

**Australian College of Nursing Ltd**

**ABN 48 154 924 642**

General purpose (SDS) financial  
report for the year ended  
30 June 2022

## Contents

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|   |    |
|---|----|
| Directors' report   | 1  |
| Directors' declaration  | 5  |
| Auditor's independence declaration                                      | 6  |
| Independent auditor's report  | 7  |
| Consolidated statement of profit or loss and other comprehensive income | 10 |
| Consolidated statement of financial position                            | 11 |
| Consolidated statement of changes in funds                              | 12 |
| Consolidated statement of cash flows                                    | 13 |
| Notes to the consolidated financial statements                          | 14 |

## Directors' report

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Your Directors submit their report on Australian College of Nursing Ltd (the "Company") and the entities it controlled (collectively referred to as the "Group") for the year ended 30 June 2022.

### Directors

The names, qualifications, experience and special responsibilities of the Directors in office at any time during, or since the end of the financial year are:

| Names                                    | Qualifications   | Experience and special responsibilities  |
|--|--|--|
| Professor Christine Duffield (President) | RN, BScN, MHP, FAICD, FAAN, FACN, PhD  | Elected Director<br>President and Chairperson<br>Member, Finance, Audit, Risk & Investment Committee<br>Deputy Chairperson, Academic Council (from February 2020 to November 2020) |
| Mrs Carmen Morgan (Vice-President)       | RN, BN, MHSM, Grad Cert Emergency Nsg, Infection Control Cert, Grad ICN Global NLP, FACN, GAICD, Wharton, Nurse Leader | Elected Director<br>Vice President and Deputy Chairperson of ACN Board<br>Member, Finance, Audit, Risk & Investment Committee<br>Member, Governance & Scholarship Committee        |
| Mr Ross Lewin (Independent Director)     | B. Com. CA. F. Fin   | Independent Director (re-appointed February 2022)<br>Chairperson, Finance, Audit, Risk & Investment Committee<br>Chairperson, Nominations and Selection Committee                  |
| Professor Linda Shields                  | DMed, PhD, MMedSci, BAppSci (Nursing), Centaur Fellow, FACN, CCYPN   | Elected Director (retired February 2022)<br>Chairperson, Academic Council<br>Chairperson, ACN Order of Australia Working Party<br>Member, Nominations and Selection Committee      |
| Adjunct Professor David Plunkett         | RN, Peri-Op Cert, MBA, FACN, GAICD   | Elected Director (re-elected February 2022)<br>Chairperson, Governance and Scholarship Committee<br>Member, Nominations and Selection Committee                                    |
| Adjunct Professor Susanne Hawes          | RN, MRNCert, BHlth Sc (Nursing), Grad Cert (Disability Nursing), EMBA, FACN  | Elected Director (retired February 2022)<br>Member, Nominations and Selection Committee  |

## Directors' report (continued)

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### Directors (continued)

| Names                                     | Qualifications   | Experience and special responsibilities   |
|---|--|---|
| Mrs Belynda Abbott                        | RN, BN, MHthLdr,<br>GDipClinEd, Dip.Gov,<br>FICDA, AAICD, FACN   | Elected Director (retired February 2022)<br>Member, Governance & Scholarship Committee<br>Member, ACN Order of Australia Working Party<br>Member, Nominations and Selections<br>Committee |
| Professor<br>Georgina Willetts            | RN, RM, Ortho Cert,<br>BHSc(Nursing), Grad Cert<br>Mgt, Grad Dip Nursing,<br>MEd, DEd, CMgr, FIML,<br>FACN | Elected Director<br>Chairperson, Academic Council (member prior<br>to February 2022)  |
| Mr Michael Ryan<br>(Independent Director) | B.Com, LLB, LLM  | Independent Director<br>Member Finance, Audit, Risk and Investment<br>Committee   |
| Professor Donna Waters                    | BA(Macq), MPH (USYD),<br>PhD (USYD)  | Elected Director (elected February 2022)<br>Deputy Chairperson, Academic Council  |
| Mrs Heather Keighley                      | MIHM, FACN, AFACHSM,<br>CHM  | Elected Director (elected February 2022)  |
| Adjunct Professor Chris<br>Raftery        | RN, NP, BNur, MEmergN,<br>MBA(HSM), MNsc(NP),<br>PhD(c)  | Elected Director (elected February 2022)  |

## Directors' report (continued)

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### Operating results for the year

For the year ended 30 June 2022, the Group generated total revenue of \$23,601,705 (2021: \$24,920,198) and produced a surplus of \$2,503,262 (2021: \$6,380,147).

The COVID-19 pandemic and the response of Governments in dealing with the pandemic continues to interfere with general activity levels within the community, the economy and the operations of our business. While we have not seen a significant impact on our business to date, the scale and duration of these developments remain uncertain as at the date of this report, and may have an impact on our future earnings, cash flow and financial condition.

Due to the nature of our operations, we have not experienced a negative impact on our business to date and do not expect this to change in the next 12 months.

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year.

### Significant events after the reporting period

There were no significant events occurring after reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

### Likely developments and expected results

The Group will continue to meet its contractual commitments in the ensuing financial year.

### Directors' benefits

During the financial year, no Director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Parent entity or a related corporation with the Director or a firm of which the Director is a member, or with a company in which the Director has substantial interest.

### Members' guarantee

In accordance with the Constitution, every member of the Company undertakes to contribute an amount limited to \$20 (2021: \$20) per member in the event of the winding up of the Company during the time he/she is a member, or within one year thereafter.

### Directors' meetings

| Director           | Board meetings |          |
|--------------------|----------------|----------|
|                    | Eligible       | Attended |
| Christine Duffield | 5              | 5        |
| Carmen Morgan      | 5              | 5        |
| Ross Lewin         | 5              | 5        |
| Linda Shields      | 3              | 2        |
| David Plunkett     | 5              | 4        |
| Susanne Hawes      | 3              | 3        |
| Belynda Abbott     | 3              | 3        |
| Georgina Willetts  | 5              | 5        |
| Michael Ryan       | 5              | 5        |
| Donna Waters       | 2              | 2        |
| Heather Keighley   | 2              | 2        |
| Chris Raftery      | 2              | 2        |

## Directors' report (continued)

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### Indemnification of directors

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors of Australian College of Nursing against legal costs incurred in defending proceedings for conduct other than:

- (a) A wilful breach of duty
- (b) A contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*

The total amount of insurance contract premiums paid was \$10,689 (2021: \$8,198).

### Indemnification of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young (Australia), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young (Australia) during or since the financial year.

### Auditor's independence

The Directors received an independence declaration from the auditor of Australian College of Nursing Ltd. A copy has been included on page 6 of the report.

Signed in accordance with a resolution of the Directors.



Professor Christine Duffield FACN  
President  
Sydney  
28 October 2022

## Directors' declaration

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In accordance with a resolution of the Directors of Australian College of Nursing Ltd, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and performance for the year ended on that date; and
  - (ii) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*, the *Australian Charities and Not-for-Profits Commission Regulation 2013* and *Public Ancillary Fund Guidelines 2011*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Professor Christine Duffield FACN  
President  
Sydney  
28 October 2022



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## Auditor's Independence Declaration to the Directors of Australian College of Nursing Ltd

In relation to our audit of the financial report of Australian College of Nursing Ltd for the financial year ended 30 June 2022, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

Anton Ivanyi  
Partner  
28 October 2022





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## Independent auditor's report to the members of Australian College of Nursing Ltd

### Opinion

We have audited the financial report of Australian College of Nursing Ltd (the "Company") and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated profit or loss and other comprehensive income, consolidated statement of changes in funds and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### 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 (including Independence Standards)* (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 directors are responsible for the other information. The other information is the directors' 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.

### Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors 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 directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors 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

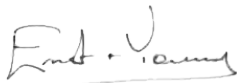
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 directors.
- ▶ Conclude on the appropriateness of the directors' 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 auditor's report. However, future events or conditions may cause the Group 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.



Ernst & Young



Anton Ivanyi  
Partner  
Sydney  
28 October 2022

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

|  | Notes | 2022<br>\$          | 2021<br>\$          |
|--|-------|---------------------|---------------------|
| <b>Revenue</b>   |       |                     |                     |
| Revenue from contracts with customers  | 4.1   | 22,167,086          | 23,741,058          |
| Other income   | 4.2   | 766,713             | 867,580             |
| Finance income   | 4.3   | 40,258              | 64,714              |
| Trust funds - donation   |       | 627,648             | 246,846             |
| <b>Total revenue</b>   |       | <b>23,601,705</b>   | <b>24,920,198</b>   |
| <b>Expenses</b>  |       |                     |                     |
| Depreciation and amortisation expense  | 4.4   | (641,463)           | (608,893)           |
| Employee benefits expense  | 4.5   | (10,275,738)        | (9,355,599)         |
| Administrative expenses  |       | (7,837,406)         | (5,971,218)         |
| External service providers   |       | (1,209,700)         | (2,255,644)         |
| Trust funds - expense  | 17    | (1,090,193)         | (292,519)           |
| Finance costs  | 4.6   | (43,943)            | (56,178)            |
| <b>Total expenses</b>  |       | <b>(21,098,443)</b> | <b>(18,540,051)</b> |
| <b>Surplus before tax</b>  |       | <b>2,503,262</b>    | <b>6,380,147</b>    |
| Income tax expense   |       | -                   | -                   |
| <b>Surplus after tax</b>   |       | <b>2,503,262</b>    | <b>6,380,147</b>    |
| <b>Other comprehensive income/(loss)</b>   |       |                     |                     |
| <i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</i>               |       |                     |                     |
| Net gain/(loss) on debt instruments at fair value through other comprehensive income                               |       | (1,238,214)         | 141,785             |
| <b>Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods</b>            |       | <b>(1,238,214)</b>  | <b>141,785</b>      |
| <i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>    |       |                     |                     |
| Net gain/(loss) on equity instruments at fair value through other comprehensive income                             |       | (2,823,328)         | 1,894,642           |
| <b>Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods</b> |       | <b>(2,823,328)</b>  | <b>1,894,642</b>    |
| <b>Other comprehensive (loss)/income for the year</b>  |       | <b>(4,061,542)</b>  | <b>2,036,427</b>    |
| <b>Total comprehensive (loss)/income for the year</b>  |       | <b>(1,558,280)</b>  | <b>8,416,574</b>    |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated statement of financial position

As at 30 June 2022

|                                      | Notes | 2022<br>\$               | 2021<br>\$               |
|--------------------------------------|-------|--------------------------|--------------------------|
| <b>Assets</b>                        |       |                          |                          |
| <b>Current assets</b>                |       |                          |                          |
| Cash                                 | 5     | 6,763,803                | 9,201,519                |
| Trade and other receivables          | 6     | 416,806                  | 642,080                  |
| Other assets                         | 7     | 825,391                  | 949,253                  |
| Accrued revenue                      |       | -                        | 587,143                  |
| <b>Total current assets</b>          |       | <u>8,006,000</u>         | <u>11,379,995</u>        |
| <b>Non-current assets</b>            |       |                          |                          |
| Plant and equipment                  | 8     | 437,173                  | 357,799                  |
| Right-of-use assets                  | 9     | 4,313,926                | 4,791,926                |
| Intangible asset                     | 10    | 62,139                   | 71,649                   |
| Financial assets                     | 11    | 36,041,601               | 33,514,028               |
| <b>Total non-current assets</b>      |       | <u>40,854,839</u>        | <u>38,735,402</u>        |
| <b>Total assets</b>                  |       | <u><b>48,860,839</b></u> | <u><b>50,115,397</b></u> |
| <b>Liabilities and funds</b>         |       |                          |                          |
| <b>Current liabilities</b>           |       |                          |                          |
| Trade and other payables             | 12    | 2,665,559                | 2,675,861                |
| Employee benefit liabilities         | 14    | 1,275,687                | 1,264,034                |
| Deferred revenue                     |       | 5,748,276                | 4,940,436                |
| Lease liabilities                    | 9     | 398,860                  | 394,359                  |
| <b>Total current liabilities</b>     |       | <u>10,088,382</u>        | <u>9,274,690</u>         |
| <b>Non-current liabilities</b>       |       |                          |                          |
| Provisions                           | 13    | 250,000                  | 250,000                  |
| Employee benefit liabilities         | 14    | 151,768                  | 262,879                  |
| Lease liabilities                    | 9     | 819,193                  | 1,218,053                |
| <b>Total non-current liabilities</b> |       | <u>1,220,961</u>         | <u>1,730,932</u>         |
| <b>Total liabilities</b>             |       | <u><b>11,309,343</b></u> | <u><b>11,005,622</b></u> |
| <b>Funds</b>                         |       |                          |                          |
| General fund                         |       | 24,712,786               | 21,961,605               |
| Reserves                             | 15    | (2,756,745)              | 1,304,797                |
| Restricted fund                      |       | 15,595,455               | 15,843,373               |
| <b>Total funds</b>                   |       | <u><b>37,551,496</b></u> | <u><b>39,109,775</b></u> |
| <b>Total liabilities and funds</b>   |       | <u><b>48,860,839</b></u> | <u><b>50,115,397</b></u> |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in funds

For the year ended 30 June 2022

|   | General<br>fund          | Fair value<br>reserve of<br>financial<br>assets at<br>FVOCI<br>(Note 15) | Restricted<br>fund       | Total<br>funds           |
|---|--------------------------|--|--------------------------|--------------------------|
|   | \$                       | \$   | \$                       | \$                       |
| <b>At 1 July 2021</b>   | <b>21,961,605</b>        | <b>1,304,797</b>   | <b>15,843,373</b>        | <b>39,109,775</b>        |
| Surplus/(loss) for the year   | 2,751,181                | -  | (247,918)                | 2,503,263                |
| Other comprehensive income  | -                        | (4,061,542)  | -                        | (4,061,542)              |
| Total comprehensive income/(loss) for the year                              | <u>2,751,181</u>         | <u>(4,061,542)</u>   | <u>(247,918)</u>         | <u>(1,558,279)</u>       |
| <b>At 30 June 2022</b>  | <b><u>24,712,786</u></b> | <b><u>(2,756,745)</u></b>  | <b><u>15,595,455</u></b> | <b><u>37,551,496</u></b> |
| <b>At 1 July 2020</b>   | <b>29,238,547</b>        | <b>(737,104)</b>   | <b>2,191,758</b>         | <b>30,693,201</b>        |
| Surplus for the year  | 6,210,921                | -  | 169,226                  | 6,380,147                |
| Transfer of surplus   | (7,455,966)              | -  | 7,455,966                | -                        |
| Other comprehensive income  | -                        | 2,036,427  | -                        | 2,036,427                |
| Total comprehensive (loss)/income for the year                              | <u>(1,245,045)</u>       | <u>2,036,427</u>   | <u>7,625,192</u>         | <u>8,416,574</u>         |
| Transfer of fair value reserve of equity instruments<br>designated at FVOCI | (14,370)                 | 5,474  | 8,896                    | -                        |
| Reclassification of general fund  | <u>(6,017,527)</u>       | <u>-</u>   | <u>6,017,527</u>         | <u>-</u>                 |
| <b>At 30 June 2021</b>  | <b><u>21,961,605</u></b> | <b><u>1,304,797</u></b>  | <b><u>15,843,373</u></b> | <b><u>39,109,775</u></b> |

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes.

## Consolidated statement of cash flows

For the year ended 30 June 2022

|  | Notes | 2022<br>\$                | 2021<br>\$                |
|--|-------|---------------------------|---------------------------|
| <b>Operating activities</b>                        |       |                           |                           |
| Receipts from customers                            |       | 26,443,495                | 26,572,149                |
| Payments to suppliers and employees                |       | (22,390,369)              | (19,581,730)              |
| Interest received                                  |       | 40,258                    | 64,714                    |
| Finance cost                                       | 4.6   | (43,943)                  | (56,178)                  |
| Dividends received                                 |       | 730,804                   | 696,099                   |
| <b>Net cash flows from operating activities</b>    |       | <b><u>4,780,245</u></b>   | <b><u>7,695,054</u></b>   |
| <b>Investing activities</b>                        |       |                           |                           |
| Proceeds from short-term deposits                  |       | -                         | 2,500,000                 |
| Net purchase of financial assets                   |       | (6,590,275)               | (10,588,920)              |
| Proceeds from sale of plant and equipment          |       | -                         | 4,059                     |
| Purchase of plant and equipment                    |       | (224,145)                 | (159,869)                 |
| Purchase of intangible assets                      |       | (9,180)                   | (67,516)                  |
| <b>Net cash flows used in investing activities</b> |       | <b><u>(6,823,600)</u></b> | <b><u>(8,312,246)</u></b> |
| <b>Financing activities</b>                        |       |                           |                           |
| Payment of principal portion of lease liabilities  |       | (394,361)                 | (361,941)                 |
| <b>Net cash flows used in financing activities</b> |       | <b><u>(394,361)</u></b>   | <b><u>(361,941)</u></b>   |
| Net decrease in cash and cash equivalents          |       | (2,437,716)               | (979,133)                 |
| Cash and cash equivalents at 1 July                |       | 9,201,519                 | 10,180,652                |
| <b>Cash and cash equivalents at 30 June</b>        | 5     | <b><u>6,763,803</u></b>   | <b><u>9,201,519</u></b>   |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the consolidated financial statements

## For the year ended 30 June 2022

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### 1. Corporate information

The financial report of Australian College of Nursing Ltd as a consolidated entity consisting of Australian College of Nursing Ltd (the "Company") and its controlled entities collectively referred to as (the "Group") for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 28 October 2022.

The Australian College of Nursing Ltd is a not-for-profit public company limited by guarantee, was incorporated on 23 November 2011, commenced operations on 1 July 2012 and is domiciled in Australia. The Group is exempt from income tax.

In accordance with the constitution, every member of the Group undertakes to contribute an amount limited to \$20 per member in the event of the winding up of the Group during the time he/she is a member, or within one year thereafter.

The registered office and principal place of business of the Group is 1 Napier Close, Deakin, ACT 2600.

Further information on the nature of the operations and principal activities of the Group are described in the Directors' report. Information on the Group's structure and other related party relationships of the Group are provided in Note 19.

### 2. Significant accounting policies

#### 2.1 Basis of preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, *Australian Charities and Not-for-Profits Commission Act 2012*, *Australian Accounting Standards - Simplified Disclosures*, *Public Ancillary Fund Guidelines 2011* and other authoritative pronouncements of the Australian Accounting Standards Board. The Group is not-for-profit.

The financial statements, for the year ended 30 June 2022 are the first financial statements the Group has prepared in accordance with the *Australian Accounting Standards - Simplified Disclosures*. The adoption of the *Australian Accounting Standards - Simplified Disclosures* has no significant impact on the financial statements.

The financial report has been prepared on a historical cost basis, except for debt and equity financial instruments that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar (\$).

#### 2.2 Changes in accounting policies, disclosures, standards and interpretations

##### a) New and amended standards and interpretations

The Group applied for the first time AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### b) Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting year ended 30 June 2022. The Group intends to adopt these new and amended standards and interpretations when they become effective.



## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

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#### 2. Significant accounting policies (continued)

##### 2.3 Summary of significant accounting policies

###### a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and the seven trusts it controls, namely Sydney Metropolitan Teaching Hospitals Nursing Consortium (SMHNC), the Sul Stuart-Fraser Trust (SSFT), the M I Quicke Memorial Fund (MIQMF), the Victorial Research Fund (VRF), the Laura Saunderson Extended Care Nursing Fund (LSECNF), the National Research and Scholarship Fund (NRSF) and ACN Foundation (ACNF) (Note 17) as at 30 June of each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

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#### 2. Significant accounting policies (continued)

##### 2.3 Summary of significant accounting policies (continued)

###### b) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

###### c) Cash

Cash in the consolidated statement of financial position comprises cash at bank and on hand and cash held in Trust.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash as defined above.

###### d) Trade and other receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate (EIR) method, less provision for expected credit losses (ECLs), if any. Trade receivables generally have 30-60 day terms.

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

## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

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#### 2. Significant accounting policies (continued)

##### 2.3 Summary of significant accounting policies (continued)

###### e) Fair value measurement

The Group measures financial assets such as investments in listed equities, non-listed trust funds and debt instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

###### f) Financial assets

###### Initial recognition and measurement

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

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

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

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#### 2. Significant accounting policies (continued)

#### 2.3 Summary of significant accounting policies (continued)

##### f) Financial assets (continued)

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following category:

##### ***Financial assets at fair value through OCI (debt instruments)***

The Group measures debt instruments at fair value through FVOCI if both of the following conditions are met:

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

For finance income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under the other non-current financial assets. Upon derecognition, the cumulative fair value changes recognised in OCI are recycled to profit or loss.

##### ***Financial assets designated at fair value through OCI (equity instruments)***

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its investment in listed equities and non-listed trust funds under this category.

##### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

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#### 2. Significant accounting policies (continued)

##### 2.3 Summary of significant accounting policies (continued)

###### f) Financial assets (continued)

###### Derecognition (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

###### Impairment

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

###### g) Plant and equipment

Plant and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Upon disposal or derecognition, any revaluation surplus relating to the particular assets being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

|                       |               |
|-----------------------|---------------|
| - Plant and equipment | 4 to 20 years |
|-----------------------|---------------|

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

###### h) Intangible asset

Intangible asset acquired separately are measured on initial recognition at cost. Following initial recognition, intangible asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

The Group's intangible asset is:

###### Software

The Group's acquired software is amortised on a straight line basis over five years.

## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

## 2. Significant accounting policies (continued)

### 2.3 Summary of significant accounting policies (continued)

#### h) Intangible asset (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss and other comprehensive income when the asset is de-recognised.

#### i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **(i) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

|                     |               |
|---------------------|---------------|
| Canberra - Building | 40 years      |
| Buildings           | 5 years       |
| Equipment           | 4 to 20 years |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.3(j) Impairment of non-financial assets.

##### **(ii) Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

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#### 2. Significant accounting policies (continued)

##### 2.3 Summary of significant accounting policies (continued)

###### i) Leases (continued)

###### (ii) Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

###### (iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

###### (iv) Concessionary lease

The Group has elected to record concessionary leases at deemed cost which is based on the fair value carrying amount of the lease asset recorded immediately before transition to AASB 16.

###### j) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. Where an indicator of impairment exists or where annual impairment testing for an asset is required, the Group makes a formal estimate of the recoverable amount. An impairment loss is recognised for the amount by which the carrying amount of an asset exceeds recoverable amount, which is defined for not for profit entities as the higher of an asset's fair value less costs to sell or depreciated replacement cost. For the purpose of assessing impairment, assets are grouped at the level for which there are separately identifiable cash flows. An impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income.

###### k) Trade and other payables

Trade and other payables are initially recognised at fair value, net of directly attributable transaction costs and are carried at amortised cost, and they are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group. Due to their short term nature, they are not discounted. Trade payable amounts are unsecured and are usually paid within 30 days from recognition.

###### l) Provisions and employee benefit liabilities

###### General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

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#### 2. Significant accounting policies (continued)

##### 2.3 Summary of significant accounting policies (continued)

###### l) Provisions and employee benefit liabilities (continued)

###### *Make good provision*

A provision has been made for the present value of anticipated costs of future restoration of leased premises. The provision includes future cost estimates associated with returning the premises to its original condition. The calculation of this provision requires assumptions such as expected lease expiry dates, and cost estimates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each leased premises is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the consolidated statement of financial position by adjusting both the expense or asset (if applicable) and provision.

###### *Wages and salaries*

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

###### *Long service leave and annual leave*

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

###### m) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

###### *Scholarship administration fees*

Revenue from contracts for the administration of Federal Government nursing scholarships are recognised equally over the life of the contract as the administration services are provided to the customer.

###### *Membership fees*

Revenue from membership fees are recognised on a monthly basis as membership services are provided to members.

###### *Course fees*

Revenue from course fees are recognised over the duration of the course or program as delivered to the participants.

###### n) Finance income

Finance income is recorded using the EIR method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance and other income in the consolidated statement of profit or loss and other comprehensive income.



## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

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#### 2. Significant accounting policies (continued)

##### 2.3 Summary of significant accounting policies (continued)

###### o) Income tax

The Group and its controlled entities are exempt from income tax in Australia under Division 50 of the Income Tax Assessment Act 1997. As specified by the Australian Taxation Office (ATO), the Group and its controlled entities complete an annual self-assessment to confirm the exemption.

###### p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

###### q) Accrued revenue

Accrued revenue is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, accrued revenue is recognised to the extent that service and performance obligations have been met for which invoices have not been issued.

###### r) Deferred revenue

Deferred revenue is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Deferred revenue is recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

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### 3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### ***Fair value measurement of financial instruments***

When the fair values of financial instruments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in assumptions relating to market conditions could affect the reported fair value of financial instruments.

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

### 4. Revenue and expenses

#### 4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

|  | <u>2022</u>              | <u>2021</u>              |
|--|--------------------------|--------------------------|
|  | \$                       | \$                       |
| <b>Type of services</b>                            |                          |                          |
| Course fees  | 16,474,519               | 18,804,697               |
| Revenue from member subscriptions                  | 3,496,345                | 3,156,536                |
| Scholarship administration fees                    | 1,142,615                | 831,457                  |
| Consultancy, events and other income               | 1,053,607                | 948,368                  |
| <b>Total revenue from contracts with customers</b> | <b><u>22,167,086</u></b> | <b><u>23,741,058</u></b> |
| <b>Timing of revenue recognition</b>               |                          |                          |
| Goods and services transferred at a point in time  | 305,775                  | 233,011                  |
| Goods and services transferred over time           | 21,861,311               | 23,508,047               |
| <b>Total revenue from contracts with customers</b> | <b><u>22,167,086</u></b> | <b><u>23,741,058</u></b> |

#### 4.2 Other income

|                             | <u>2022</u>           | <u>2021</u>           |
|-----------------------------|-----------------------|-----------------------|
|                             | \$                    | \$                    |
| Realised loss on investment | (1,160)               | (43,446)              |
| Dividend income             | 730,804               | 696,099               |
| Other income                | 37,069                | 214,927               |
|                             | <b><u>766,713</u></b> | <b><u>867,580</u></b> |

#### 4.3 Finance income

|                 | <u>2022</u>          | <u>2021</u>          |
|-----------------|----------------------|----------------------|
|                 | \$                   | \$                   |
| Interest income | <b><u>40,258</u></b> | <b><u>64,714</u></b> |

#### 4.4 Depreciation and amortisation

|  | <u>2022</u>           | <u>2021</u>           |
|--|-----------------------|-----------------------|
|  | \$                    | \$                    |
| Plant and equipment  | 144,771               | 112,451               |
| Right-of-use assets  | 478,002               | 478,133               |
| Software   | 18,690                | 18,309                |
| <b>Total depreciation and amortisation of non-current assets</b> | <b><u>641,463</u></b> | <b><u>608,893</u></b> |

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

### 4. Revenue and expenses (continued)

#### 4.5 Employee benefits expense

|   | <u>2022</u>              | <u>2021</u>             |
|---|--------------------------|-------------------------|
|   | \$                       | \$                      |
| Wages and salaries                          | 9,074,355                | 8,042,216               |
| Defined contribution superannuation expense | 875,810                  | 789,295                 |
| Workers' compensation insurance             | 122,018                  | 104,848                 |
| Other personnel expense                     | 203,555                  | 419,240                 |
| <b>Total employee benefits expense</b>      | <b><u>10,275,738</u></b> | <b><u>9,355,599</u></b> |

#### 4.6 Finance costs

|                               | <u>2022</u>   | <u>2021</u>   |
|-------------------------------|---------------|---------------|
|                               | \$            | \$            |
| Interest on lease liabilities | <u>43,943</u> | <u>56,178</u> |

### 5. Cash

|                          | <u>2022</u>      | <u>2021</u>      |
|--------------------------|------------------|------------------|
|                          | \$               | \$               |
| Cash at bank and on hand | <u>6,763,803</u> | <u>9,201,519</u> |

The cash at bank contains an amount of \$360,495 (2021: \$360,495) which is a bank guarantee held in connection with the Parramatta office.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise as per above.

### 6. Trade and other receivables

|                   | <u>2022</u>    | <u>2021</u>    |
|-------------------|----------------|----------------|
|                   | \$             | \$             |
| <b>Current</b>    |                |                |
| Trade receivables | <u>416,806</u> | <u>642,080</u> |

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

### 7. Other assets

|                | <u>2022</u>           | <u>2021</u>           |
|----------------|-----------------------|-----------------------|
|                | \$                    | \$                    |
| <b>Current</b> |                       |                       |
| Prepayments    | 821,931               | 948,128               |
| Other assets   | 3,460                 | 1,125                 |
|                | <u><b>825,391</b></u> | <u><b>949,253</b></u> |

### 8. Plant and equipment

|                                  | <u>Plant and<br/>equipment</u> |
|----------------------------------|--------------------------------|
|                                  | \$                             |
| <b>Cost</b>                      |                                |
| At 1 July 2021                   | 1,817,691                      |
| Additions                        | 224,145                        |
| Disposals                        | (1,208)                        |
| <b>At 30 June 2022</b>           | <u><b>2,040,628</b></u>        |
| <b>Accumulated depreciation</b>  |                                |
| At 1 July 2021                   | 1,459,892                      |
| Depreciation charge for the year | 144,771                        |
| Disposals                        | (1,208)                        |
| <b>At 30 June 2022</b>           | <u><b>1,603,455</b></u>        |
| <b>Net book value</b>            |                                |
| <b>At 30 June 2022</b>           | <u><b>437,173</b></u>          |
| At 30 June 2021                  | <u>357,799</u>                 |

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

### 9. Leases

#### Group as a lessee

The Group has lease contracts for various items of land and buildings, leasehold improvements and equipment used in its operations. Leases of land and buildings generally have lease terms between 5 to 40 years, while equipment generally have lease terms between 4 and 20 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

|                        | <b>Canberra -<br/>Land and a<br/>building</b> | <b>Buildings</b>        | <b>Equipment</b>     | <b>Total</b>            |
|------------------------|---|-------------------------|----------------------|-------------------------|
|                        | \$  | \$                      | \$                   | \$                      |
| <b>At 1 July 2021</b>  | <b>3,342,855</b>                              | <b>1,383,402</b>        | <b>65,669</b>        | <b>4,791,926</b>        |
| Depreciation expense   | (78,439)                                      | (353,209)               | (46,354)             | (478,002)               |
| <b>At 30 June 2022</b> | <b><u>3,264,416</u></b>                       | <b><u>1,030,193</u></b> | <b><u>19,315</u></b> | <b><u>4,313,924</u></b> |

#### Concessionary leases

The Group has the right to use land and a building in Canberra, which are required to be used for the day to day operations of the Group. The term of the lease is 99 years. The Group has elected to measure the right-of-use asset arising from the concessionary leases at deemed cost which is based on the fair value carrying amount of the lease asset recorded immediately before transition to AASB 16.

Presented below is a maturity analysis of future lease payments:

|   | <b>2022</b>             | <b>2021</b>             |
|---|-------------------------|-------------------------|
|   | \$                      | \$                      |
| Within one year                             | 429,893                 | 438,302                 |
| After one year but not more than five years | 844,303                 | 1,274,196               |
|   | <b><u>1,274,196</u></b> | <b><u>1,712,498</u></b> |

There were no expenses relating to short-term leases and low value assets recognised in profit or loss during the years ended 30 June 2022 and 2021.

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

### 10. Intangible asset

|                                 | <u>Software</u>       |
|---------------------------------|-----------------------|
|                                 | \$                    |
| <b>Cost</b>                     |                       |
| At 1 July 2021                  | 531,045               |
| Additions                       | 9,180                 |
| <b>At 30 June 2022</b>          | <b><u>540,225</u></b> |
| <b>Accumulated amortisation</b> |                       |
| At 1 July 2021                  | 459,396               |
| Amortisation expense            | 18,690                |
| <b>At 30 June 2022</b>          | <b><u>478,086</u></b> |
| <b>Net book value</b>           |                       |
| <b>At 30 June 2022</b>          | <b><u>62,139</u></b>  |
| At 30 June 2021                 | <u>71,649</u>         |

### 11. Financial assets

|   | <u>2022</u>              | <u>2021</u>              |
|---|--------------------------|--------------------------|
|   | \$                       | \$                       |
| <b>Financial assets at FVOCI</b>  |                          |                          |
| Investments in listed equities, non-listed trust funds and debt instruments | <b><u>36,041,601</u></b> | <b><u>33,514,028</u></b> |

### 12. Trade and other payables

|                               | <u>2022</u>             | <u>2021</u>             |
|-------------------------------|-------------------------|-------------------------|
|                               | \$                      | \$                      |
| <b>Current</b>                |                         |                         |
| Trade payables                | 1,327,585               | 1,412,012               |
| Accrued expenses              | 660,058                 | 978,562                 |
| Other payables and accruals   | 295,579                 | 235,345                 |
| Goods and service tax payable | 382,337                 | 49,942                  |
|                               | <b><u>2,665,559</u></b> | <b><u>2,675,861</u></b> |

### 13. Provisions

|                     | <u>2022</u>           | <u>2021</u>           |
|---------------------|-----------------------|-----------------------|
|                     | \$                    | \$                    |
| <b>Non-current</b>  |                       |                       |
| Make good provision | <b><u>250,000</u></b> | <b><u>250,000</u></b> |

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

### 14. Employee benefit liabilities

|                    | <u>2022</u>             | <u>2021</u>             |
|--------------------|-------------------------|-------------------------|
|                    | \$                      | \$                      |
| <b>Current</b>     |                         |                         |
| Long service leave | 617,917                 | 542,865                 |
| Annual leave       | <u>657,770</u>          | <u>721,169</u>          |
|                    | <u><b>1,275,687</b></u> | <u><b>1,264,034</b></u> |
| <b>Non-current</b> |                         |                         |
| Long service leave | <u><b>151,768</b></u>   | <u><b>262,879</b></u>   |

### 15. Reserves

|  | <b>Fair value<br/>reserve of<br/>financial<br/>assets at<br/>FVOCI</b> |
|--|--|
|  | \$   |
| <b>At 1 July 2020</b>  | <b>(737,104)</b>   |
| Realised losses on debt instruments reclassified to consolidated statement of profit or loss | (43,447)   |
| Fair value gains on debt instruments designated at FVOCI                                     | 185,232  |
| Fair value gains on equity instruments designated at FVOCI                                   | 1,894,642  |
| Transfer of fair value reserve of equity   | 5,474  |
| <b>At 30 June 2021</b>   | <u><b>1,304,797</b></u>  |
| <b>At 1 July 2021</b>  | <b>1,304,797</b>   |
| Realised losses on debt instruments reclassified to consolidated statement of profit or loss | (1,160)  |
| Fair value loss on debt instruments designated at FVOCI                                      | (1,237,054)  |
| Fair value loss on equity instruments designated at FVOCI                                    | (2,823,328)  |
| <b>At 30 June 2022</b>   | <u><b>(2,756,745)</b></u>  |

#### Nature and purpose of reserves

##### *Fair value reserve of financial assets at FVOCI*

The fair value reserve of financial assets at FVOCI reserve is used to record increments and decrements in the fair value of financial assets at FVOCI to the extent that they offset each other.



## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

### 16. Scholarship assets and liabilities

|   | 2022                | 2021                |
|---|---------------------|---------------------|
|   | \$                  | \$                  |
| Scholarship assets - cash and cash equivalents      | 27,260,174          | 13,894,239          |
| Scholarship liabilities - future payments liability | <u>(27,260,174)</u> | <u>(13,894,239)</u> |
| <b>Net assets</b>                                   | <u><u>-</u></u>     | <u><u>-</u></u>     |

### Reconciliation of carrying amounts at the beginning and end of the year

|  | 2022                     | 2021                     |
|--|--------------------------|--------------------------|
|  | \$                       | \$                       |
| Opening cash held  | 13,894,239               | 11,221,061               |
| Cash funds received from the Commonwealth Government during the year | 21,461,162               | 8,158,843                |
| Cash funds provided to scholarship recipients during the year        | <u>(8,095,227)</u>       | <u>(5,485,665)</u>       |
| <b>Closing cash funds</b>  | <u><u>27,260,174</u></u> | <u><u>13,894,239</u></u> |

The Group administers scholarship funds on behalf of both the Commonwealth Government represented by the Department of Health, and the State of Victoria as represented by the Department of Health and Human Services. The scholarships include the Nursing and Allied Health Scholarship and Support Scheme, the Aged Care Nursing Scholarships and the Puggy Hunter Memorial Scholarship Scheme.

These bank accounts are held in the name of the Group but are not recorded on consolidated statement of financial position. Cash held as at the reporting date is held in trust for the Commonwealth Government for recipients of scholarships. Any unspent funds are returned to the Commonwealth.

### 17. Trusts

The Sydney Metropolitan Teaching Hospitals Nursing Consortium (SMHNC), the Sul Stuart-Fraser Trust (SSFT), the M I Quicke Memorial Fund (MIQMF), the Victorian Research Fund (VRF), the Laura Saunderson Extended Care Nursing Fund (LSECNF), National Research and Scholarship Fund (NRSF) represent funds/donations that have been received by RCNA and TCON. The Directors of RCNA and TCON have undertaken to fulfil the wishes of the donors with respect to how the funds are spent. These funds combined with the assets and liabilities of the ACN Foundation (being a separate foundation controlled by ACN) are consolidated and set out below:

|                              | 2022                     | 2021                     |
|------------------------------|--------------------------|--------------------------|
|                              | \$                       | \$                       |
| <i>Financial Information</i> |                          |                          |
| <b>Assets</b>                |                          |                          |
| Cash at bank                 | 311,090                  | 1,120,392                |
| Financial assets             | 14,037,353               | 7,755,386                |
| Other assets                 | 319,582                  | 7,456,944                |
| <b>Total assets</b>          | <u><u>14,668,025</u></u> | <u><u>16,332,722</u></u> |
| <b>Liabilities</b>           |                          |                          |
| <b>Total liabilities</b>     | <u><u>-</u></u>          | <u><u>-</u></u>          |
| <b>Net assets</b>            | <u><u>14,668,025</u></u> | <u><u>16,332,722</u></u> |

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

### 17. Trusts (continued)

| <i>Financial Information (continued)</i> | <u>2022</u>             | <u>2021</u>             |
|--|-------------------------|-------------------------|
|  | \$                      | \$                      |
| <b>Revenue</b>                           |                         |                         |
| Trust funds - income                     | 842,275                 | 7,917,710               |
| <b>Expenses</b>                          |                         |                         |
| Trust funds - expenses                   | <u>(1,090,193)</u>      | <u>(292,519)</u>        |
| <b>Net (loss)/surplus</b>                | <u><b>(247,918)</b></u> | <u><b>7,625,191</b></u> |

The above information has been audited in accordance with the *Public Ancillary Fund Guidelines 2011*.

### 18. Parent entity disclosure

|  | <u>2022</u>              | <u>2021</u>              |
|--|--------------------------|--------------------------|
|  | \$                       | \$                       |
| Information relating to Australian College of Nursing Ltd (the "Parent"):              |                          |                          |
| Current assets   | 7,819,837                | 42,156,700               |
| Non-current assets   | 26,793,087               | 30,955,616               |
| <b>Total assets</b>  | <u><b>34,612,924</b></u> | <u><b>73,112,316</b></u> |
| Current liabilities  | 7,994,583                | 52,776,372               |
| Non-current liabilities  | 1,220,961                | 1,956,797                |
| <b>Total liabilities</b>   | <u><b>9,215,544</b></u>  | <u><b>54,733,169</b></u> |
| General fund   | 27,278,443               | 17,563,699               |
| Reserves   | <u>(1,881,063)</u>       | <u>815,448</u>           |
| <b>Total funds</b>   | <u><b>25,397,380</b></u> | <u><b>18,379,147</b></u> |
| <b>Surplus</b>   | <u><b>9,714,744</b></u>  | <u><b>4,535,173</b></u>  |
| <b>Other comprehensive income/(loss)</b>   |                          |                          |
| Net (loss)/gain on debt instruments at fair value through other comprehensive income   | (780,283)                | 103,587                  |
| Net (loss)/gain on equity instruments at fair value through other comprehensive income | <u>(1,916,228)</u>       | <u>1,283,287</u>         |
| Other comprehensive (loss)/income for the year   | <u>(2,696,511)</u>       | <u>1,386,874</u>         |
| <b>Total comprehensive income for the year</b>   | <u><b>7,018,233</b></u>  | <u><b>5,922,047</b></u>  |

For the year ended 30 June 2022 and 2021, the Parent holds the bank guarantee for the lease of the Parramatta office.

The Parent did not have any contingent assets or liabilities as at 30 June 2022 (2021: none).

## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

#### 19. Related party disclosures

##### (a) Investment in controlled entities

| Name                                       | Country of incorporation | Membership interest | Carrying amount |
|--|--------------------------|---------------------|-----------------|
| Royal College of Nursing, Australia (RCNA) | Australia                | 100%                | -               |
| The College of Nursing (TCON)              | Australia                | 100%                | -               |

All of the above controlled entities are companies limited by guarantee. Australian College of Nursing Ltd is the sole member of each of these entities. Additionally, Australian College of Nursing Ltd controls the Trusts identified in Note 17.

##### (b) Directors' compensation

Remuneration paid to Directors is limited to the reimbursement of direct out of pocket expenses associated with their holding of office. No other amounts are paid, payable, or otherwise made available to any Director in respect of the financial year.

The Directors of the Group who held office at any time during the financial year are set out in the Directors' report.

##### (c) Transactions with director-related entities

The Group did not have any transactions with director-related entities during the year.

##### (d) Key management personnel

The aggregate compensation of key management personnel of the Group is set out below:

|   | 2022                    | 2021                    |
|---|-------------------------|-------------------------|
|   | \$                      | \$                      |
| <b>Total compensation during the year</b> | <b><u>1,073,938</u></b> | <b><u>1,121,762</u></b> |

#### 20. Deductible gift recipients

In accordance with the ACNC Group reporting Condition 2, it is noted that the following entities are endorsed as deductible gift recipients:

- Australian College of Nursing
- Australian College of Nursing Foundation
- The Royal Collage of Nursing (TCON)
- Royal Collage of Nursing, Australia (RCNA)

## Notes to the consolidated financial statements (continued)

### For the year ended 30 June 2022

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#### 21. Commitments and contingencies

##### (a) Commitments

There are no commitments as at the reporting date which would have a material effect on the Company's financial statements as at 30 June 2022 (2021: \$nil).

##### (b) Contingencies

The Group did not have any contingent assets or liabilities as at 30 June 2022 (2021: none).

#### 22. Events after the reporting period

There were no significant events occurring after the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

#### 23. Auditor's remuneration

The auditor of Australian College of Nursing Ltd is Ernst & Young (Australia).

|   | <u>2022</u>   | <u>2021</u>   |
|---|---------------|---------------|
|   | \$            | \$            |
| <i>Amounts received or due and receivable by Ernst &amp; Young (Australia) for:</i> |               |               |
| Audit and review of financial statements  | <u>90,640</u> | <u>87,128</u> |