



20 January 2021

Lisa Fitzpatrick
Secretary, Victorian Branch
Australian Nursing and Midwifery Federation

Dear Lisa Fitzpatrick

Re: – Financial reporting – Australian Nursing and Midwifery Federation, Victorian Branch – for year ending 30 June 2020 (FR2020/188)

I refer to the financial report of the Victorian Branch of the Australian Nursing and Midwifery Federation in respect of the year ending 30 June 2020. The documents were lodged with the Registered Organisations Commission ('the ROC') on 11 December 2020.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether 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 have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. Please note the report for year ending 30 June 2021 may be subject to an advanced compliance review.

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

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
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 17 November 2020.
- The full report was presented to a Committee of Management meeting on 10 December 2020, in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:

Lisa Fitzpatrick

Date: 11 December 2020



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

ABN: 80 571 091 192

Financial Report

For the Year Ended 30 June 2020

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

ABN: 80 571 091 192

Financial Report

For the Year Ended 30 June 2020

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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 2020

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 2020

1. 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
Mr Ross Donaldson (from 30.11.19)
Ms Jessica Foley
Ms Jill Gardner (from 9.7.19)
Ms Deborah Holloway
Ms Marie Jones
Ms Jacqueline Kriz (until 30.11.19)
Ms Kate Mason (from 30.11.19)
Ms Lynette Mauger (until 30.11.19)
Mr Stephen McKenzie
Mr Andrew Morgan
Ms Christina Morgan (from 30.11.19)
Ms Carol Munro
Ms Tara Nipe (resigned 10.9.19)
Mr Timothy O'Brien (until 30.11.19)
Ms Kimberley Pentreath
Ms Kate Reid
Ms Erin Sterritt (from 30.11.19)
Ms Rachel Weaver (until 30.11.19)
Ms Rachael Whyte (from 9.7.19)
Ms Catherine Williams (from 30.11.19)

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 2020

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 87,171 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 programs, professional development opportunities, accredited and non-accredited courses
- Support of members with financial grants to undertake further studies

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.

Trustee of superannuation entity

1. Pip Carew who was a director of First State Super for the period from 1 July 2019 to 30 June 2020. 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 act 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 87,171
- The number of full-time equivalent employees at the end of the financial year was 161

Signed in accordance with a resolution of the Branch Council:

Secretary: 
Lisa Fitzpatrick

Assistant Secretary: 
Paul Gilbert

Assistant Secretary: 
Pip Carew

Dated: **2 September 2020**

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 2020

	Note	2020 \$	2019 \$
Revenue	3	44,923,045	42,729,583
Other income	3	365,641	266,558
Employee benefits expense	4(a)	(22,067,359)	(19,970,983)
Journal expense	4(b)	(565,214)	(682,047)
Capitation Fees - ANMF Federal Office		(1,760,127)	(1,657,392)
Depreciation and amortisation expense		(4,053,246)	(3,615,873)
Education and training expense		(688,119)	(1,053,968)
Professional indemnity insurance		(538,818)	(520,361)
Legal expense	4(d)	(916,238)	(1,103,957)
Finance cost	4(e)	(351,352)	(723,935)
Occupancy expense		(1,610,518)	(1,283,970)
Member/Rep. professional development		(357,929)	(285,028)
Affiliation and levy fees	4(f)	(418,272)	(418,356)
Grants expense	4(g)	(734,858)	(4,287,012)
Donations expense	4(g)	(318,392)	(80,164)
EBA campaign expenses	4(h)	(144,129)	(428,380)
Meeting expenses		(48,717)	(60,153)
Conference expenses		(320,419)	(885,203)
Other operational expenses		(4,074,653)	(3,488,203)
Surplus before income tax		6,320,326	2,451,156
Income tax expense		(954)	(4,125)
Surplus for the year		6,319,372	2,447,031
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		6,319,372	2,447,031

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 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	12,375,281	3,727,153
Trade and other receivables	6	330,521	307,003
Other assets	9	792,536	688,395
TOTAL CURRENT ASSETS		<u>13,498,338</u>	<u>4,722,551</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	80,258,714	82,348,767
Intangible assets	8	799,125	1,081,181
Right-of-use assets	12	87,635	-
TOTAL NON-CURRENT ASSETS		<u>81,145,474</u>	<u>83,429,948</u>
TOTAL ASSETS		<u><u>94,643,812</u></u>	<u><u>88,152,499</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,223,964	2,026,782
Borrowings	11	593,564	434,737
Lease liabilities	12	33,008	-
Current tax liabilities		357	730
Short-term provisions	13	7,140,678	6,474,925
Other liabilities	14	5,118,241	5,089,679
TOTAL CURRENT LIABILITIES		<u>14,109,812</u>	<u>14,026,853</u>
NON-CURRENT LIABILITIES			
Borrowings	11	628,720	684,123
Lease liabilities	12	55,448	-
Provisions	13	367,420	321,443
TOTAL NON-CURRENT LIABILITIES		<u>1,051,588</u>	<u>1,005,566</u>
TOTAL LIABILITIES		<u>15,161,400</u>	<u>15,032,419</u>
NET ASSETS		<u><u>79,482,412</u></u>	<u><u>73,120,080</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 Financial Position

As at 30 June 2020

EQUITY

Reserves	742,109	742,547
Accumulated surpluses	<u>78,740,303</u>	<u>72,377,533</u>
TOTAL EQUITY	<u><u>79,482,412</u></u>	<u><u>73,120,080</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 2020

2020

	Accumulated Surpluses	Welfare & Hardship Reserve	Members Entitlement Protection Fund	General Reserve	Legal Services Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	72,377,533	-	400,000	42,547	300,000	73,120,080
Recognition of Victorian Nurses Welfare and Hardship Trust Fund - note 1(c) & 20(b)	-	42,960	-	-	-	42,960
Surplus for the year	6,319,372	-	-	-	-	6,319,372
Transfers to and from reserves						
- Hardship reserve	40,992	(40,992)	-	-	-	-
- General reserve	2,406	-	-	(2,406)	-	-
Balance at 30 June 2020	78,740,303	1,968	400,000	40,141	300,000	79,482,412

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 2020

2019

	Accumulated Surpluses \$	Welfare & Hardship 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)	-	-
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 Cash Flows

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Cash from operating activities:			
Receipts from members and customers		49,855,095	47,007,890
Payments to suppliers and employees		(39,507,913)	(38,953,497)
Interest received		56,185	100,251
Interest and other costs of finance paid		(351,112)	(723,935)
Income tax paid		(1,327)	(2,693)
Net cash provided by operating activities	21	10,050,928	7,428,016
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		190,249	249,178
Payment for intangible assets		(264,339)	(982,950)
Acquisition of property, plant and equipment		(1,443,366)	(1,296,234)
Net cash used by investing activities		(1,517,456)	(2,030,006)
Cash flows from financing activities:			
Recognition of Victorian Nurses Welfare and Hardship Trust Fund	20(b)	42,960	-
Procurement/(repayment) of borrowings		103,424	(12,659,840)
Payment of lease liabilities		(31,728)	-
Net cash provided by financing activities		114,656	(12,659,840)
Net cash increase (decreases) in cash and cash equivalents		8,648,128	(7,261,830)
Cash and cash equivalents at beginning of year		3,727,153	10,988,983
Cash and cash equivalents at end of year	5	12,375,281	3,727,153

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 2020

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 20(a) of the financial statements.

The activities of Special Interest Group are 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 20(b).

As at 1 July 2019, the Victorian Nurses Welfare and Hardship Trust Fund established by separate trust deed has been recognised as a reserve within the financial statements of the group. The initial recognition has been recorded in the

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 2020

1 Summary of Significant Accounting Policies

(c) **Principles of consolidation**

statement of changes in equity and treated as contributions by owners per the Australian Accounting Standard, which represents the bank balance of the Trust Fund as at 30 June 2019. Income and expenditure for the financial year ended 30 June 2020 are recorded through the statement of profit or loss.

(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) 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.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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 estimate 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 2020

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

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Group recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

(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.

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 2020

1 Summary of Significant Accounting Policies

(l) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use Asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease Liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

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 2020

1 Summary of Significant Accounting Policies

(m) Revenue

The Group enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Group has a contract with a customer, the Group recognises revenue when or as it transfers control of goods or services to the customer. The Group accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Group.

If there is only one distinct membership service promised in the arrangement, the Group recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Group promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Group allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Group charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Group recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

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 2020

1 Summary of Significant Accounting Policies

(m) Revenue

For member subscriptions paid annually in advance, the Group has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Group at their standalone selling price, the Group accounts for those sales as a separate contract with a customer.

Grants

When the Group receives grants it assesses whether a contract exists and whether that contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When these conditions are satisfied, the Group:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the contract; and
- recognises revenue as it satisfied its performance obligations.

When the contract is not enforceable or does not have sufficient specific performance obligations, the grant is recognised immediately in profit or loss.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental income

Leases in which the Group as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Volunteer services

During the year, the Group did not recognise any volunteer services as revenue because it could not reliably measure the fair value of those services.

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 2020

1 Summary of Significant Accounting Policies

(m) Revenue

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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.

(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.

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 2020

1 Summary of Significant Accounting Policies

(q) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time as at 30 June 2020. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the group.

AASB 15: Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the Group. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The group adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. The adoption of AASB 15 and AASB 1058 did not have a material impact on the group's financial statements.

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 2020

1 Summary of Significant Accounting Policies

(q) Adoption of new and revised accounting standards

AASB 16: Leases

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the Group is the lessor.

The group has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019.

Instead, the group applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

The group has lease contracts for various items of building and other equipment. Before the adoption of AASB 16, the group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of AASB 16, the group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1.9 Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the group.

Leases previously classified as finance lease

The group previously classified motor vehicle hire purchase as finance lease. However a hire purchase is not a lease contract. As such, the group has not reclassified the carrying value of the motor vehicles under hire purchase arrangement to right-of-use assets and have kept the hire purchase liability as borrowings.

Leases previously accounted for as operating leases

The group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

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 2020

1 Summary of Significant Accounting Policies

(q) Adoption of new and revised accounting standards

The group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 July 2019:

- Right-of-use assets of \$120,184 were recognised and presented separately in the statement of financial position.
- Lease liabilities of \$120,184 were recognised.

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 2020

2 Parent entity

Information relating to the parent entity, Australian Nursing and Midwifery Federation (Victorian Branch) are as follows:

	2020	2019
	\$	\$
Statement of Financial Position		
Assets	-	-
Current assets	11,281,166	1,855,417
Non-current assets	103,791,038	85,348,666
Total Assets	<u>115,072,204</u>	<u>87,204,083</u>
Liabilities	-	-
Current liabilities	(15,673,008)	(13,107,210)
Non-current liabilities	(20,727,212)	(1,005,567)
Total Liabilities	<u>(36,400,220)</u>	<u>(14,112,777)</u>
Equity	-	-
Retained earnings	77,929,875	72,348,759
Reserves	742,109	742,547
Total Equity	<u>78,671,984</u>	<u>73,091,306</u>
Statement of Profit or Loss and Other Comprehensive Income		
Surplus for the year	5,537,718	2,436,506
Other comprehensive income	-	-
Total comprehensive income	<u>5,537,718</u>	<u>2,436,506</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 2020

3 Revenue and Other Income

	Note	2020 \$	2019 \$
Revenue			
- Membership subscription fees		41,337,415	38,638,961
- Education and training income		228,350	289,565
- Conference and sponsorship income	(a)	1,061,987	1,250,471
- Rent received		1,359,864	1,362,583
- Professional development		314,865	261,200
- Interest received		56,185	100,251
- Merchandise sales		4,230	5,080
- Grants received		560,149	821,472
- Capitation fees		-	-
- Levy income		-	-
- Donations		-	-
- Revenue from recovery of wages activity		-	-
Total revenue		44,923,045	42,729,583
Other income			
- Sundry income		234,509	179,995
- Net gain on disposal of property, plant and equipment		131,132	86,563
Total other income		365,641	266,558

- a) Included in conference and sponsorship income is revenue from Australian Nursing and Midwifery Federation (Federal Office) of \$51,450. Other than this transaction, there were no other revenue from other reporting units.

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 2020

4 Surplus from Ordinary Activities

(a) Employee Expense

	2020	2019
	\$	\$
Holders of office		
Wages and salaries	674,591	571,971
Superannuation	105,589	89,754
Leave entitlements	118,077	280,629
Separation and redundancies	-	-
Other employee expenses	13,731	12,708
	<hr/>	<hr/>
Subtotal employee expenses - holders of office	911,988	955,062
Employees (including contract staff) other than office holders:		
Wages and salaries	14,545,220	12,624,550
Superannuation	2,393,879	2,074,958
Leave entitlements	2,767,441	2,572,606
Separation and redundancies	18,856	281,597
Payroll tax and workcover	999,387	956,993
Other employee expenses	430,588	505,217
	<hr/>	<hr/>
Subtotal employee expenses - employees other than office holders	21,155,371	19,015,921
	<hr/>	<hr/>
Total employee benefit expenses	22,067,359	19,970,983

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 2020

4 Surplus from Ordinary Activities

(b) Journal Expense

	2020	2019
	\$	\$
Australian Nursing and Midwifery Journal (ANMJ) subscription fees - ANMF Federal Office	565,214	682,047
Total journal expenses	565,214	682,047

(c) Depreciation and amortisation expense

Depreciation: Property, plant and equipment	3,474,302	3,459,747
Amortisation: Intangible assets	546,395	156,126
Depreciation: Right-of-use assets	32,549	-
Total	4,053,246	3,615,873

(d) Legal expense

Litigation fees	837,995	974,444
Other legal costs	78,243	129,513
Total legal expense	916,238	1,103,957

(e) Finance cost

Hire purchase charges	56,521	54,065
Bank fees and interest expense	291,658	669,870
Interest expense on lease liability	3,173	-
Total finance costs	351,352	723,935

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 2020

4 Surplus from Ordinary Activities

(f) Affiliation and Levy fees

	2020	2019
	\$	\$
Affiliation Fees		
Ballarat Trades and Labour	10,536	11,446
Bendigo Trades Hall	11,900	11,900
Geelong Trades Hall	25,957	25,556
Gippsland Trades and Labour	9,400	9,400
Goulburn Trades & Labour	9,209	8,990
North East & Border Trades	1,920	1,920
South West Trades & Labour	1,423	1,235
Sunraysia Trades & Labour Council	727	709
Victorian Trades Hall Council	347,200	347,200
Total Affiliation Fees	<u>418,272</u>	<u>418,356</u>
Levy Fees		
Levies	-	-
Total Levies	<u>-</u>	<u>-</u>
Total Affiliation and Levy Fees	<u><u>418,272</u></u>	<u><u>418,356</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 2020

4 Surplus from Ordinary Activities

(g) Donations and grants expense

	2020	2019
Note	\$	\$
Grants		
Total paid that were \$1,000 or less	19,005	22,275
Total paid that exceeded \$1,000	(a) 715,853	4,264,737
Total grants	<u>734,858</u>	<u>4,287,012</u>
Donations		
Total paid that were \$1,000 or less	24,917	8,270
Total paid that exceeded \$1,000	293,475	71,894
Total donations	<u>318,392</u>	<u>80,164</u>
Total grants and donations	<u>1,053,250</u>	<u>4,367,176</u>

a) In 2019, \$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.

(h) Other expenses disclosure

Commission charged on collection of subscriptions	1,229	762
EBA campaign expenses for various sectors	144,129	428,380
Penalties - via RO Act or RO Regulations	-	-
Total paid to employers for payroll deductions of membership subscriptions	-	-
Fees/allowances - meeting and conferences	-	-

5 Cash and Cash Equivalents

Cash at bank and in hand	1,955,651	3,650,071
Short-term bank deposits	10,419,630	77,082
	<u>12,375,281</u>	<u>3,727,153</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 2020

6 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	330,521	307,003
	<u>330,521</u>	<u>307,003</u>

(a) As at 30 June 2020, the group does not have any receivables from other reporting units. (2019: \$nil).

7 Property plant and equipment

LAND AND BUILDINGS

At cost - land and buildings	72,016,652	71,722,212
Less accumulated depreciation	<u>(3,800,342)</u>	<u>(2,497,534)</u>
	<u>68,216,310</u>	<u>69,224,678</u>

PLANT AND EQUIPMENT

Plant and equipment

At cost	15,652,582	15,262,535
Less accumulated depreciation	<u>(4,627,616)</u>	<u>(3,151,820)</u>
Total plant and equipment	<u>11,024,966</u>	<u>12,110,715</u>

Motor vehicles

At cost	2,213,978	1,847,722
Less accumulated depreciation	<u>(1,196,540)</u>	<u>(834,348)</u>
Total motor vehicles	<u>1,017,438</u>	<u>1,013,374</u>

Total plant and equipment

Total property, plant and equipment

	<u>12,042,404</u>	<u>13,124,089</u>
	<u>80,258,714</u>	<u>82,348,767</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 2020

7 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 2019	69,224,678	12,110,715	1,013,374	82,348,767
Additions	294,440	401,688	747,238	1,443,366
Disposals	-	-	(59,117)	(59,117)
Depreciation expense	(1,302,808)	(1,487,437)	(684,057)	(3,474,302)
Balance at 30 June 2020	<u>68,216,310</u>	<u>11,024,966</u>	<u>1,017,438</u>	<u>80,258,714</u>

(b) Security

Property situated at Elizabeth St Melbourne VIC is pledged as security for the bank loans as per Note 11 subject to a registered mortgage held by the Australia National Bank.

(c) Capital commitment

The Group did not have any capital commitments as at 30 June 2020.

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 2020

8 Intangible Assets

	2020	2019
	\$	\$
Website and Online App		
Cost	1,580,354	410,761
Accumulated amortisation and impairment	(787,629)	(241,234)
Net carrying value	<u>792,725</u>	<u>169,527</u>
Work in progress		
Cost	<u>6,400</u>	911,654
Total Intangibles	<u><u>799,125</u></u>	<u><u>1,081,181</u></u>

(a) Movements in carrying amounts of intangible assets

	Website	Work in progress	Total
	\$	\$	\$
Balance at 1 July 2019	169,527	911,654	1,081,181
Additions	-	264,339	264,339
Transfers	1,169,593	(1,169,593)	-
Amortisation	(546,395)	-	(546,395)
Balance at 30 June 2020	<u><u>792,725</u></u>	<u><u>6,400</u></u>	<u><u>799,125</u></u>

9 Other Assets

CURRENT

Prepayments	<u>792,536</u>	688,395
	<u><u>792,536</u></u>	<u><u>688,395</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 2020

10 Trade and other payables

	Note	2020 \$	2019 \$
CURRENT			
Trade and other payables		773,751	1,375,333
Legal fees	(b)	43,153	53,289
GST payable		327,918	230,758
Payable to ANMF Federal Office		79,142	367,402
Payable to employers for making payroll deductions of membership subscriptions		-	-
		<u>1,223,964</u>	<u>2,026,782</u>

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

Trade and other payables:			
- total current		1,223,964	2,026,782
Add/(Less):			
GST payable		<u>(327,918)</u>	<u>(230,758)</u>
Financial liabilities as trade and other payables	16	<u>896,046</u>	<u>1,796,024</u>

(b) Legal Fees

Litigation		43,153	47,946
Other legal costs		-	5,343
Total		<u>43,153</u>	<u>53,289</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 2020

11 Borrowings

	Note	2020 \$	2019 \$
CURRENT			
Secured liabilities:			
Hire purchase liabilities	(a)	<u>593,564</u>	434,737
Total current borrowings		<u>593,564</u>	<u>434,737</u>
NON-CURRENT			
Secured liabilities:			
Hire purchase liabilities	(a)	<u>628,720</u>	684,123
Total non-current borrowings		<u>628,720</u>	<u>684,123</u>

(a) 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 2020

12 Leases

The Group leases 3 office buildings located at Swanhill, Bendigo and Morwell.

Impact on Statement of Financial Position:

	2020	2019
	\$	\$
Right-of-use assets		
Building lease	120,184	-
Accumulated amortisation - building lease	(32,549)	-
Total leased assets	87,635	-
Lease liability		
Current lease liability	33,008	-
Non current lease liability	55,448	-
Total lease liabilities	88,456	-

Impact in the Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

Amortisation - Building lease	32,549	-
Lease interest expense	3,173	-
Expense relating to leases of low-value assets (included in other operational expenses)	34,510	-

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 2020

13 Provisions

	2020	2019
	\$	\$
Office holders		
Annual leave	433,390	434,002
Long service leave	600,333	574,068
Separations and redundancies	-	-
Other - Accrued days off	22,732	13,178
	<hr/>	<hr/>
Subtotal employee provisions - office holders	1,056,455	1,021,248
Employees other than office holders:		
Annual leave	2,520,567	2,233,281
Long service leave	3,614,033	3,287,063
Separations and redundancies	-	-
Other - Accrued days off	317,043	254,776
	<hr/>	<hr/>
Subtotal employee provisions - employees other than office holders	6,451,643	5,775,120
	<hr/>	<hr/>
Total employee provisions	7,508,098	6,796,368
	<hr/>	<hr/>
Analysis of total provisions		
Current	7,140,678	6,474,925
Non-current	367,420	321,443
	<hr/>	<hr/>
	7,508,098	6,796,368

(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 2020

14 Income in Advance

	2020	2019
Note	\$	\$
Student fees in advance	353,667	108,153
Grants received in advance	-	465,105
Membership subscription fees in advance	4,655,414	4,388,038
Other deferred income	109,160	128,383
	<u>5,118,241</u>	<u>5,089,679</u>

15 Equity

Other specific disclosures - funds

Compulsory levy/voluntary contribution fund - if invested in assets

Other funds required by rules

-	-
-	-
<u>-</u>	<u>-</u>

16 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:

Financial Assets

Cash and cash equivalents (i)	5	12,375,281	3,727,153
Trade and other receivables (i)	6	330,521	307,003

Total financial assets

<u>12,705,802</u>	<u>4,034,156</u>
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Financial Liabilities

Trade and other payables (i)	10,(i)	896,046	1,796,024
Hire purchase obligation (ii)		1,222,284	1,118,860

Total financial liabilities

<u>2,118,330</u>	<u>2,914,884</u>
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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 2020

16 Financial Risk Management

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 lease liability and borrowings 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.

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. Where applicable aggregates of such amounts are disclosed at Note 5.

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 2020

16 Financial Risk Management

(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 2020

16 Financial Risk Management

Financial liability maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding GST)	896,046	1,796,024	-	-	-	-	896,046	1,796,024
Hire purchase obligations	593,564	434,737	628,720	684,123	-	-	1,222,284	1,118,860
Total contractual outflows	1,489,610	2,230,761	628,720	684,123	-	-	2,118,330	2,914,884

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 2020

16 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.

	2020	2019
	\$	\$
Change in surplus		
- +/- 0.5% in interest rate	58,025	5,646
Change in equity		
- +/- 0.5% in interest rate	58,025	5,646

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 2020

17 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:

	2020	2019
	\$	\$
Key management personnel compensation:		
- Short-term employee benefit	784,656	741,202
- Post-employment benefits (Superannuation)	105,589	89,754
- Other long term benefits (Long service leave)	21,743	124,106
- Termination benefits	-	-
Total	911,988	955,062

18 Remuneration of Auditors

Remuneration of the auditor as follow:

- Auditing or reviewing the financial statements	55,150	51,950
- Other services	1,950	1,500

19 Contingent Liabilities

In the opinion of the Branch Councillors, the Group did not have any contingent liabilities at 30 June 2020.

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 2020

20 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).

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.

(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:

	2020	2019
	\$	\$
Capitation Fee	1,760,127	1,657,392
ANMF Journal	565,214	682,048
Biennial National Conference	59,064	29,532
Aged Care Campaign Contribution	-	332,194
ANMF Journal - Website	22,840	-
Shared database cost	21,662	22,693

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 2020

20 Related Party Transactions

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.

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).

As at 1 July 2019, the Victorian Nurses Welfare and Hardship Trust Fund established by separate trust deed has been recognised as a reserve within the financial statements of the group. The initial recognition has been recorded in the statement of changes in equity and treated as contributions by owners per the Australian Accounting Standard, which represents the bank balance of the Trust Fund as at 30 June 2019. Income and expenditure for the financial year ended 30 June 2020 are recorded through the statement of profit or loss.

Total Victorian Nurses Welfare and Hardship Trust Fund bank balance as at 30 June 2020 held in the name of Australian Nursing and Midwifery Federation (Victorian Branch) was \$1,968 (2019: \$42,960).

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 2020 held in the name of Australian Nursing and Midwifery Federation (Victorian Branch) total \$16,177 (2019: \$15,840).

(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 2020

21 Cash Flow Information

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

	2020	2019
	\$	\$
Net surplus for the year	6,319,372	2,447,031
Non-cash flows in surplus		
Depreciation and amortisation	4,053,246	3,615,873
Net (gain)/loss on disposal of property, plant and equipment	(131,132)	(86,563)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(127,659)	(89,885)
Increase/(decrease) in trade payables and accruals	(802,818)	1,001,427
Increase/(decrease) in income taxes payable	(373)	1,432
Increase/(decrease) in other liabilities	28,562	(538,631)
Increase/(decrease) in provisions	711,730	1,077,332
	<u>10,050,928</u>	<u>7,428,016</u>

(b) Cash flow with reporting units

Cash inflows:

ANMF Federal Office	72,444	8,489
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Cash outflows:

ANMF Federal Office	(3,906,235)	(3,777,685)
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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 2020

22 Reserves

Welfare & Hardship Reserve

The hardship reserve records Victorian Nurses Welfare and Hardship Trust Fund established in 2007 to provide assistance to nurses with financial hardship.

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.

23 Events after the end of the Reporting Period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Group is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Group. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

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

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 2020

24 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

25 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).

26 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 General Manager of the Fair Work Commission under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the General Manager of the Fair Work Commission under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

27 Administration of financial affairs by a third party

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

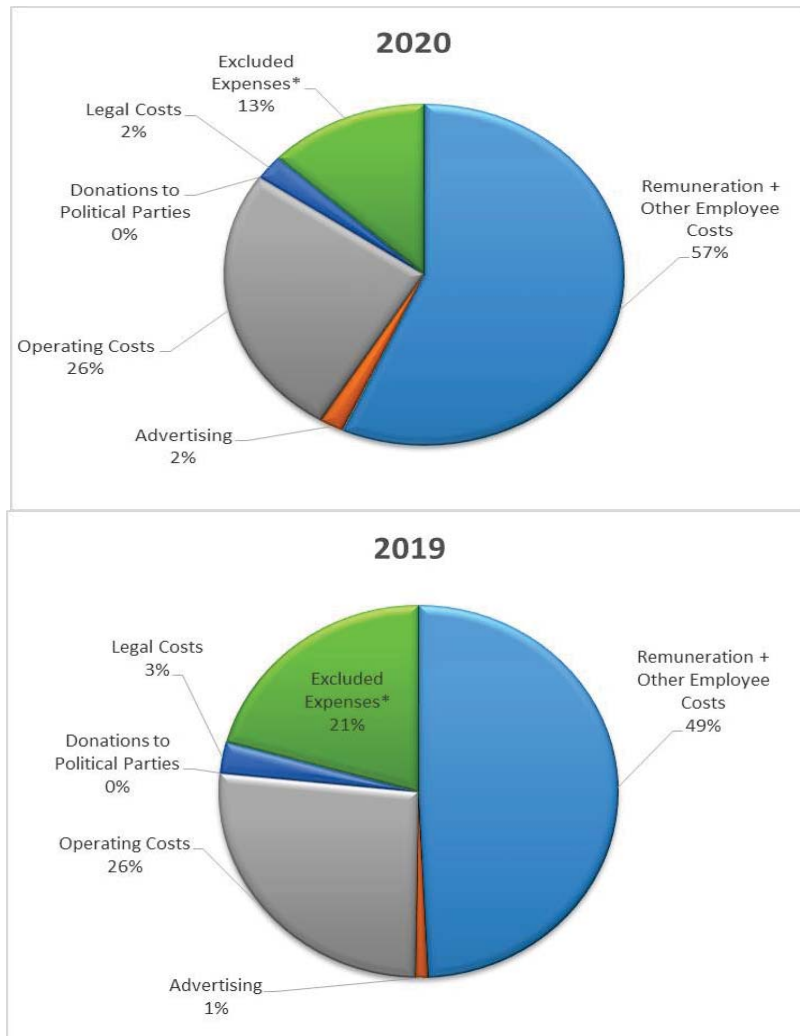
Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Expenditure Report Required under Section 255(2A)

For the Year Ended 30 June 2020

The Branch Council presents the expenditure report as required under subsection 255(2A) on the Group for the year ended 30 June 2020.



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

Secretary:
Lisa Fitzpatrick
Lisa Fitzpatrick

Dated: 12 November 2020

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 2020


On 11 Nov 2020 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 2020:

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 2020**

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 2020, 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 2020, 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.

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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


Peter Shields
Principal

Dated: 12 November 2020
Registration number: A2017/112