



Australian Government
Registered Organisations Commission

30 January 2019

Ms Lisa Fitzpatrick
Secretary, Victorian Branch
Australian Nursing and Midwifery Federation

Dear Ms Fitzpatrick

Re: – Financial reporting – Australian Nursing and Midwifery Federation, Victorian Branch - for year ending 30 June 2018 (FR2018/259)

I refer to the financial report of the Victorian Branch of the Australian Nursing and Midwifery Federation in respect of the year ending 30 June 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 14 December 2018.

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

You are not required to take any further action in respect of the report lodged. Please note the financial report for the year ended 30 June 2019 may be subject to an advanced review.

Reporting Requirements

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

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett
Financial Reporting
Registered Organisations Commission

Designated Officer's Certificate

s.268 Fair Work (Registered Organisations) Act 2009

I Lisa Fitzpatrick being Branch Secretary of the Australian Nursing and Midwifery Federation (Victorian Branch), 535 Elizabeth Street Melbourne 3000 certify:

- That the documents lodged herewith are copies of the full report referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*;
- That the full report was provided to members on 22 November 2018; and
- The full report was presented to a Committee of Management meeting on 13 December 2018, in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature: Lisa Fitzpatrick

Date: 13 December 2018 .



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

ABN: 80 571 091 192

Financial Report

For the Year Ended 30 June 2018

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

ABN: 80 571 091 192

Financial Report

For the Year Ended 30 June 2018

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

ABN: 80 571 091 192

Operating Report

For the Year Ended 30 June 2018

Your Councillors present this financial report of Australian Nursing and Midwifery Federation (Victorian Branch) (the entity) and its controlled entities (the Group) for the financial year ended 30 June 2018.

1. Councillors

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

Ms Lisa Fitzpatrick
Mr Paul Gilbert
Ms Pip Carew
Ms Maree Burgess
Ms Lisa Auchettl
Ms Ruth Bloom (from 1.12.17)
Ms Melanie Carron (from 1.12.17)
Ms Fiona Cresswell
Ms Deborah Holloway
Ms Jacqueline Kriz
Ms Lynette Mauger
Mr Stephen McKenzie
Ms Jessica Mengel (resigned 11.9.17)
Ms Hannah Metcher
Mr Andrew Morgan
Ms Rita Moreno-Diaz (resigned 31.5.18)
Mr Timothy O'Brien
Ms Kimberley Pentreath
Mr Andrew Robinson (resigned 11.7.17)
Ms Heather Selkrig (resigned 30.11.17)
Ms Lori-anne Sharp (resigned 8.6.18)
Ms Therese Smyth (from 1.12.17)
Ms Erin Sterritt (resigned 30.11.17)
Ms Kitsa Soulounias (from 1.12.17)
Ms Anita Stirling (from 1.12.17)
Ms Rachel Weaver
Ms Jessica Foley (from 11.7.17)

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

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

ABN: 80 571 091 192

Operating Report

For the Year Ended 30 June 2018

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

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

The results of the principal activities are as follows:

- Increase in number of members from 79,019 to 82,895 for the year
- Provision of member employment legal services and indemnity insurance
- Completion of the negotiations for the 2016-2020 Private, Acute and Public Mental Health enterprise agreements
- Participation in various and state national campaigns to raise awareness of the invaluable and skilled work of nurses, midwives and carers along with securing enterprise agreements for members working in a variety of sectors e.g. Private Aged Care, Local Government, Private Acute and Government sector
- Involvement in various state committees and inquiries dealing with nursing and midwifery issues, such as occupational violence and aggression prevention, voluntary assisted dying and domestic violence
- An increase in the number of attendees to conferences, seminars, training programs, professional development opportunities, accredited and non-accredited courses

Significant changes in financial affairs

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

Resignation from membership

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

Trustee of superannuation entity

1. Lisa Filzpatrick who was a director of First State Super for the period from 1 July 2017 to 30 June 2018. Director fees have been paid to Australian Nursing and Midwifery Federation (Victorian Branch); and

2. Pip Carew, who was a director of HESTA Super Fund from 1 July 2017 to 30 June 2018. Director fees have been paid to Australian Nursing and Midwifery Federation (Victorian Branch).

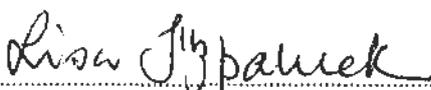
With the exception of the above, to the best of our knowledge there are no officeholders or members of Australian Nursing and Midwifery Federation (Victorian Branch) who acts as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a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

Other Prescribed Information

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

- The number of members at the end of the financial year was 82,895 (2017: 79,019).
- The number of full time equivalent employees at the end of the financial year was 147 (2017: 130).

Signed in accordance with a resolution of the Branch Council:

Secretary: 
Lisa Filzpatrick

Assistant Secretary: 
Paul Gilbert

Assistant Secretary: 
Pip Carew

Dated 13 November 2018

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

ABN: 80 571 091 192

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	2	38,546,224	36,013,351
Other income	2	4,173,220	219,087
Employee benefits expense	3(a)	(17,669,510)	(15,599,370)
Administration expense		(2,068,164)	(1,710,276)
Journal expense	3(b)	(1,088,371)	(1,156,627)
Capitation Fees - ANMF Federal Office		(1,565,135)	(1,492,347)
Depreciation and amortisation expense		(3,034,138)	(676,548)
Education and training expense		(496,952)	(435,296)
Professional indemnity insurance		(537,534)	(469,014)
Legal expense	3(c)	(711,480)	(800,499)
Finance cost	3(d)	(996,539)	(277,065)
Occupancy expense		(924,320)	(943,246)
Member/Rep. professional development		(344,366)	(323,637)
Affiliation and levy fees	3(e)	(392,660)	(306,387)
Grants expense	3(f)	(3,539,619)	(22,689)
Donations expense	3(f)	(107,460)	(35,720)
EBA campaign expenses	3(g)	(568,057)	(316,436)
Meeting expenses		(61,291)	(55,583)
Conference expenses		(624,347)	(720,163)
Other expenses		(1,393,064)	(1,045,309)
Surplus before income tax		6,596,437	9,846,226
Income tax expense		(1,877)	(2,134)
Surplus for the year from ordinary activities		6,594,560	9,844,092
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year		6,594,560	9,844,092

The accompanying notes form part of these financial statements.

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

ABN: 80 571 091 192

Consolidated Statement of Financial Position

As at 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	10,988,983	15,838,443
Trade and other receivables	5	464,128	164,801
Current tax receivable		702	-
Assets held for sale	6	-	25,225,000
Other assets	9	441,385	763,511
TOTAL CURRENT ASSETS		<u>11,895,198</u>	<u>41,991,755</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	84,674,895	74,540,126
Intangible assets	8	254,357	148,044
TOTAL NON-CURRENT ASSETS		<u>84,929,252</u>	<u>74,688,170</u>
TOTAL ASSETS		<u>96,824,450</u>	<u>116,679,925</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,025,355	4,781,457
Borrowings	11	492,317	32,214,932
Current tax liabilities		-	2,134
Short-term provisions	12	5,466,110	4,987,428
Other liabilities	13	5,628,310	7,498,394
TOTAL CURRENT LIABILITIES		<u>12,612,092</u>	<u>49,484,345</u>
NON-CURRENT LIABILITIES			
Borrowings	11	13,286,383	2,894,261
Provisions	12	252,926	222,830
TOTAL NON-CURRENT LIABILITIES		<u>13,539,309</u>	<u>3,117,091</u>
TOTAL LIABILITIES		<u>26,151,401</u>	<u>52,601,436</u>
NET ASSETS		<u>70,673,049</u>	<u>64,078,489</u>
EQUITY			
Reserves		747,449	11,049,695
Accumulated surpluses		69,925,600	53,028,794
TOTAL EQUITY		<u>70,673,049</u>	<u>64,078,489</u>

The accompanying notes form part of these financial statements.

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

ABN: 80 571 091 192

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

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

The accompanying notes form part of these financial statements.

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

ABN: 80 571 091 192

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2018

2017

	Accumulated Surpluses	ACTU Levy Fund	Asset Revaluation Reserve	Members Entitlement Protection Fund	General Reserve	Legal Services Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	43,064,313	120,000	10,298,045	400,000	52,039	300,000	54,234,397
Surplus for the year	9,844,092	-	-	-	-	-	9,844,092
Transfers to and from reserves							
- ACTU levy Fund	120,000	(120,000)	-	-	-	-	-
- General reserve	389	-	-	-	(389)	-	-
Balance at 30 June 2017	53,028,794	-	10,298,045	400,000	51,650	300,000	64,078,489

The accompanying notes form part of these financial statements.

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

ABN: 80 571 091 192

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
Cash from operating activities:		
Receipts from members and customers	43,567,749	42,035,583
Payments to suppliers and employees	(35,145,851)	(31,943,433)
Interest received	287,763	146,130
Interest and other costs of finance paid	(996,539)	(277,065)
Income tax paid	(4,713)	(5,461)
Net cash provided by operating activities	7,708,409	9,955,754
	21	
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipment	26,752,570	211,604
Deposit received for sale of assets held for sale	-	2,583,000
Interest paid on capital work in progress	(170,537)	(1,023,162)
Payment for intangible assets	(223,972)	(19,813)
Acquisition of property, plant and equipment	(17,585,437)	(46,773,995)
Net cash used by investing activities	8,772,624	(45,022,366)
Cash flows from financing activities:		
Procurement/(repayment) of borrowings	(21,330,493)	34,212,433
Net cash provided by financing activities	(21,330,493)	34,212,433
Net cash increase (decreases) in cash and cash equivalents		
	(4,849,460)	(854,179)
Cash and cash equivalents at beginning of year	15,838,443	16,692,622
Cash and cash equivalents at end of year	10,988,983	15,838,443
	4	

The accompanying notes form part of these financial statements.

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

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

1 Summary of Significant Accounting Policies

(a) Basis of preparation

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

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

(b) Comparative figures

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

(c) Principles of consolidation

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

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

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

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

Details on the controlled entities are contained in Note 20(a) of the financial statements.

The activities of Victorian Nurses Welfare and Hardship Trust Fund and Special Interest Group were not consolidated with the Australian Nursing and Midwifery Federation (Victorian Branch) on the basis that these funds are controlled by its members and not by the Victorian Branch Council. Further details are contained in Note 20(b).

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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

Land and buildings

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

Property held for redevelopment

Land and building held for redevelopment at 529 - 541 Elizabeth St was classified as capital works in progress and was measured at cost. No depreciation was charged on capital works in progress. The redevelopment was completed during the 2018 financial year. The capital works in progress were transferred to land, buildings and plant and equipment and are now carried at cost less accumulated depreciation.

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by Councillors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of depreciated replacement cost.

Depreciation

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

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 5%
Plant and Equipment	15% - 30%
Motor Vehicles	25%
Leasehold improvements	33%

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

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

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

(e) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortised or depreciated.

Non-current assets classified as held for sale and any associated liabilities are presented separately in the consolidated statement of financial position.

(f) Financial instruments

Initial recognition and measurement

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

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

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(f) Financial instruments

Classification and subsequent measurement

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

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 amounts initially recognised and the maturity amount calculated using the *effective interest method*; less any reduction for impairment.

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

(i) Loans and receivables

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

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

(ii) Held-to-maturity investments

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

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

(iii) Financial liabilities

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

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the profit or loss.

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(f) Financial instruments

Derecognition

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

(g) Impairment

At the end of each reporting period, the Group reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use or depreciated replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(h) Intangible Assets

Amortisation

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

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

(i) Cash and cash equivalents

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

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

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(j) Employee benefits

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

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

(k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Income taxes

No provision for income tax has been raised as the Federation is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997. The Group has obligation for Fringe Benefit Tax (FBT) and Goods and Services Tax (GST).

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

(m) Leases

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

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

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

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

(n) Revenue

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

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(n) Revenue

Grant and sponsorship revenue is recognised in the statement of profit or loss when the Group obtains control of the grant or sponsorship, it is probable that the economic benefits gained from the grant or sponsorship will flow to the Group and the amount of the grant or sponsorship can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

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

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

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

(o) Goods and services tax (GST)

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

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

(p) Borrowing costs

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

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(q) Critical Accounting Estimates and Judgments

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

(i) *Key Estimates - Impairment*

The Group assessed impairment at the end of each reporting period by evaluation of conditions and events specific to the Group that may be indicative of impairment triggers.

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

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

(r) New Australian Accounting Standards

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

AASB 15: Revenue from Contracts with Customers

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

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

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

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For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(r) New Australian Accounting Standards

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

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

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

AASB 16: Leases

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

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

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

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

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

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

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Revenue and Other Income

	Note	2018 \$	2017 \$
Revenue			
- Membership subscription fees		36,042,858	33,695,484
- Education and training income		74,456	429,752
- Conference and sponsorship income		985,894	1,092,041
- Rent received		731,825	185,772
- Professional development		416,056	446,569
- Interest received		287,763	146,130
- Merchandise sales		7,372	17,603
- Capitation fees		-	-
- Levy income		-	-
- Grants and donations		-	-
- Revenue from recovery of wages activity		-	-
Total revenue		38,546,224	36,013,351
Other income			
- Sundry income		229,869	206,414
- Net gain on disposal of property, plant and equipment	(a)	3,943,351	12,673
Total other income		4,173,220	219,087

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

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

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Surplus from Ordinary Activities

(a) Employee Expense

	2018	2017
	\$	\$
Holders of office		
Wages and salaries	506,898	496,490
Superannuation	84,276	83,352
Leave entitlements	122,475	97,009
Separation and redundancies	-	-
Other employee expenses	12,192	12,465
Subtotal employee expenses - holders of office	725,841	689,316
Employees (including contract staff) other than office holders:		
Wages and salaries	11,249,037	9,792,789
Superannuation	1,885,721	1,673,197
Leave entitlements	2,395,513	2,125,817
Separation and redundancies	175,945	147,700
Payroll tax and workcover	822,293	824,885
Other employee expenses	415,160	345,666
Subtotal employee expenses - employees other than office holders	16,943,669	14,910,054
Total employee benefit expenses	17,669,510	15,599,370

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Surplus from Ordinary Activities

(b) Journal Expense

	2018	2017
	\$	\$
Australian Nursing and Midwifery Journal (ANMJ) subscription fees - ANMF Federal Office	974,621	982,739
Other journal expenses	113,750	173,888
Total journal expenses	1,088,371	1,156,627

(c) Legal expense

Litigation fees	667,201	744,207
Other legal costs	44,279	56,292
Total legal expense	711,480	800,499

(d) Finance cost

Hire purchase charges	61,779	42,593
Bank fees and interest expense	934,760	234,472
Total finance costs	996,539	277,065

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Surplus from Ordinary Activities

(e) Affiliation and Levy fees

	2018	2017
	\$	\$
Affiliation Fees		
Ballarat Trades and Labour	9,442	6,160
Bendigo Trades Hall	6,582	1,264
Geelong Trades Hall	18,494	12,870
Gippsland Trades and Labour	6,910	1,468
Goulburn Trades & Labour	7,342	955
North East & Border Trades	1,948	1,700
South West Trades & Labour	787	1,208
Sunraysia Trades & Labour Council	355	532
Victorian Trades Hall Council	340,800	280,230
Total Affiliation Fees	392,660	306,387
Levies		
Total Levies	-	-
Total Affiliation and Levy Fees	392,660	306,387

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Surplus from Ordinary Activities

(f) Donations and grants expense

	2018	2017
Note	\$	\$
Grants		
Total paid that were \$1,000 or less	34,619	17,689
Total paid that exceeded \$1,000	(a) 3,505,000	5,000
Total grants	3,539,619	22,689
Donations		
Total paid that were \$1,000 or less	10,460	13,420
Total paid that exceeded \$1,000	97,000	22,300
Total donations	107,460	35,720
Total grants and donations	3,647,079	58,409

(a) Included in this amount is \$3.5M of grant to Launch Housing for housing for nurses, midwives and carers who are homeless or at risk of homelessness, or others who are homeless or at risk of homelessness if a nurse, midwife or carer does not present at Launch Housing or Wintringham for housing or support. A further \$3.5M is committed which will be paid after 1 July 2018.

(g) Other expenses disclosure

Commission charged on collection of subscriptions	1,105	1,535
EBA campaign expenses for various sectors	568,057	316,436
Penalties - via RO Act or RO Regulations	-	-
Fees/allowances - meeting and conferences	-	-

4 Cash and Cash Equivalents

Cash at bank and in hand	5,570,581	4,966,189
Short-term bank deposits	5,418,402	10,872,254
	10,988,983	15,838,443

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

5 Trade and other receivables

	Note	2018 \$	2017 \$
CURRENT			
Trade receivables		464,128	164,801
		<u>464,128</u>	<u>164,801</u>

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

6 Assets held for sale

Land and buildings	-	25,225,000
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The freehold land and buildings at 532 and 540 Elizabeth St Melbourne Vic was measured at fair value. The fair value was based on the directors' valuation taking into account an external independent valuation performed, which used income capitalisation method and comparable market data for similar properties.

During the financial year, the freehold land and buildings at 532 and 540 Elizabeth St Melbourne Vic was sold. Settlement date was on 5 October 2017.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

7 Property plant and equipment

	2018	2017
	\$	\$
LAND AND BUILDINGS		
At cost - land and buildings	71,625,207	-
Less accumulated depreciation	(1,191,774)	-
	<u>70,433,433</u>	<u>-</u>
Capital works in progress		
At cost - land	(b) -	11,277,611
At cost - construction works	-	60,888,245
	<u>-</u>	<u>72,165,856</u>
Total capital works in progress	-	72,165,856
Total land and buildings	<u>70,433,433</u>	<u>72,165,856</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	14,688,018	4,442,327
Less accumulated depreciation	(1,722,930)	(3,083,731)
	<u>12,965,088</u>	<u>1,358,596</u>
Total plant and equipment	12,965,088	1,358,596
Motor vehicles		
At cost	1,866,268	1,440,934
Less accumulated depreciation	(589,894)	(475,147)
	<u>1,276,374</u>	<u>965,787</u>
Total motor vehicles	1,276,374	965,787
Improvements		
At cost	-	277,948
Less accumulated depreciation	-	(228,061)
	<u>-</u>	<u>49,887</u>
Total improvements	-	49,887
Total plant and equipment	<u>14,241,462</u>	<u>2,374,270</u>
Total property, plant and equipment	<u>84,674,895</u>	<u>74,540,126</u>

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

7 Property plant and equipment

(a) Movements in Carrying Amounts

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

	Capital Works in Progress	Land and Buildings	Plant and Equipment	Motor Vehicles	Improvements	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	72,165,856	-	1,358,596	965,787	49,887	74,540,126
Additions	3,785,465	8,404,462	493,340	813,048	-	13,496,315
Disposals	-	-	(374,785)	(163,696)	(45,737)	(584,218)
Transfer	(76,090,472)	63,220,745	12,869,727	-	-	-
Borrowing cost capitalised	139,151	-	-	-	-	139,151
Depreciation expense	-	(1,191,774)	(1,381,790)	(338,765)	(4,150)	(2,916,479)
Balance at 30 June 2018	-	70,433,433	12,965,088	1,276,374	-	84,674,895

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

7 Property plant and equipment

(b) Capital works in progress

Capital works in progress includes the freehold land at 529 - 541 Elizabeth Street Melbourne VIC purchased in November 2012 for the purpose of redevelopment. The redevelopment was completed during the 2018 financial year and all capital works in progress were transferred to land, buildings and plant and equipment during the year.

(c) Security

Property situated at Elizabeth St Melbourne VIC is pledged as security for the bank loans as per Note 11.

(d) Capital commitment

The Group did not have any capital commitments as at 30 June 2018.

8 Intangible Assets

	2018	2017
	\$	\$
Website and Online App		
Cost	102,793	365,236
Accumulated amortisation and impairment	(85,108)	(229,892)
Net carrying value	<u>17,685</u>	<u>135,344</u>
Work in progress		
Cost	<u>236,672</u>	12,700
Total Intangibles	<u><u>254,357</u></u>	<u><u>148,044</u></u>

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

8 Intangible Assets

(a) Movements in carrying amounts of intangible assets

	Website	Work in progress	Total
	\$	\$	\$
Balance at 1 July 2017	135,344	12,700	148,044
Additions	-	223,972	223,972
Amortisation	(117,659)	-	(117,659)
Balance at 30 June 2018	17,685	236,672	254,357

9 Other Assets

	2018	2017
	\$	\$
CURRENT		
Prepayments	441,385	763,511
	441,385	763,511

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

10 Trade and other payables

	2018	2017
Note	\$	\$
CURRENT		
Trade and other payables	760,093	5,518,039
Legal fees	4,645	-
GST payable/(receivable)	(35,522)	(778,211)
Payable to ANMF Federal Office	296,139	41,629
Payable to employers for making payroll deductions of membership subscriptions	-	-
	<u>1,025,355</u>	<u>4,781,457</u>

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

Trade and other payables:		
- total current	1,003,059	4,781,457
Add/(Less):		
GST (payable)/receivable	35,522	778,211
Financial liabilities as trade and other payables	16 <u>1,038,581</u>	<u>5,559,668</u>

(b) Legal Fees

Litigation	1,835	-
Other legal costs	2,810	-
Total	<u>4,645</u>	<u>-</u>

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

11 Borrowings

	Note	2018 \$	2017 \$
CURRENT			
Secured liabilities:			
Finance lease obligation	11(b),15	492,317	459,932
Bank loans	11(a)	-	31,755,000
Total current borrowings		492,317	32,214,932
NON-CURRENT			
Secured liabilities:			
Finance lease obligation	11(b), 15	655,336	467,703
Bank loans	11(a)	12,631,047	2,426,558
Total non-current borrowings		13,286,383	2,894,261

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

- registered mortgages over the land and buildings owned by the group
- general security agreement over all the assets and undertakings of the group
- guarantee and indemnity given by Australian Nursing and Midwifery Federation (Victorian Branch)
- Tripartite deed between the bank, the group and the builder in respect of the building contract.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

12 Provisions

	2018	2017
	\$	\$
Office holders		
Annual leave	324,720	265,107
Long service leave	424,147	391,155
Separations and redundancies	-	-
Other - Accrued days off	16,769	15,385
	<hr/>	<hr/>
Subtotal employee provisions - office holders	765,636	671,647
Employees other than office holders:		
Annual leave	1,914,572	1,769,074
Long service leave	2,791,884	2,586,468
Separations and redundancies	-	-
Other - Accrued days off	246,944	183,069
	<hr/>	<hr/>
Subtotal employee provisions - employees other than office holders	4,953,400	4,538,611
	<hr/>	<hr/>
Total employee provisions	5,719,036	5,210,258
	<hr/>	<hr/>
Analysis of total provisions		
Current	5,466,110	4,987,428
Non-current	252,926	222,830
	<hr/>	<hr/>
	5,719,036	5,210,258

(a) Provision for employee benefits

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

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

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

13 Income in Advance

	2018	2017
	\$	\$
Student fees in advance	111,663	38,600
Grants received in advance	933,495	-
Membership subscription fees in advance	4,473,992	4,444,553
Deposit received for assets held for sale.	-	3,000,000
Other deferred income	109,160	15,241
	<u>5,628,310</u>	<u>7,498,394</u>

14 Equity

(a) Other specific disclosures - funds

Compulsory levy/voluntary contribution fund - if
invested in assets

Other funds required by rules

-	-
-	-
-	-

15 Capital and Leasing Commitments

(a) Finance lease commitments

Payable - minimum lease payments:

- no later than 1 year

540,858 497,943

- between 1 year and 5 years

707,821 499,041

Minimum lease payments

1,248,679 996,984

Less: finance charges

(101,026) (69,349)

Present value of minimum lease payments

1,147,653 927,635

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

16 Financial Risk Management

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

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

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

16 Financial Risk Management

	Note	2018 \$	2017 \$
Financial Assets			
Cash and cash equivalents (i)	4	10,988,983	15,838,443
Trade and other receivables (i)	5	464,128	164,801
Total financial assets		11,453,111	16,003,244
Financial Liabilities			
Trade and other payables (i)	10(a)	1,038,581	5,559,668
Bank loan - secured (ii)	11	12,631,047	34,181,558
Finance lease obligation (ii)	15(a)	1,147,653	927,635
Total financial liabilities		14,817,281	40,668,861

Net Fair Values

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

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

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

Financial risk management policies

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

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

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Branch Council's objectives, policies and processes for managing or measuring the risks from the previous period.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

16 Financial Risk Management

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group and arises principally from the Group's receivables.

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

Credit risk exposure

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

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

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

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

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

16 Financial Risk Management

Financial liability maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding GST)	1,038,581	5,559,668	-	-	-	-	1,038,581	5,559,668
Borrowings (excluding finance lease)	-	31,755,000	12,631,047	-	-	-	12,631,047	31,755,000
Finance lease liabilities	492,317	459,932	655,336	467,703	-	-	1,147,653	927,635
Total contractual outflows	1,530,898	37,774,600	13,286,383	467,703	-	-	14,817,281	38,242,303

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

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16 Financial Risk Management

(c) Market risk

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

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed by fixing interest rates for finance lease agreements, and by monitoring interest rate fluctuations and assessing potential impact on cash flow.

ii. Price risk

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

Interest rate risk sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2018	2017
	\$	\$
Change in surplus		
- +/- 0.5% in interest rate	36,063	104,414
Change in equity		
- +/- 0.5% in interest rate	36,063	104,414

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17 Key Management Personnel Compensation.

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

	2018	2017
	\$	\$
Key management personnel compensation:		
- Short-term employee benefit	614,254	580,598
- Post-employment benefits (Superannuation)	84,276	83,352
- Other long term benefits (Long service leave)	27,311	25,366
- Termination benefits	-	-
Total	725,841	689,316

18 Remuneration of Auditors

Remuneration of the auditor as follow:

- Auditing or reviewing the financial statements	50,700	48,400
- Other services	1,500	-

19 Contingent Liabilities

In the opinion of the Branch Councillors, the Group did not have any contingent liabilities at 30 June 2018.

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

20 Related Party Transactions

The Group's main related parties are as follow:

(a) Controlled entities

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

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

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

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

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

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

20 Related Party Transactions

(b) Other related parties

Other related parties consist of:

1. Australian Nursing and Midwifery Federation (Federal Office)

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

	2018	2017
	\$	\$
Capitation Fee	1,565,135	1,492,347
ANMF Journal	974,621	982,739
Biennial National Conference	28,932	28,932
Aged Care Campaign	19,378	-
ACTU Change the Rules Campaign	113,636	-
Shared database cost	22,743	21,924

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

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

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

20 Related Party Transactions

2. Victorian Nurses Welfare and Hardship Trust Fund

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

Total Victorian Nurses Welfare and Hardship Fund bank balance as at 30 June 2018 held in the name of Australian Nursing and Midwifery Federation (Victorian Branch) was \$46,069 (2017: \$61,029).

3. Special Interest Group

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

Total Special Interest Group bank balances as at 30 June 2018 held in the name of Australian Nursing and Midwifery Federation (Victorian Branch) total \$15,333 (2017: \$15,096).

(c) Financial support

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

(d) Former related party

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

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

21 Cash Flow Information

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

	2018	2017
	\$	\$
Net surplus for the year	6,594,560	9,844,092
Non-cash flows in surplus		
Depreciation and amortisation	3,034,138	676,548
Net (gain)/loss on disposal of property, plant and equipment	(3,943,351)	(12,673)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(398,413)	120,667
Increase/(decrease) in trade payables and accruals	763,320	(862,315)
Increase/(decrease) in income taxes payable	(2,836)	(3,327)
Increase/(decrease) in other payables	1,152,213	(83,271)
Increase/(decrease) in provisions	508,778	276,033
	<u>7,708,409</u>	<u>9,955,754</u>

(b) Cash flow with reporting units

Cash inflows:

ANMF Federal Office	50,683	5,775
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Cash outflows:

ANMF Federal Office	(3,509,710)	(3,573,803)
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Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

22 Reserves

Asset revaluation reserve

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

Members entitlement protection fund

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

General reserve

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

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

Legal services reserve

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

ACTU levy reserve

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

23 Events after the end of the Reporting Period

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

24 Entity Details

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

Australian Nursing and Midwifery Federation - Victorian Branch

535 Elizabeth Street

Melbourne VIC 3000

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

ABN: 80 571 091 192

Notes to the Financial Statements

For the Year Ended 30 June 2018

25 Information to be Supplied to Members or Commissioner

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

- A member of the Australian Nursing and Midwifery Federation and Consolidated Entities (Group), or the Commissioner, may apply to the Group for specific prescribed information in relation to the Group to be made available to the person making the application.
- The application must be in writing and must specify the period within which and the manner in which, the information is to be made available. The period must be not less than 14 days after the application has been given to the Group.
- The Group must comply with an application made under subsection (1).

26 Acquisition of Assets and Liabilities

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

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

27 Administration of financial affairs by a third party

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

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

ABN: 80 571 091 192

For the Year Ended 30 June 2018

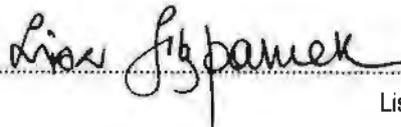
Expenditure Report Required under Subsection 255(2A)

The Branch Council presents the expenditure report as required under subsection 255(2A) on the Group for the year ended 30 June 2018.

Categories of expenditure	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	17,669,510	15,599,370
Advertising	441,038	203,577
Operating costs*	9,944,522	9,047,809
Donations to political parties	-	-
Legal costs	711,480	800,499

*Operating costs equate to the total expenses for the year less interest expense on loan, depreciation, grants and donations and the other expenses as disclosed separately above.

Secretary:



.....
Lisa Fitzpatrick

Dated: 13 November 2018

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

ABN: 80 571 091 192

Statement by Branch Council

For the Year Ended 30 June 2018

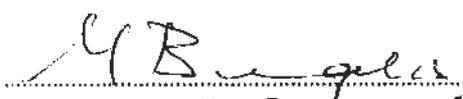
On 13/11 / 2018 the Branch Council of the Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities passed the following resolution in relation to the general purpose financial report (GPFR) of the Group for the year ended 30 June 2018:

The Branch Council declares that in its opinion:

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

Signed in accordance with a resolution of the Branch Council:

Secretary 
.....
Lisa Fitzpatrick

President 
.....
Maree Burgess

Dated 13 November 2018

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

ABN: 80 571 091 192

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Nursing and Midwifery Federation (Victorian Branch) and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the statement by branch council and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Group as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

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

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

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

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

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

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

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

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

ABN: 80 571 091 192

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

Responsibilities of Branch Council for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

ABN: 80 571 091 192

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

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

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

We declare that we are an auditor registered under the RO Act, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Saward Dawson

Saward Dawson

Peter Shields

Peter Shields
Principal

Dated: 13 November 2018
Registration number: A2017/112