Australian Nursing Federation

ABN: 41 816 898 298

Financial Report for the year ended
30 June 2012

Australian Nursing Federation

ABN: 41 816 898 298

Financial Report

For the Year Ended 30 June 2012

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Australian Nursing Federation

ABN: 41 816 898 298

Operating report

For the Year Ended 30 June 2012

Your councillors present their report on Australian Nursing Federation (the Federation) for the financial year ended 30 June 2012.

Council members

The names of council members throughout the year and at the date of this report are:
Coral Levett
Marisa Bell
Paul Nieuwenhoven
Lee Thomas
Neroli Ellis
Jenny Miragaya
Julie Driver
Lisa Fitzpatrick
Brett Holmes
Yvonne Falckh
Mark Olson
Shirel Nomoa
Patricia Fowler
Elizabeth Dabars
Yvonne Chaperon
Athalene Rosborough
Beth Mohle
Sally-Anne Jones
Maree Burgess

Principal activities

The principal activity of the Federation during the financial year was the industrial and professional representation of nurses, midwives and assistants in nursing.

Significant changes

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

Operating result

The surplus of the Federation for the financial year amounted to $ 156,973 (2011: $ 151,444).

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Operating report

For the Year Ended 30 June 2012

Events after the reporting period

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.

1. Resignation from membership

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

2. Trustee of a superannuation entity

With the exception of Yvonne Chaperon, Beth Mohle and Brett Holmes who are a directors of HESTA Pty Ltd, trustee of HESTA Super Fund, to the best of our knowledge there are no officeholders or members of Australian Nursing Federation Federal Office who acts as a trustee of a superannuation entity or an exempt public sector superannuation scheme, whose position impacts the ANF Federal Office; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

3. Other Prescribed Information

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

The number of members (including branch members) at the end of the financial year was 220,531(2011: 199,027).

The number of Federal office employees at the end of the financial year was 18 full time and 3 part time (2011: 17 full time and 5 part time)

Signed in accordance with a resolution of the Federal Council:

Federal Secretary: .....

Lee Thomas

Dated this 15 day of January 2013

Australian Nursing Federation

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Statement of Comprehensive Income

For the Year Ended 30 June 2012

	Note	2012 $	2011 $
Revenue	2	**6,636,540**	5,499,601
Other income	2	**149,021**	176,388
Employee benefits expense		**(2,605,037)**	(2,547,769)
Depreciation expense	3	**(129,082)**	(113,994)
Doubtful debts expenses	3	**(130,517)**	(15,141)
Australian Nursing Journal production expenses		**(654,525)**	(629,156)
Postage expenses		**(638,075)**	(614,279)
Affiliation fees		**(515,294)**	(405,641)
Aged Care Project - Skills Mix expenses		**(437,756)**	-
Campaign expenses		**(95,647)**	(210,874)
Staff field work and associated expenses		**(248,561)**	(256,377)
Conference expenses		**(181,187)**	-
Rental expenses		**(46,023)**	(22,296)
Finance costs	3	**(102,290)**	(106,921)
Website expenses		**(117,261)**	(81,388)
Legal expenses	3	**(51,228)**	(18,197)
Meeting expenses		**(40,030)**	(32,278)
RTO expenses		**-**	(17,390)
Donations expense		**(6,900)**	(9,165)
TUEF expenses		**(34,370)**	(28,035)
Grants expenses		**-**	(48,748)
Other expenses		**(594,805)**	(366,895)
Surplus for the year		**156,973**	151,445
Other comprehensive income:			
Other comprehensive income		**-**	-
Total comprehensive income for the year		**156,973**	151,445

The accompanying notes form part of these financial statements.

Australian Nursing Federation

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Statement of Financial Position

As At 30 June 2012

	Note	2012 $	2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**550,935**	788,136
Trade and other receivables	5	**951,448**	671,771
Other assets	6	**24,860**	140,584
TOTAL CURRENT ASSETS		**1,527,243**	1,600,491
NON-CURRENT ASSETS			
Property, plant and equipment	7	**1,876,427**	1,840,024
TOTAL NON-CURRENT ASSETS		**1,876,427**	1,840,024
TOTAL ASSETS		**3,403,670**	3,440,515
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	**562,750**	608,666
Borrowings	9	**-**	1,308,063
Short-term provisions	10	**523,623**	393,381
Other liabilities	11	**162,584**	415,989
TOTAL CURRENT LIABILITIES		**1,248,957**	2,726,099
NON-CURRENT LIABILITIES			
Borrowings	9	**1,300,440**	-
Long-term provisions	10	**22,928**	40,044
TOTAL NON-CURRENT LIABILITIES		**1,323,368**	40,044
TOTAL LIABILITIES		**2,572,325**	2,766,143
NET ASSETS		**831,345**	674,372
EQUITY			
Accumulated surpluses		**831,345**	674,372
TOTAL EQUITY		**831,345**	674,372

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2012

2012

	Accumulated Surpluses	Total
	$	$
Balance at 1 July 2011	**674,372**	**674,372**
Surplus for the year	**156,973**	**156,973**
Balance at 30 June 2012	**831,345**	**831,345**

2011

	Accumulated Surpluses	Total
	$	$
Balance at 1 July 2010	522,928	522,928
Surplus for the year	151,444	151,444
Balance at 30 June 2011	674,372	674,372

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2012

	Note	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers, branches and others	12b	**6,602,985**	6,358,425
Payments to suppliers and employees		**(6,580,619)**	(5,973,700)
Interest received		**14,474**	28,807
Finance costs		**(102,290)**	(106,921)
Net cash provided by (used in) operating activities	12a	**(65,450)**	306,611
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**11,136**	-
Acquisition of property, plant and equipment		**(175,264)**	(45,027)
Net cash used by investing activities		**(164,128)**	(45,027)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**(7,623)**	(50,156)
Net cash used by financing activities		**(7,623)**	(50,156)
Net increase (decrease) in cash and cash equivalents held		**(237,201)**	211,428
Cash and cash equivalents at beginning of year		**788,136**	576,708
Cash and cash equivalents at end of financial year	4	**550,935**	788,136

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 1 Summary of Significant Accounting Policies

Basis of preparation

Australian Nursing Federation - Federal Branch ("Federation") has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. As a consequence, the Federation has also adopted AASB 2011–2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements and AASB 2011–6: Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements. This is because the reduced disclosure requirements in AASB 2011–2 and AASB 2011–6 relate to Australian Accounting Standards that mandatorily apply to annual reporting periods beginning on or after 1 July 2011.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. The Federation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the same date the statement by the Federal Council was signed.

1a Comparative figures

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

1b Property, plant and equipment

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

Property

Freehold land and buildings are measured at cost less depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated 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.

Note 1 Summary of Significant Accounting Policies continued

1b Property, plant and equipment continued

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased 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.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and Equipment	20%-33%
Motor Vehicles	20%
Improvements	10%

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

Each 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.

1c Financial instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. 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 the amount at which the financial asset or financial liability is measured at initial recognition; less principal repayments; plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; less any reduction for impairment.

Note 1 Summary of Significant Accounting Policies continued

1c Financial instruments continued

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 statement of comprehensive income.

(i) *Loans and receivables*

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

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

(ii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the 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 be realised within 12 months after the end of the reporting period. (All other investments are classified as current assets).

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.

(iii) *Financial liabilities*

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

Impairment

At the end of each reporting period, the Federation assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the Federation 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 statement of comprehensive income.

Note 1 Summary of Significant Accounting Policies continued

1d Impairment

At the end of each reporting period, the Federation assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

1e 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 including on-costs. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contibutions are made by the Federation to an employee's superannuation fund and are recognised as an employee benefit expense in the statement of comprehensive income in the periods in which services are provided by employees.

1f 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 Federation 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.

1g Income tax

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*.

1h Leases

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

1i Revenue

Capitation, subscription, advertising and campaign income are recognised when invoiced on an accruals basis.

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

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Donation income is recognised when it is received.

Note 1 Summary of Significant Accounting Policies continued

1i Revenue continued

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

Continuous professional development fees are recognised as income when received.

All other income is recognised when invoiced on an accruals basis.

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

1j 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 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. 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.

1k 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 future events and are based on current trends and economic data, obtained both externally and within the Federation.

(i) Key estimates - impairment

The Federation assesses impairment at the end of each reporting year by evaluating conditions specific to the Federation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using depreciated replacement cost calculations which incorporate various key assumptions.

(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.

(iii) Key judgments - provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Note 1 Summary of Significant Accounting Policies continued

1l ANF Branches

The Australian Nursing Federation (ANF) is the federal office that coordinates the activities of the branches in response to national issues of importance to nurses. ANF Branches respond to issues at a State and Territory level and actively represent the industrial and professional interests of members at the local level.

There is an ANF branch in each State and Territory in Australia, some of which are separately incorporated on their own and some unincorporated.

The unincorporated branches are:
- ANF Australian Capital Territory (ACT) Branch
- ANF Northern Territory (NT) Branch
- ANF Victorian (VIC) Branch
- ANF Tasmanian (TAS) Branch

The Federation has exposure effectively as trustee over the activities of the unincorporated branches. The unincorporated branches are considered as reporting units under the Federation as per the Fair Work (Registered Organisations) Act 2009 (the Act) and therefore further disclosure requirements are required for these branches as noted in Note 2, 5 and 12 of the financial statements. However the activities of these branches are not consolidated into the Federation's accounts as they have their own accounting processes, are required to be audited separately and have their own reporting obligations under the Act. For further details on possible contingent liabilities, see Note 18 Contingent assets and liabilities.

The separately incorporated branches are:
- ANF Western Australian (WA) Branch
- ANF South Australian (SA) Branch
- ANF New South Wales (NSW) Branch
- ANF Queensland (QLD) Branch

These branches are separately incorporated under the Fair Work (Registered Organisations) Act 2009 and there are no further disclosure requirements for the Federation as they are not considered as reporting units under the Federation. They also have their own reporting obligations under the Act.

1m Special Interest Group

The Federation has a Special Interest Group (SIG) named National Enrolled Nurse Association (NENA). NENA was set up to promote the value of Enrolled Nurses and raise the awareness of the Enrolled Nurse role within the community whilst providing a forum for all Enrolled Nurses to participate at a National level. NENA's financial statements have not been consolidated with the Federations financial report. NENA is audited separately and have their own reporting obligations under the Act. The financial impact of NENA is also considered not material to the Federation.

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Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 2 Revenue and Other Income

	Note	2012 $	2011 $
Revenue			
- Capitation fees	2a	**3,573,564**	3,135,828
- Australian Nursing Journal subscriptions	2b	**1,536,625**	1,355,816
- Australian Nursing Journal advertising income		**525,514**	595,702
- Continuing Professional Education income		**200,837**	126,248
- Trade Unions Industrial Campaign income		**-**	117,360
- Grant income		**565,565**	118,384
- Interest income		**14,474**	28,807
- RTO income		**-**	21,457
- Biennial National Conference income		**219,961**	-
		6,636,540	5,499,601
Other revenue			
- Other revenue		**149,021**	176,388
		149,021	176,388

2a Capitation fees from incorporated and unincorporated branches

- ACT Branch	**32,076**	29,182
- NT Branch	**39,168**	34,946
- TAS Branch	**104,532**	84,372
- VIC Branch	**1,002,624**	833,768
- NSW Branch	**1,010,160**	964,210
- SA Branch	**255,482**	194,291
- QLD branch	**745,361**	653,770
- WA branch	**384,161**	341,289

2b Subscription fees from incorporated and unincorporated branches

- ACT Branch	**33,182**	28,843
- NT Branch	**36,610**	32,159
- TAS Branch	**104,279**	96,989
- VIC Branch	**1,044,702**	922,060
- NSW Branch	**10,199**	722
- SA Branch	**254,374**	222,756
- QLD Branch	**6,983**	-
- WA Branch	**3,554**	-

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Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 3 Surplus from Ordinary Activities

	Note	2012 $	2011 $
Interest expense on financial liabilities not at fair value through profit or loss:			
- Loan interest expense		**97,379**	106,921
- ATO interest expenses		**4,911**	-
Total interest expense		**102,290**	106,921
Other Expenses:			
Depreciation expense		**129,082**	113,994
Legal expenses		**51,228**	18,197
Doubtful debts expenses		**130,517**	15,141
Contributions to defined contribution superannuation funds		**26,860**	61,500

Note 4 Cash and Cash Equivalents

Cash on hand	**887**	438
Cash at bank	**530,048**	767,698
Short-term deposits	**20,000**	20,000
	550,935	788,136

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	13	**550,935**	788,136
Bank overdrafts	9	**-**	(20)
Balance as per statement of cash flows		**550,935**	788,116

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Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 5 Trade and Other Receivables

	Note	2012 $	2011 $
CURRENT			
Trade receivables	5a,5d	**1,098,546**	297,641
Provision for impairment	5b	**(147,098)**	(16,581)
		951,448	281,060
Other receivables		**-**	390,711
		951,448	671,771

5a Trade receivables from unincorprated branches

Included in the trade receivables balance are receivables from incorporated and unincorporated ANF branches. As per the requirements of Fair Work Act (Registered Organisations) Act 2009, trade receivables from unincorporated branches (reporting units) consist of:

Capitation fees		
TAS Branch	**17,316**	7,734
Subscription fees		
TAS Branch	**21,001**	10,206
VIC Branch	**208,555**	100,754
Payroll tax		
ACT Branch	**2,821**	-
VIC Branch	**56,973**	-
Share of event costs		
ACT Branch	**770**	-
VIC Branch	**149,132**	-

5b Provision for impairment of receivables

Movement in provision for impairment of receivables is as follows:

Balance at beginning of the year	**16,581**	1,440
Additional impairment loss recognised	**130,517**	15,141
Balance at end of the year	**147,098**	16,581

5c Financial assets classified as loans and receivables

Trade and other receivables			
- total current	13	**951,448**	671,771
Financial assets		**951,448**	671,771

Note 5 Trade and Other Receivables Continued

5d Included in other receivables is $247,500 worth of government grant income invoiced for the 2011/2012 year. In accordance with the accounting policy on grant revenue, $52,669 has been deferred to a liability account as the conditions attached to the grant have not yet been satisfied.

Note 6 Other Assets

	2012 $	2011 $
CURRENT		
Prepayments	**22,340**	138,064
Security on leased premises	**2,520**	2,520
	24,860	140,584

Note 7 Property, Plant and Equipment

LAND AND BUILDINGS		
Freehold land and buildings		
At cost	**1,761,101**	1,761,101
Accumulated depreciation	**(254,467)**	(221,846)
Total Freehold land and buildings	**1,506,634**	1,539,255
Freehold Improvements		
At cost	**418,910**	369,266
Accumulated depreciation	**(219,976)**	(188,897)
Total Freehold improvements	**198,934**	180,369
Total land and buildings	**1,705,568**	1,719,624
Plant and equipment		
At cost	**599,103**	517,604
Accumulated depreciation	**(457,540)**	(411,574)
Total plant and equipment	**141,563**	106,030
Motor vehicles		
At cost	**33,999**	23,950
Accumulated depreciation	**(4,703)**	(9,580)
Total motor vehicles	**29,296**	14,370
Total plant and equipment	**170,859**	120,400
Total property, plant and equipment	**1,876,427**	1,840,024

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Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 7 Property, Plant and Equipment continued

7a Movements in Carrying Amounts

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

	Land and Buildings	Improvements	Plant and Equipment	Motor Vehicles	Total
	$	$	$	$	$
Balance at the beginning of year	1,539,255	180,369	106,030	14,370	1,840,024
Additions	-	49,644	91,621	33,999	175,264
Disposals	-	-	-	(9,779)	(9,779)
Depreciation expense	(32,621)	(31,079)	(56,088)	(9,294)	(129,082)
Balance at 30 June 2012	1,506,634	198,934	141,563	29,296	1,876,427

Note 8 Trade and Other Payables

	Note	2012 $	2011 $
CURRENT			
Unsecured liabilities:			
Trade payables		**269,237**	380,505
Sundry payables		**90,089**	131,273
GST payable		**203,424**	96,888
		562,750	608,666

8a Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:			
- total current		**562,750**	608,666
Financial liabilities as trade and other payables	13	**562,750**	608,666

Note 9 Borrowings

CURRENT			
Secured liabilities:			
Bank overdraft	4	**-**	20
Bank loans	9a	**-**	1,308,043
		-	1,308,063
NON-CURRENT			
Secured liabilities:			
Bank loans	9a	**1,300,440**	-
		1,300,440	-

9a Bank loans

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 facility is for a 20 year period maturing on 28 June 2032. The carrying amounts of non-current assets pledged as security are - Freehold land and buildings $1,705,568 (2011: $1,719,624).

Note 10 Provisions

	2012 $	2011 $
CURRENT		
Employee benefits	**523,623**	393,381
	523,623	393,381
NON-CURRENT		
Employee benefits	**22,928**	40,044
	22,928	40,044

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. 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 on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

	Employee benefits $	Total $
Current		
Opening balance at 1 July 2011	**433,425**	**433,425**
Additional provisions raised during the year	**280,408**	**280,408**
Amounts used	**(167,282)**	**(167,282)**
Balance at 30 June 2012	**546,551**	**546,551**

Analysis of total provisions

Current	**523,623**	393,381
Non-current	**22,928**	40,044
	546,551	433,425

Note 11 Other Liabilities

	2012 $	2011 $
CURRENT		
Unearned income	**162,584**	415,989
	162,584	415,989

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Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 12 Cash Flow Information

12a Reconciliation of cash from operations with surplus for the year

	2012	2011
	$	$
Net surplus for the year	**156,973**	151,444
Non-cash flows in surplus		
Depreciation	**129,082**	113,994
Loss (profit) on disposal of non-current assets	**(1,357)**	-
Provision for doubtful debts	**130,517**	15,141
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	**(410,194)**	(184,801)
(Increase)/decrease in other assets	**115,724**	(16,508)
(Increase)/decrease in trade payables and accruals	**35,471**	(96,474)
(Increase)/decrease in other current liabilities	**(334,792)**	333,518
(Increase)/decrease in provisions	**113,126**	(9,703)
	(65,450)	306,611

12b Cash flow from unincorprated branches

Included in receipts from customers of $6,602,985 are receipts from incorporated and unincorporated ANF branches. As per the requirements of Fair Work Act (Registered Organisations) Act 2009, cash receipts from the unincorporated branches (reporting units) consist of:

Cash receipts - subscription fees		
VIC Branch	**936,901**	821,306
TAS Branch	**93,484**	95,759
ACT Branch	**33,182**	28,843
NT Branch	**36,610**	32,159
	1,100,177	978,067
Cash receipts - capitation fees		
VIC Branch	**1,002,624**	833,768
TAS Branch	**94,950**	83,648
ACT Branch	**32,076**	29,182
NT Branch	**39,168**	34,945
	1,168,818	981,543

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Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 13 Financial Risk Management

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

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	2012 $	2011 $
Financial Assets			
Cash and cash equivalents	4	**550,935**	788,136
Trade and other receivables	5	**951,448**	671,771
Total financial assets		**1,502,383**	1,459,907
Financial Liabilities			
- Trade and other payables	8	**562,750**	608,666
- Borrowings	9	**1,300,440**	1,308,063
Total financial liabilities		**1,863,190**	1,916,729

Net Fair Values

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

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

The Federation has an unutilised credit card facility of $20,000 with the Commonwealth Bank of Australia. This is secured by a letter of Set Off against the term deposit (see Note 4).

Note 14 Capital and Leasing Commitments

14a Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements.

	2012	2011
	$	$
Payable - minimum lease payments		
- not later than 12 months	**16,316**	23,676
- between 12 months and five years	**15,730**	7,984
	32,046	31,660

The operating lease commitments consist of a Melbourne property lease, photocopier lease and postage meter lease.

The Melbourne apartment lease commenced on 7 October 2011 and had a 12 month term expiring 6 October 2012. The lease has subsequently been renewed and signed for another 12 month term.

The postage meter lease is a 60 month lease which commenced on 14 April 2010, with fixed quarterly rent instalments of $715.

Note 15 Key Management Personnel Compensation

The total remuneration paid to key management personnel of the Federation is $ 355,889 (2011: $ 396,283).

Note 16 Information to be supplied to Members or General Manager

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

(1) A member of the Australian Nursing Federation, or the General Manager, may apply to the Federation for specific 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 be not 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).

Australian Nursing Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2012

Note 17 Events after the end of the Reporting Period

The financial statements were authorised for issue on the same date the statment by Federal Council was signed.

The council is not aware of any significant events since the end of the reporting period.

Note 18 Contingent Liabilities and Contingent Assets

In the opinion of the Councillors, the Federation did not have any contingencies at 30 June 2012 (30 June 2011: None).

Branch liabilities and right of indemnity

The Federation is the federal office that coordinates the activities of the branches in response to national issues of importance to nurses. The Federation therefore effectively acts as trustee of the unincorporated branches. See Note 1m for further details. There may be liabilities that have been incurred on behalf of the unincorporated branches in the Federation's capacity as Federal Office. To the extent that the branches are unable to meet any obligations, the Federation may be held liable. Liabilities incurred on behalf of the branches are therefore not recognised in the financial statements when it is not probable that the Federation will have to meet any of those branch liabilities from its own resources.

When it is probable that the Federation will have to meet some branch liabilities, a provision for branch liabilities will be brought to account. In addition, the Federation has a right to be indemnified out of branch assets for any obligation not met by the branch. The assets of the unincorporated branches were sufficient to discharge all liabilities of their branches as at 30 June 2011 and 30 June 2012.

Note 19 Related Party Transactions

The Federation undertook related party transactions with the State Branches in relation to the charging of Capitation and Subscription fees. These charges were based on the number of members per state branch and were on normal commercial terms.

The Federation also paid an honorarium fee of $3,000 and $1,500 to President and Vice President respectively for the year ended 30 June 2012.

Note 20 Economic Dependence

The Federation is economically dependent on capitation fees received from each ANF branches. In the 2012 year this formed more than half of the total revenue used to operate the Federation. At the date of this report the Federal Council has no reason to believe the State Branches will not continue to support the Federation.

Note 21 Federation Details

The Registered office of the Federation is:

3/28 Eyre St
Kingston, ACT 2604

The Principal place of business of the Federation is:

Level 1
365 Queen St
Melbourne, VIC 3000

Australian Nursing Federation

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Directors' Declaration

On 15 JAN 2013 the Federal Council of the Australian Nursing Federation passed the following resolution in relation to the general purpose financial report of the Federation for the year ended 30 June 2012:

The Councillors declare that:

1. The financial statements and notes, as set out on pages 3 to 23, are in accordance with the Fair Work (Registered Organisations) Act 2009 and:

   a. comply with Australian Accounting Standards - Reduced Disclosure Regime (including Australian Accounting interpretations); and

   b. comply with the reporting guidelines of the General Manager of the Fair Work Act; and

   c. give a true and fair view of the financial position as at 30 June 2012 and of the performance and cash flows for the year ended on that date 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 2012 and since the end of that year:

   a. meetings of the Councillors were held in accordance with the rules of the Federation;

   b. the financial affairs of the Federation have been managed in accordance with the rules of the Federation concerned;

   c. the financial records of the Federation have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009;

   d. the financial records of the unincorporated branches considered as reporting units under the Federation have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the Federation.

   e. the information sought in any request of a member of the Federation or the General Manager of the Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of the Fair Work Australia;

   f. there has been compliance with any order for inspection of financial records have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009;

   g. the Federation did not participate in any recovery of wages activity.

Signed in accordance with a resolution of the Federal Council:

Federal Secretary .....

Lee Thomas

Dated 15/1/2013

Australian Nursing Federation

ABN: 41 816 898 298

Independent Audit Report to the members of Australian Nursing Federation

Report on the Financial Report

We have audited the accompanying financial report of Australian Nursing Federation, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Federal Council of the Federation

Councillors' Responsibility for the Financial Report

The councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

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

Australian Nursing Federation

ABN: 41 816 898 298

Independent Audit Report to the members of Australian Nursing Federation

Opinion

In our opinion:

(a) the financial report of the Australian Nursing Federation presents fairly the financial position as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with:

(i) Australian Accounting Standards - Reduced Disclosure Requirements and:

(ii) requirement of the Fair Work (Registered Organisations) Act 2009 including Part 3 of Chapter 8 of the Act

(b) the Federation did not participate in any recovery of wages activity during the year.

Saward Dawson Chartered Accountants

Peter Shields
Partner

Blackburn VIC

Date: 21 January 2013