

# australian nursing federation

financial report | 2010



**AUSTRALIAN NURSING FEDERATION -  
FEDERAL OFFICE**

**ABN: 41 816 898 298**

**Financial Report For The Year Ended  
30 June 2010**

# Australian Nursing Federation - Federal Office

ABN: 41 816 898 298

## Financial Report For The Year Ended 30 June 2010

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**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
**ABN: 41 816 898 298**  
**COUNCILLORS' REPORT**

Your councillors present their report on the Federation for the financial year ended 30 June 2010.

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

Coral Levett	Marisa Bell
Paul Nieuwenhoven	Gay Hawksworth
Gerardine Kearney (resigned 30 June 2010)	Desley Geraghty-Rudd
Lee Thomas	Neroli Ellis
Jenny Miragaya	Julie Driver
Jill Parke	Lisa Fitzpatrick
Brett Holmes	Clare McGinness (resigned 2 June 2010)
Yvonne Falckh	Mark Olson
Shirel Nomoa	Patricia Fowler
Elizabeth Dabars	Yvonne Chaperon (appointed 1 July 2010)
Maree Burgess (appointed 3 June 2010)	

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

The surplus of the Federation for the financial year amounted to \$56,973.

A review of the operations of the Federation during the financial year and the results of those operations found that Capitation fees have increased by 9.9% as a result of increased membership and increased fee rates. Expenses had increased by 3.9% with the main increase being salaries and ANJ production costs. This has resulted in a surplus.

No significant changes in the state of affairs of the Federation occurred during the financial year.

The principal activities of the Federation during the financial year were the industrial and professional representation of nurses and nursing.

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

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Federation, the results of those operations, or the state of affairs of the Federation in future financial years.

Likely developments in the operations of the Federation and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Federation.

The operations of the Federation are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

The number of members at the end of the financial year was 179,768, being the total membership of the State Branches.

The number of employees at the end of the financial year measured on a full time basis was 21.

Gerardine Kearney and Brett Holmes are directors of Health Employees Superannuation Trust Australia, representing the Australian Nursing Federation.

Members retain the right to resign from the Australian Nursing Federation in accordance with Section 10 of the Federal Rules.

Information to be provided to members or Registrar in accordance with section 272 of the Fair Work (Registered Organisations) Act 2009.

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

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available.

The period must not be less than 14 days after the application has been given to the Federation.

(3) The Federation must comply with an application made under subsection(1).

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

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

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

Signed in accordance with a resolution of the Federal Council dated 22 October 2010.

Federal Secretary

  
Lee Thomas

22 October 2010

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
**ABN: 41 816 898 298**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
Revenue	2 5,534,705	5,157,710
Employee benefits expense	(1,924,287)	(1,779,794)
Administration & office expenses	(258,450)	(251,318)
Affiliation fees	(361,236)	(335,045)
Staff field work and associated expenses	(227,113)	(209,449)
Meetings/ conferences	(64,645)	(56,622)
Legal expenses	(18,288)	(8,855)
Australian Nursing Journal production expenses	(1,511,610)	(1,453,284)
Australian Journal of Advanced Nursing production expenses	-	(16,405)
Donations	3 (20,225)	(22,765)
Project expenses	(138,663)	(95,028)
RTO expenses	(167,555)	(199,630)
Depreciation and amortisation expense	(116,849)	(115,984)
Aged Care Campaign	(417,214)	(364,197)
Finance costs	3 (78,178)	(81,167)
Other expenses	(173,419)	(165,816)
<b>Surplus/ (Deficit) attributable to members</b>	<u>56,973</u>	<u>2,351</u>
<b>Total comprehensive income for the year</b>	<u><u>56,973</u></u>	<u><u>2,351</u></u>

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
**ABN: 41 816 898 298**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010**

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	576,709	511,520
Trade and other receivables	7	502,114	332,564
Other current assets	8	124,077	87,465
<b>TOTAL CURRENT ASSETS</b>		<u>1,202,900</u>	<u>931,549</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	7	-	5,352
Property, plant and equipment	9	1,908,970	1,977,842
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,908,970</u>	<u>1,983,194</u>
<b>TOTAL ASSETS</b>		<u>3,111,870</u>	<u>2,914,743</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	705,140	561,765
Borrowings	11	1,358,202	1,408,202
Other current liabilities	12	82,471	77,896
Short-term provisions	13	387,589	352,453
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,533,402</u>	<u>2,400,316</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	13	55,540	48,472
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>55,540</u>	<u>48,472</u>
<b>TOTAL LIABILITIES</b>		<u>2,588,942</u>	<u>2,448,788</u>
<b>NET ASSETS</b>		<u>522,928</u>	<u>465,955</u>
<b>MEMBER FUNDS</b>			
Accumulated Surplus		<u>522,928</u>	<u>465,955</u>
<b>TOTAL MEMBER FUNDS</b>		<u>522,928</u>	<u>465,955</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
**ABN: 41 816 898 298**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010**

	Accumulated Surplus/ (Deficit)	Total
	\$	\$
<b>Balance at 1 July 2008</b>	463,604	463,604
Surplus / (Deficit) attributable to members	2,351	2,351
<b>Balance at 30 June 2009</b>	<u>465,955</u>	<u>465,955</u>
<b>Balance at 1 July 2009</b>	465,955	465,955
Surplus / (Deficit) attributable to members	56,973	56,973
<b>Balance at 30 June 2010</b>	<u>522,928</u>	<u>522,928</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
**ABN: 41 816 898 298**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members & customers		5,891,915	4,676,692
Payments to suppliers and employees		(5,676,605)	(4,423,970)
Interest received		26,034	20,108
Finance costs		(78,178)	(81,167)
Net cash provided by/(used in) operating activities	16(a)	<u>163,166</u>	<u>191,663</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		693	553
Purchase of property, plant and equipment		(48,670)	(55,741)
Net cash provided by/(used in) investing activities		<u>(47,977)</u>	<u>(55,188)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(50,000)	-
Net cash provided by/(used in) financing activities		<u>(50,000)</u>	<u>-</u>
Net increase/(decrease) in cash held		65,189	136,475
Cash and cash equivalents at beginning of financial year		<u>511,520</u>	<u>375,045</u>
Cash and cash equivalents at end of financial year	6	<u><u>576,709</u></u>	<u><u>511,520</u></u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
ABN: 41 816 898 298  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

This financial report includes the financial statements and notes of Australian Nursing Federation - Federal Office.

**Note 1 Summary of Significant Accounting Policies**

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

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

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

**(a) Property, Plant & Equipment**

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

**Property**

Freehold land and buildings are shown at cost, less subsequent depreciation for buildings.

**Plant and equipment**

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

The carrying amount of plant and equipment is reviewed annually by councillors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

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

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

Class of Fixed Asset	Depreciation Rate
Buildings	50 years
Plant and equipment	3 - 7 years
Freehold Improvements	10 years

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

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

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

**(b) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

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

**(c) Financial Instruments**

**Initial Recognition and Measurement**

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

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

**Classification and Subsequent Measurement**

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

*Amortised cost* is calculated as

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

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

AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**(ii) Loans and receivables**

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

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

**(iii) Held-to-maturity Investments**

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

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

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

**(iv) Available-for-sale financial assets**

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

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

**(v) Financial liabilities**

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

**Fair value**

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

**Impairment**

At each reporting date, the Federation reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Federation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Derecognition**

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

**(d) Impairment of Assets**

At the end of each reporting period, the Federation reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(e) Employee Benefits**

Provision is made for the Federation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

**(f) Provisions**

Provisions are recognised when the Federation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(h) Revenue and Other Income**

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.

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant 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.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Capitation fees are recognised as revenue when invoiced on an accruals basis.

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

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

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

(i) **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 entity 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.

(j) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(k) **Income Tax**

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

(l) **Comparative Figures**

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

When the Federation has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(m) **Critical Accounting Estimates and Judgements**

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 future events and are based on current trends and economic data, obtained both externally and within the Federation.

**Key Estimates**

(i) **Impairment**

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

**Key Judgments**

(i) **Provision for impairment of receivables**

Included in trade receivables at the end of the reporting period is an amount receivable from sales made to a branch during the current financial year amounting to \$1,440. A provision for impairment has been recognised for this debt as it is not expected to be recovered.

(n) **Adoption of New and Revised Accounting Standards**

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

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

**AASB 101 Presentation of Financial Statements**

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

**Disclosure impact**

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

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

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

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

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

(o) **New Accounting Standards for Application in Future Periods**

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

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

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

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets and to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

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

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

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

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
**ABN: 41 816 898 298**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**Note 2 Revenue and Other Income**

	Note	2010 \$	2009 \$
Operating revenue			
— Capitation Fees		2,826,984	2,571,682
— Australian Nursing Journal subscriptions		1,228,521	1,159,758
— Australian Nursing Journal advertising and other		572,165	580,468
— Australian Journal of Advanced Nursing subscriptions		7,056	10,911
— Australian Journal of Advanced Nursing advertising		2,000	20,200
— Grants Received		137,975	90,002
— Aged care campaign		391,128	332,128
— RTO Income		130,315	159,257
Total operating revenue		<u>5,296,144</u>	<u>4,924,406</u>
Other revenue			
— interest received	2(a)	26,034	20,108
— other revenues		212,527	213,196
Total other revenue		<u>238,561</u>	<u>233,304</u>
Total operating revenue and other revenue		<u>5,534,705</u>	<u>5,157,710</u>
(a) Interest revenue from:			
— financial institutions		26,034	20,108
Total interest revenue		<u>26,034</u>	<u>20,108</u>

**Note 3 Expenses**

	2010 \$	2009 \$
(a) Expenses		
Finance costs:		
— financial institutions	78,178	81,167
Total finance costs	<u>78,178</u>	<u>81,167</u>
(b) Donations		
Over \$1000	17,425	19,380
\$1000 and less	2,800	3,385
Total donations	<u>20,225</u>	<u>22,765</u>

**Note 4 Key Management Personnel Compensation**

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

	2010 \$	2009 \$
Short-term employee benefits	340,401	315,855
Post-employment benefits	43,238	40,693
	<u>383,639</u>	<u>356,548</u>

**Note 5 Auditors' Remuneration**

	2010 \$	2009 \$
Remuneration of the auditor for:		
— auditing the financial report	15,500	15,000
— preparation of financial statements	2,500	2,000

**Note 6 Cash and Cash Equivalents**

	2010 \$	2009 \$
CURRENT		
Short-term bank deposits at call	479,666	443,659
Cash in hand	480	480
General Operating Account	28,022	33,908
CoNNO Account	42,900	7,796
RTO Account	—	5
IT Project Account	25,641	25,672
	<u>576,709</u>	<u>511,520</u>

Reconciliation of cash

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

Cash and cash equivalents	<u>576,709</u>	<u>511,520</u>
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**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
**ABN: 41 816 898 298**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**Note 7 Trade and Other Receivables**

	<b>Note</b>	2010 \$	2009 \$
<b>CURRENT</b>			
Trade receivables		172,511	215,053
Provision for impairment	7(c)	(1,440)	-
Other receivables		325,891	101,961
Related parties	7(a)	5,352	15,550
<b>Total current trade and other receivables</b>		<u>502,114</u>	<u>332,564</u>
<b>NON-CURRENT</b>			
Related parties	7(b)	-	5,352
<b>Total non-current trade and other receivables</b>		<u>-</u>	<u>5,352</u>
<b>(a) Current</b>			
ANF NT branch	7(i)	-	9,500
Loans to members	7(ii)	5,352	6,050
		<u>5,352</u>	<u>15,550</u>
<b>(b) Non-Current</b>			
Loans to members	7(ii)	-	5,352
		<u>-</u>	<u>5,352</u>

(i) Unsecured interest-free loan was made to ANF NT Branch repayable in equal annual instalments.

(ii) An interest-free loan was made to a member of the Federation repayable over 2 years.

**(c) Provision For Impairment of Receivables**

Movement in the provision for impairment of receivables is as follows:

Opening Balance 1 July 2009	Charge for the Year	Amounts Written Off	Closing Balance 30 June 2010
\$	\$	\$	\$
-	(1,440)	-	(1,440)
-	(1,440)	-	(1,440)

**(d) The balances of trade receivables that remain within initial trade terms are detailed below:**

2010	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
			< 30	31 - 60	>60	
	\$	\$	\$	\$	\$	\$
Trade receivables	172,511	1,440	27,295	14,011	15,301	114,464
<b>Total</b>	<u>172,511</u>	<u>1,440</u>	<u>27,295</u>	<u>14,011</u>	<u>15,301</u>	<u>114,464</u>
2009	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
			< 30	31 - 60	>60	
	\$	\$	\$	\$	\$	\$
Trade receivables	215,053	-	30,949	13,372	6,800	163,932
<b>Total</b>	<u>215,053</u>	<u>-</u>	<u>30,949</u>	<u>13,372</u>	<u>6,800</u>	<u>163,932</u>

**(e) Financial assets classified as loans and receivables**

	<b>Note</b>	2010 \$	2009 \$
Trade and other Receivables		-	-
— Total Current		502,114	332,564
— Total Non-Current		-	5,352
No collateral is held over trade and other receivables.		<u>-</u>	<u>5,352</u>

**Note 8 Other Assets**

	2010 \$	2009 \$
<b>CURRENT</b>		
Prepayments	124,077	87,465
	<u>124,077</u>	<u>87,465</u>

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**Note 9 Property, Plant and Equipment**

	2010	2009
	\$	\$
<b>LAND AND BUILDINGS</b>		
Freehold land at:		
— Cost	1,761,101	1,761,101
— Less accumulated depreciation	(189,225)	(156,604)
Total land	1,571,876	1,604,497
Freehold Improvements at:		
— Cost	355,466	355,466
— Less accumulated depreciation	(159,668)	(130,433)
Total buildings	195,798	225,033
Total land and buildings	1,767,674	1,829,530
<b>PLANT AND EQUIPMENT</b>		
At cost	483,833	466,764
Less accumulated depreciation	(361,697)	(318,452)
	122,136	148,312
<b>MOTOR VEHICLES</b>		
At cost	23,950	-
Less accumulated depreciation	(4,790)	-
	19,160	-
Total property, plant and equipment	1,908,970	1,977,842

**(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 & Buildings	Freehold Improvements	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2008	1,637,118	260,310	141,763	-	2,039,191
Additions			55,188		55,188
Disposals - written down value			(542)		(542)
Depreciation expense	(32,621)	(35,277)	(48,097)		(115,995)
Carrying amount at 30 June 2009	1,604,497	225,033	148,312	-	1,977,842
Additions			24,720	23,950	48,670
Disposals - written down value			(693)		(693)
Depreciation expense	(32,621)	(29,235)	(50,203)	(4,790)	(116,849)
Carrying amount at 30 June 2010	1,571,876	195,798	122,136	19,160	1,908,970

**Note 10 Trade and Other Payables**

	2010	2009
	\$	\$
<b>CURRENT</b>		
Unsecured liabilities		
Trade payables	479,441	381,047
Sundry payables and accrued expenses	199,552	153,480
GST payable	26,147	27,236
	705,140	561,765

**Note 11 Borrowings**

	2010	2009
	\$	\$
<b>CURRENT</b>		
Bank loan secured	11(a) 1,358,202	1,408,202
	1,358,202	1,408,202
(a) Total current and non-current secured liabilities:		
Bank loan	1,358,202	1,408,202
	1,358,202	1,408,202
(b) The carrying amounts of non-current assets pledged as security are:		
Freehold land and buildings	1,767,674	1,829,530
	1,767,674	1,829,530

(c) The bank overdraft and loan are secured by a registered first mortgage over the freehold properties of the Federation by the Members Equity Bank. The initial facility is for a 5 year period maturing in 2012.

**Note 12 Other Current Liabilities**

	2010	2009
	\$	\$
<b>CURRENT</b>		
Unearned income - journal subscriptions	82,471	77,896
Total	82,471	77,896

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**Note 13 Provisions**

CURRENT	2010	2009
Employee Benefits	\$	\$
Opening balance at beginning of year	400,925	371,583
Additional provisions raised during year	196,875	178,848
Amounts used	<u>(154,671)</u>	<u>(149,506)</u>
Balance at end of the year	<u>443,129</u>	<u>400,925</u>
	2010	2009
Analysis of Total Provisions	\$	\$
Current	387,589	352,453
Non-current	<u>55,540</u>	<u>48,472</u>
	<u>443,129</u>	<u>400,925</u>

**Provision for Long-term Employee Benefits**

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

**Note 14 Capital and Leasing Commitments**

The Federation does not have any capital or leasing commitments as at balance date.

**Note 15 Contingent assets and liabilities**

A contingent liability exists with the Federation, being an autopay facility with the Commonwealth Bank for the amount of \$60,000.

**Note 16 Cash Flow Information**

	2010	2009
	\$	\$
(a) Reconciliation of cash flow from operations with surplus for the year		
Surplus	56,973	2,351
Non-cash flows in profit		
Depreciation	116,849	115,984
Net gain (loss) on disposal of property, plant and equipment	-	553
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(164,198)	43,695
(Increase)/decrease in other assets	(36,612)	(25,669)
Increase/(decrease) in trade and other payables	147,950	25,407
Increase/(decrease) in provisions	<u>42,204</u>	<u>29,342</u>
	<u>163,166</u>	<u>191,663</u>

**Note 17 Events After the Reporting Period**

There have been no subsequent events to the balance date that would require adjustments to, or disclosure in the financial statements.

**Note 18 Related Party Transactions**

The Federation undertook related party transactions with the State Branches in its role as an umbrella organisation.

Last year an interest free loan of \$11,402 was made to a member of the Federation to provide financial assistance. The loan was approved by Council. It is to be repaid to the Federation over a 2 year period.

The balance of the loan as at 30 June 2010 was \$5,352.

**Note 19 Economic Dependence**

The Federation is economically dependent on the State Branches via the Capitation fees each branch is required to pay the Federal Office.

**Note 20 Financial Risk Management**

**(a) Financial Risk Management Policies**

The Federation's financial instruments consist mainly of deposits with banks, accounts receivable and payable and bank loans.

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

Note	2010	2009
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	576,709	511,520
Receivables	<u>502,114</u>	<u>337,916</u>
<b>Total Financial Assets</b>	<u>1,078,823</u>	<u>849,436</u>
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost		
— Trade and other payables	10(a) 705,140	561,765
— Borrowings	11 1,358,202	1,408,202
<b>Total Financial Liabilities</b>	<u>2,063,342</u>	<u>1,969,967</u>

The main purpose of non-derivative financial instruments is to raise finance for the Federation's operations. The Federation does not have any derivative instruments at 30 June 2010.

**(i) Financial Risk Exposures and Management**

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
**ABN: 41 816 898 298**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**(a) Credit risk**

Exposure to credit risk relating to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Council policy.

*Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

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

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

*Interest rate risk*

Interest rate risk is managed using a mix of fixed and floating rate debt. Surplus cash is transferred into a high interest account to maximise the return on surplus cash.

*Foreign Currency Risk*

The Federation is not exposed to fluctuations in foreign currencies.

*Liquidity risk*

The Federation manages liquidity risk by monitoring forecast cash flows on a regular basis and ensuring that adequate unutilised borrowing facilities are maintained.

**(b) Financial liability and financial asset maturity analysis**

	Within 1 Year		1 to 5 Years		Total	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>						
Bank loans	-	-	1,358,202	1,408,202	1,358,202	1,408,202
Trade and other payables	705,140	561,765	-	-	705,140	561,765
<b>Total Financial Liabilities</b>	<b>705,140</b>	<b>561,765</b>	<b>1,358,202</b>	<b>1,408,202</b>	<b>2,063,342</b>	<b>1,969,967</b>
<b>Financial assets — cash flows realisable</b>						
Cash and cash equivalents	576,709	511,520	-	-	576,709	511,520
Trade and other receivables	502,114	337,916	-	-	502,114	337,916
<b>Total Financial Assets</b>	<b>1,078,823</b>	<b>849,436</b>	<b>-</b>	<b>-</b>	<b>1,078,823</b>	<b>849,436</b>
<b>Net (outflow) / inflow on financial instruments</b>	<b>373,683</b>	<b>287,671</b>	<b>(1,358,202)</b>	<b>(1,408,202)</b>	<b>(984,519)</b>	<b>(1,120,531)</b>

*Sensitivity Analysis*

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

	Profit	Equity
	\$	\$
<b>Year ended 30 June 2010</b>		
+/- 1% in interest rates	7,815	7,815
<b>Year ended 30 June 2009</b>		
+/- 1% in interest rates	8,967	8,967

**Net Fair Values**

No financial assets and liabilities are measured at fair value.

**Note 21 Federation Details**

The registered office of the Federation is:

Australian Nursing Federation - Federal Office  
 3/28 Eyre Street  
 Kingston ACT 2604

The principal place of business is:

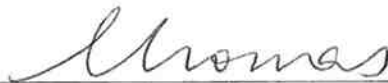
Australian Nursing Federation - Federal Office  
 Level 1  
 365 Queen Street  
 Melbourne VIC 3000

**AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE**  
**ABN: 41 816 898 298**  
**COUNCILLORS' STATEMENT**

The Councillors declare that:

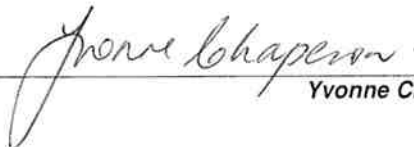
1. The financial statements and notes, as set out on pages 1 to 14, are in accordance with the Fair Work (Registered Organisations) Act 2009 and:
  - (a) comply with Australian Accounting Standards and with the reporting guidelines of the General Manager of FWA; and
  - (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance and cash flows for the year ended on that date of the Federation.
2. In the Councillors' opinion there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.
3. During the financial year ended 30 June 2010 and since the end of the year:
  - (a) meetings of the Councillors were held in accordance with the rules of the organisation including the rules of a branch concerned;
  - (b) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
  - (c) the financial records of the reporting unit have been kept in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
  - (d) the financial records of the branches have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation to ensure compliance with Accounting Standards;
  - (e) no request has been made by a member under section 272 of the Fair Work (Registered Organisations) Act 2009 requesting information of the Federation; and
  - (f) No orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
  - (g) The Federation did not undertake any recovery of wages activity.

Federal  
Secretary



*Lee Thomas*

Assistant  
Federal  
Secretary



*Yvonne Chaperon*

22 October 2010

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN NURSING FEDERATION - FEDERAL OFFICE

We have audited the accompanying financial report of Australian Nursing Federation - Federal Office, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the councillors' declaration.

### ***The Responsibility of the Councillors' for the Financial Report***

The councillors of the Federation are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Fair Work (Registered Organisations) Act 2009 and are appropriate to meet the needs of the members. The councillors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the councillors, as well as evaluating the overall presentation of the financial report.

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

### ***Independence***

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

### ***Auditor's Opinion***

In our opinion the general purpose financial report is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

- a. giving a true and fair view of the Federation's financial position as at 30 June 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. the Federation kept satisfactory accounting records for the year ended 30 June 2010, which detailed the sources and nature of the income of the Federation (including income from members) and the nature and purpose of expenditure; and
- c. all information and explanations that are required by the Fair Work (Registered Organisations) Act 2009 have been provided by officers and employees of the Federation.



Bell Partners  
Chartered Accountants



Robert H Wald, FCA  
Partner, RCA 10418

Level 7, 468 St. Kilda Road, Melbourne

22 October 2010