065	61,779
Bank fees and interest expense	669,870	934,760
Total finance costs	723,935	996,539

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Surplus from Ordinary Activities

(e) Affiliation and Levy fees

	2019	2018
	\$	\$
Affiliation Fees		
Ballarat Trades and Labour	11,446	9,442
Bendigo Trades Hall	11,900	6,582
Geelong Trades Hall	25,556	18,494
Gippsland Trades and Labour	9,400	6,910
Goulburn Trades & Labour	8,990	7,342
North East & Border Trades	1,920	1,948
South West Trades & Labour	1,235	787
Sunraysia Trades & Labour Council	709	355
Victorian Trades Hall Council	347,200	340,800
Total Affiliation Fees	<u>418,356</u>	<u>392,660</u>
Levies		
Total Levies	<u>-</u>	<u>-</u>
Total Affiliation and Levy Fees	<u>418,356</u>	<u>392,660</u>

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Surplus from Ordinary Activities

(f) Donations and grants expense

	2019	2018
Note	\$	\$
Grants		
Total paid that were \$1,000 or less	22,275	34,619
Total paid that exceeded \$1,000	(a) 4,264,737	3,505,000
Total grants	<u>4,287,012</u>	<u>3,539,619</u>
Donations		
Total paid that were \$1,000 or less	8,270	10,460
Total paid that exceeded \$1,000	71,894	97,000
Total donations	<u>80,164</u>	<u>107,460</u>
Total grants and donations	<u>4,367,176</u>	<u>3,647,079</u>

(a) Included in this amount is \$3.5 million (2018:\$3.5 million) of grant to Launch Housing for housing for nurses, midwives and carers who are homeless or at risk of homelessness, or others who are homeless or at risk of homelessness if a nurse, midwife or carer does not present at Launch Housing or Wintringham for housing or support.

(g) Other expenses disclosure

Commission charged on collection of subscriptions	762	1,105
EBA campaign expenses for various sectors	428,380	568,057
Penalties - via RO Act or RO Regulations	-	-
Fees/allowances - meeting and conferences	-	-

4 Cash and Cash Equivalents

Cash at bank and in hand	3,650,071	5,570,581
Short-term bank deposits	77,082	5,418,402
	<u>3,727,153</u>	<u>10,988,983</u>

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	307,003	464,128
	<u>307,003</u>	<u>464,128</u>

(a) As at 30 June 2019, receivables from ANMF Federal Office amounts to \$nil (2018: \$411).

6 Property plant and equipment

	2019	2018
	\$	\$
LAND AND BUILDINGS		
At cost - land and buildings	71,722,212	71,625,207
Less accumulated depreciation	<u>(2,497,534)</u>	<u>(1,191,774)</u>
	<u>69,224,678</u>	<u>70,433,433</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	15,262,535	14,688,018
Less accumulated depreciation	<u>(3,151,820)</u>	<u>(1,722,930)</u>
Total plant and equipment	<u>12,110,715</u>	<u>12,965,088</u>
Motor vehicles		
At cost	1,847,722	1,866,268
Less accumulated depreciation	<u>(834,348)</u>	<u>(589,894)</u>
Total motor vehicles	<u>1,013,374</u>	<u>1,276,374</u>
Improvements		
Total plant and equipment	<u>13,124,089</u>	<u>14,241,462</u>
Total property, plant and equipment	<u>82,348,767</u>	<u>84,674,895</u>

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Property plant and equipment

(a) Movements in Carrying Amounts

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

	Land and Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2018	70,433,433	12,965,088	1,276,374	84,674,895
Additions	97,005	631,854	567,375	1,296,234
Disposals	-	(582)	(162,033)	(162,615)
Depreciation expense	(1,305,760)	(1,485,645)	(668,342)	(3,459,747)
Balance at 30 June 2019	<u>69,224,678</u>	<u>12,110,715</u>	<u>1,013,374</u>	<u>82,348,767</u>

(b) Security

Property situated at Elizabeth St Melbourne VIC is pledged as security for the bank loans as per Note 10.

(c) Capital commitment

The Group did not have any capital commitments as at 30 June 2019.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

7 Intangible Assets

	2019	2018
	\$	\$
Website and Online App		
Cost	410,761	102,793
Accumulated amortisation and impairment	(241,234)	(85,108)
Net carrying value	<u>169,527</u>	<u>17,685</u>
Work in progress		
Cost	<u>911,654</u>	236,672
Total Intangibles	<u><u>1,081,181</u></u>	<u><u>254,357</u></u>

(a) Movements in carrying amounts of intangible assets

	Website	Work in progress	Total
	\$	\$	\$
Balance at 1 July 2018	17,685	236,672	254,357
Additions	19,998	962,952	982,950
Transfers	287,970	(287,970)	-
Amortisation	(156,126)	-	(156,126)
Balance at 30 June 2018	<u>169,527</u>	<u>911,654</u>	<u>1,081,181</u>

8 Other Assets

CURRENT

Prepayments	<u>688,395</u>	441,385
	<u><u>688,395</u></u>	<u><u>441,385</u></u>

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Trade and other payables

	Note	2019 \$	2018 \$
CURRENT			
Trade and other payables		1,375,333	760,093
Legal fees	(b)9	53,289	4,645
GST payable/(receivable)		230,758	(35,522)
Payable to ANMF Federal Office		367,402	296,139
Payable to employers for making payroll deductions of membership subscriptions		-	-
		<u>2,026,782</u>	<u>1,025,355</u>

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

Trade and other payables:			
- total current		2,026,782	1,025,355
Add/(Less):			
GST (payable)/receivable		<u>(230,758)</u>	35,522
Financial liabilities as trade and other payables	15	<u>1,796,024</u>	<u>1,060,877</u>

(b) Legal Fees

Litigation		47,946	1,835
Other legal costs		5,343	2,810
Total		<u>53,289</u>	<u>4,645</u>

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Borrowings

	Note	2019 \$	2018 \$
CURRENT			
Secured liabilities:			
Finance lease obligation	10(b),14	<u>434,737</u>	492,317
Total current borrowings		<u>434,737</u>	<u>492,317</u>
NON-CURRENT			
Secured liabilities:			
Finance lease obligation	10(b), 14	<u>684,123</u>	655,336
Bank loans	10(a)	<u>-</u>	12,631,047
Total non-current borrowings		<u>684,123</u>	<u>13,286,383</u>

(a) The group has a bank borrowing facility of \$15,000,000 with National Australia Bank. Bank borrowing is secured by:

- registered mortgages over the land and buildings owned by the group
- general security agreement over all the assets and undertakings of the group
- guarantee and indemnity given by Australian Nursing and Midwifery Federation (Victorian Branch)

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

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Provisions

	2019	2018
	\$	\$
Office holders		
Annual leave	434,002	324,720
Long service leave	574,068	424,147
Separations and redundancies	-	-
Other - Accrued days off	13,178	16,769
	<hr/>	<hr/>
Subtotal employee provisions - office holders	1,021,248	765,636
Employees other than office holders:		
Annual leave	2,233,281	1,914,572
Long service leave	3,287,063	2,791,884
Separations and redundancies	-	-
Other - Accrued days off	254,776	246,944
	<hr/>	<hr/>
Subtotal employee provisions - employees other than office holders	5,775,120	4,953,400
	<hr/>	<hr/>
Total employee provisions	6,796,368	5,719,036
	<hr/>	<hr/>
Analysis of total provisions		
Current	6,474,925	5,466,110
Non-current	321,443	252,926
	<hr/>	<hr/>
	6,796,368	5,719,036
	<hr/>	<hr/>

(a) Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave, long service leave and accrued days off.

The current portion for this provision includes the total amount accrued for annual leave and accrued days off entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

12 Income in Advance

	2019	2018
	\$	\$
Student fees in advance	108,153	111,663
Grants received in advance	465,105	933,495
Membership subscription fees in advance	4,388,038	4,473,992
Other deferred income	128,383	109,160
	<u>5,089,679</u>	<u>5,628,310</u>

13 Equity

Other specific disclosures - funds

Compulsory levy/voluntary contribution fund - if invested in assets

- -

Other funds required by rules

- -

- -

14 Capital and Leasing Commitments

Finance lease commitments

Payable - minimum lease payments:

- no later than 1 year

482,953 540,858

- between 1 year and 5 years

725,853 707,821

Minimum lease payments

1,208,806 1,248,679

Less: finance changes

(89,946) (101,026)

Present value of minimum lease payments

1,118,860 1,147,653

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

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

15 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, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
Financial Assets			
Cash and cash equivalents (i)	4	3,727,153	10,988,983
Trade and other receivables (i)	5	307,003	464,128
Total financial assets		4,034,156	11,453,111
Financial Liabilities			
Trade and other payables (i)	(a)9	1,796,024	1,060,877
Bank loan - secured (ii)	10	-	12,631,047
Finance lease obligation (ii)	14, (ii)	1,118,860	1,147,653
Total financial liabilities		2,914,884	14,839,577

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 and borrowings 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 are not considered a financial instrument.

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

Financial risk management policies

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

Finance and risk committee meets on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts. The overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Financial Risk Management

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. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Branch Council's objectives, policies and processes for managing or measuring the risks from the previous period.

(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 and arises principally from the Group's receivables.

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

Credit risk exposure

The Group has no significant concentration of credit risk with any single counterparty or group counterparties except for the unsecured loans receivable from related parties. The credit risk attributable to these related party balances is mitigated by the fact that they are controlled by the parent entity,

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5.

(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 financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Financial Risk Management

Financial liability maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding GST)	1,796,024	1,060,877	-	-	-	-	1,796,024	1,060,877
Borrowings (excluding finance lease)	-	-	-	12,631,047	-	-	-	12,631,047
Finance lease liabilities	434,737	492,317	684,123	655,336	-	-	1,118,860	1,147,653
Total contractual outflows	2,230,761	1,553,194	684,123	13,286,383	-	-	2,914,884	14,839,577

The timing of expected outflows is not expected to be materially different from contracted cash flows.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Financial Risk Management

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

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

ii. Price risk

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

Interest rate 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 profit 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.

	2019	2018
	\$	\$
Change in surplus		
- +/- 0.5% in interest rate	5,646	36,063
Change in equity		
- +/- 0.5% in interest rate	5,646	36,063

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

16 Key Management Personnel Compensation.

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, is considered key management personnel. Branch President, Vice President, Executive Committee Members and Ordinary Branch Councillors are not remunerated in their capacity as councillors. The totals of remuneration paid to key management personnel of the entity and the Group during the year are as follows:

	2019	2018
	\$	\$
Key management personnel compensation:		
- Short-term employee benefit	741,202	614,254
- Post-employment benefits (Superannuation)	89,754	84,276
- Other long term benefits (Long service leave)	124,106	27,311
- Termination benefits	-	-
Total	955,062	725,841

17 Remuneration of Auditors

Remuneration of the auditor as follow:

- Auditing or reviewing the financial statements	51,950	50,700
- Other services	1,500	1,500

18 Contingent Liabilities

In the opinion of the Branch Councillors, the Group did not have any contingent liabilities at 30 June 2019.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

19 Related Party Transactions

The Group's main related parties are as follow:

(a) Controlled entities

Australian Nursing and Midwifery Federation (Victorian Branch) is the ultimate parent entity, which exercises control over:

- N.S.E Property Trust
- N.S.E Property Pty Ltd
- N.S.E. RTO Pty Ltd

N.S.E Property Trust is a fixed trust and the trustee of the trust is N.S.E Property Pty Ltd. Australian Nursing and Midwifery Federation (Victorian Branch) has ultimate control over the trust and the trustee. Under the trust deed, the sole beneficiary of the trust are the members of Australian Nursing and Midwifery Federation (Victorian Branch).

N.S.E. RTO Pty Ltd was established on 14th May 2014. Australian Nursing and Midwifery Federation (Victorian Branch) holds 100% of the shares in N.S.E. RTO Pty Ltd.

Balances and transactions between Australian Nursing and Midwifery Federation (Victorian Branch) and controlled entities have been eliminated on consolidation.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

19 Related Party Transactions

(b) Other related parties

Other related parties consist of:

1. Australian Nursing and Midwifery Federation (Federal Office)

Payments made to the Australian Nursing and Midwifery Federation (Federal Office) are as follows:

	2019	2018
	\$	\$
Capitation Fee	1,657,392	1,565,135
ANMF Journal	682,048	974,621
Biennial National Conference	29,532	28,932
Aged Care Campaign Contribution	332,194	19,378
ACTU Change the Rules Campaign Contribution	-	113,636
Shared database cost	22,693	22,743

In addition to the payments listed above, ANMF (Federal Office) also collects reimbursements from ANMF (Victorian Branch) which are not regarded as related party transactions. These reimbursements consist of:

- Payroll tax received from and paid on behalf of ANMF (Victorian Branch); and
- Travelling costs for state representatives to attend the Federal meetings and conference.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

19 Related Party Transactions

2. Victorian Nurses Welfare and Hardship Trust Fund

Victorian Nurses Welfare and Hardship Trust Fund was established in 2007 to provide assistance to nurses with financial hardship. The Trust is funded through donations from the members of the Australian Nursing and Midwifery Federation (Victorian Branch).

Total Victorian Nurses Welfare and Hardship Fund bank balance as at 30 June 2019 held in the name of Australian Nursing and Midwifery Federation (Victorian Branch) was \$42,960 (2018: \$46,069).

3. Special Interest Group

Members of Australian Nurses and Midwifery Federation (Victorian Branch) operates a number of Special Interest Groups.

Total Special Interest Group bank balances as at 30 June 2019 held in the name of Australian Nursing and Midwifery Federation (Victorian Branch) total \$15,840 (2018: \$15,333).

(c) Financial support

The Group does not receive any financial support from other reporting unit of the organisation or provide financial support to other reporting units of the organisation.

(d) Former related party

The Group did not make a payment to a former related party of the Group.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

20 Cash Flow Information

(a) Reconciliation of cash flow from operations with surplus for the year

	2019	2018
	\$	\$
Net surplus for the year	2,447,031	6,594,560
Non-cash flows in surplus		
Depreciation and amortisation	3,615,873	3,034,138
Net (gain)/loss on disposal of property, plant and equipment	(86,563)	(3,943,351)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(89,885)	(398,413)
Increase/(decrease) in trade payables and accruals	1,001,427	763,320
Increase/(decrease) in income taxes payable	1,432	(2,836)
Increase/(decrease) in other liabilities	(538,631)	1,152,213
Increase/(decrease) in provisions	1,077,332	508,778
	<u>7,428,016</u>	<u>7,708,409</u>

(b) Cash flow with reporting units

Cash inflows:

ANMF Federal Office	8,489	50,683
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Cash outflows:

ANMF Federal Office	(3,777,685)	(3,509,710)
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Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

21 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 protected by the consolidated Group.

General reserve

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

Included in the general reserve is Florence Nightingale Fund. The purpose of Florence Nightingale Fund is to provide interest free loans to nurses with financial hardship.

Legal services reserve

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

22 Events after the end of the Reporting Period

The Branch Council is not aware of any significant event since the end of the reporting period.

23 Entity Details

The registered office and principal place of business of the Branch is:

Australian Nursing and Midwifery Federation - Victorian Branch

535 Elizabeth Street

Melbourne VIC 3000

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2019

24 Information to be Supplied to Members or Commissioner

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

- A member of the Australian Nursing and Midwifery Federation and Consolidated Entities (Group), or the Commissioner, may apply to the Group for specific prescribed information in relation to the Group to be made available to the person making the application.
- 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.
- The Group must comply with an application made under subsection (1).

25 Acquisition of Assets and Liabilities

There were no acquisitions of any asset or liability during the financial year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3 of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the Commissioner under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the Commissioner under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1)

26 Administration of financial affairs by a third party

The Group did not have another entity administer the financial affairs of the Group.

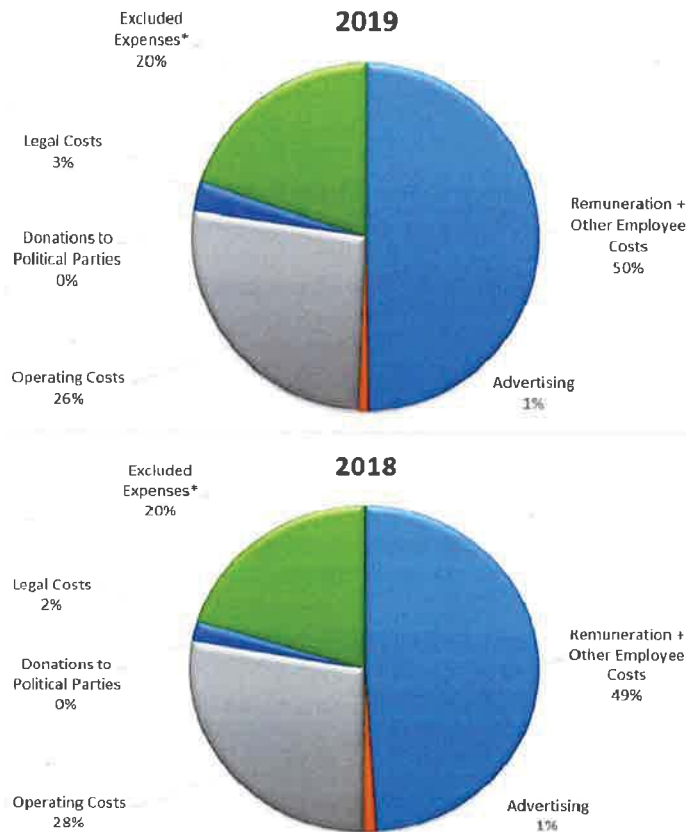
Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Expenditure Report Required under Section 255(2A)

For the Year Ended 30 June 2019

The Branch Council presents the expenditure report as required under subsection 255(2A) on the Group for the year ended 30 June 2019.



*Excluded expenses include interest expense on loan, depreciation, grants and donations.

Secretary:


Lisa Fitzpatrick

Dated: 12 November 2019

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Statement by Branch Council

For the Year Ended 30 June 2019

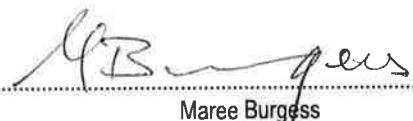
On 12/11 2019 the Branch Council of the Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities passed the following resolution in relation to the general purpose financial report (GPFR) of the Group for the year ended 30 June 2019:

The Branch Council declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the General Purpose Financial Report (GPFR) relates and since the end of that year:
 - i. meetings of the Branch Council were held in accordance with the rules of the Australian Nursing and Midwifery Federation including the rules of a branch concerned;
 - ii. the financial affairs of the Group have been managed in accordance with the rules of the Australian Nursing and Midwifery Federation including the rules of a branch concerned;
 - iii. the financial records of the group have been kept and maintained in accordance with the RO Act;
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation;
 - v. where information has been sought in any request by a member of the Federation or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner;
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

Signed in accordance with a resolution of the Branch Council:

Secretary 
Lisa Fitzpatrick

President 
Maree Burgess

Dated 12 November 2019

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the statement by branch council and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Group as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) the Australian Accounting Standards; and
- (ii) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Group is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Branch Council is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

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

Responsibilities of Branch Council for the Financial Report

The Branch Council of the Group is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act and for such internal control as the Branch Council determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Branch Council is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Branch Council either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Group.

Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

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

- Conclude on the appropriateness of the Group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Branch Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that Peter Shields is an auditor registered under the RO Act.

Saward Dawson

Saward Dawson

Peter Shields

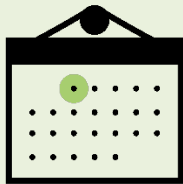
Peter Shields
Principal

Dated: 12 November 2019
Registration number: A2017/112



10 December 2019

Lisa Fitzpatrick
Branch Secretary
Australian Nursing and Midwifery Federation - Victorian Branch
Sent via email: records@anmfvic.asn.au



URGENT REMINDER:

The Australian Nursing and Midwifery Federation - Victorian Branch's financial report is due (FR2019/197)

Dear Lisa Fitzpatrick,

We are writing to remind you of the Australian Nursing and Midwifery Federation - Victorian Branch's obligation to lodge a financial report under section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We hope you are on track to complete your financial report on time. If not, please contact us as soon as possible to discuss ways we can assist you to meet the deadline.

Did you know? The ROC is currently seeking to improve non-compliance with these three areas:

- Providing the full report to members
- Providing the report to members within the deadlines
- Lodging the full report with the ROC within 14 days of the s.266 meeting.



Compliance Calculator

If you are not sure whether your planned dates are consistent with the RO Act, have a look at our [compliance calculator](#). The compliance calculator will help you work out your unique dates for when your report needs to be provided, presented and lodged.

Your steps checklist

Your financial year ended on 30 June 2019. You should be well into the following process.

Pre-lodgement checklist	✓
Draft the financial report and have the committee of management pass the Committee of Management resolution Did you know? This is the first meeting in the financial reporting process	<input type="checkbox"/>
Have the auditor complete and sign the auditor's report Tips: You must use a registered auditor. The SIGNED report is part of the full report. Make sure it is included in what is provided to members	<input type="checkbox"/>
Provide the full report to members This must be done: <ul style="list-style-type: none">• If you are going to a committee of management meeting (requires a 5% rule), within 5 months of 30 June 2019• If you are going to a general meeting of members, 21 days before the meeting	<input type="checkbox"/>
Present the full report to the second meeting. Hints: This meeting must be within 6 months of 30 June 2019. This is either a committee of management meeting (requires a 5% rule) or a general meeting of members	<input type="checkbox"/>
Lodge with the ROC within 14 days of the meeting – regorgs@roc.gov.au TIP: lodge it straight away – there's no need to wait the full 14 days	<input type="checkbox"/>

If you require further advice or assistance please email regorgs@roc.gov.au or call us on 1300 341 665.

Yours sincerely,

Registered Organisations Commission



Penalties apply

We emphasise that sections 253, 254, 265(1)(a), 266 and 268 of the RO Act are civil penalty provisions.

Failure of an organisation to prepare a full report, provide it to members, present it to a meeting and lodge with the ROC within legislative time frames may expose your organisation to Federal Court proceedings with the possibility of a pecuniary penalty being imposed upon an officer and/or the organisation.



2 July 2019

Lisa Fitzpatrick
Branch Secretary
Australian Nursing and Midwifery Federation-Victorian Branch
Sent via email: records@anmfvic.asn.au

Dear Lisa Fitzpatrick,

**Re: Lodgement of Financial Report - FR2019/197
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Nursing and Midwifery Federation-Victorian Branch (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).

STEP 1:
Reporting unit must prepare the General Purpose Financial Report, Committee of Management Statement, s.255(2A) Report and Operating Report as soon as practicable after the end of the financial year:



STEP 2:
Committee of Management statement – resolution to be passed by the Committee of Management in relation to the General Purpose Financial Report (**1st meeting**)



STEP 3:
Registered Auditor to prepare and sign the Auditor's Report and provide to the Reporting unit **within a reasonable timeframe**

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT GENERAL MEETING OF MEMBERS
(this is the default process in the RO Act)

STEP 4:
Provide **full report** to members **at least 21 days before the General Meeting**



STEP 5:
Present **full report** to a General Meeting of Members within 6 months of the reporting unit's end of financial year (**2nd meeting**)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC within 14 days of the 2nd meeting

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)

STEP 4:
Provide **full report** to members **within 5 months of the reporting unit's end of financial year**





















STEP 5:
Present **full report** to Committee of Management Meeting within 6 months of the reporting unit's end of financial year (**2nd meeting**)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✔ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✔ The statement must be signed by an elected officer of the relevant branch.
✘ Statements can be lodged with the financial report.	✔ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au