

UNITED FIREFIGHTERS UNION OF AUSTRALIA

ABN 51 824 544 079

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

**UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079**

**GENERAL PURPOSE FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2013**

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UNITED FIREFIGHTERS UNION OF AUSTRALIA
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OPERATING REPORT
30 JUNE 2013

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009, your Committee of Management present their report on the Union for the financial year ended 30 June 2013.

Principal activities

The principal activities of United Firefighters Union of Australia during the financial year were to represent professional fire fighters and their safety.

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

Operating result

The operating surplus of the Union for the financial year amounted to \$41,542 (2012: \$63,614). No provision for tax was necessary as the reporting unit is exempt from income tax.

Significant changes in state of affairs

An ongoing dispute between the National Office and one of its State Branches has resulted in the resignation of members from that State Branch and the refusal to pay outstanding dues.

After balance day events

The National Office ceased legal proceedings with one of its State Branches during the 2012 financial year. The matter remains unresolved at the date of signing of this financial report despite cessation of legal proceedings. Outstanding dues owing from the branch continue to be fully provided for.

There have not been any other material events between the balance sheet date and the date of signing of this report.

Rights of members

Subject to the rules of the organisation and Sec 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership of the organisations by written notice addressed to and delivered to the secretary of the organisations.

Superannuation officeholders

The following members of the committee of management are directors of a company that is trustee of a superannuation entity.

Name	Branch	Company
Chris Read	New South Wales	NSW Fire Brigades Superannuation Pty Ltd

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Officers and employees who are directors of a company

The following members of the committee of management are directors of a company.

Name	Branch	Company	Principal activities
Vincent Males	Tasmania	DFB Ship Fund Pty Ltd	Fire prevention service
Frank Martinelli	Western Australia	Hot Gold Holdings	Building

The above positions are not held as a result of the individual being a committee member of the union.

Other prescribed information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Act 2009:

- (a) the number of persons that were at the end of the financial year recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the registered organisations under section 244 of the Fair Work (Registered Organisations) Act 2009 was 9,627.
- (b) the number of persons who were at the end of the financial year employees of the organisation was one full-time and three part-time employees.
- (c) the name of each person who has been a member of the Committee of Management of the organisation at any time during the financial year, and the periods for which they held such a position were:

Branch	Name	Period
National Office	Greg Northcott	13 February 2013 – 30 June 2013
	Mick Farrell	1 July 2012 – 12 February 2013
	Peter Marshall	1 July 2012 - 30 June 2013
Representing New South Wales	Chris Read	1 July 2012 - 30 June 2013
Representing Victoria	Peter Marshall	1 July 2012 – 30 June 2013
	David Hamilton	1 July 2012 – 30 June 2013
	Tony Trimble	1 July 2012 – 30 June 2013
	Ken Brown	1 July 2012 – 30 June 2013
Representing Queensland	John Oliver	1 July 2012 – 30 June 2013
	Mark Dearlove	1 July 2012 – 30 June 2013
	Bryan Taylor	1 July 2012 – 30 June 2013
	Joe Ryan	1 July 2012 – 30 June 2013
Representing South Australia	Greg Northcott	1 July 2012 – 30 June 2013
	Barry Luke	1 July 2012 – 30 June 2013
Representing Western Australia	Kevin Jolly	1 July 2012 – 30 June 2013
	Frank Martinelli	1 July 2012 – 30 June 2013
Representing Aviation	Henry Lawrence	1 July 2012 – 30 June 2013
	Joe Stenhouse	1 July 2012 – 30 June 2013
Representing Australian Capital Territory	Dave Livingstone	1 July 2012 – 30 June 2013
Representing Tasmania	Vincent Males	1 July 2012 – 30 June 2013

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Other relevant information

Nil.

Signed for and on behalf of the Committee of Management:



**PETER MARSHALL
NATIONAL SECRETARY**

Dated at this *1th* day of *November* 2013.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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COMMITTEE OF MANAGEMENT CERTIFICATE

On the 7th day of November the Committee of Management of the United Firefighters' Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2013.

The Committee of Management declares that in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (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 Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the reporting unit is a sole reporting unit, therefore the financial records of the reporting unit have been kept in a consistent manner specifically relating to the reporting unit; and
 - (v) no information was sought by any member of the reporting unit or General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) In relation to the recovery of wages activity
 - (i) There were no recovery of wages activity for the Union during the year ended 30 June 2013.

This declaration is made in accordance with a resolution of the Committee of Management:

PETER MARSHALL
NATIONAL SECRETARY



Dated at this 7th day of November 2013.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF UNITED FIREFIGHTERS UNION OF AUSTRALIA

We have audited the financial report of United Firefighters Union of Australia, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in members equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee of management certificate.

Committee of management's responsibility for the financial report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation of the financial report that gives a true and fair view 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 Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

Independence

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

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF UNITED FIREFIGHTERS' UNION OF AUSTRALIA**

Auditor's opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of United Firefighters Union of Australia as at 30 June 2013, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



**AGOSTINELLI PERLEN
CHARTERED ACCOUNTANTS**



**JOHN AGOSTINELLI
PARTNER**

Dated at Carlton, Victoria this *21* day of *November* 2013.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

INCOME	Notes	<u>2013</u>	<u>2012</u>
		\$	\$
Branch subscriptions	3(a)	557,404	523,780
Presumptive legislation special levies	3(b)	-	24,078
Affiliation fees		32,367	30,450
Magazine revenue		110,000	140,000
Interest received		60	8
Other income		-	1,161
Sponsorship		50,000	5,000
		<u>749,831</u>	<u>724,477</u>
Administration and other operating costs			
Affiliation fees		52,804	31,577
Doubtful debts		16,523	37,950
Bank charges		3	77
Campaign costs		49,286	191,514
Computer expenses		2,934	318
Consultancy		2,215	-
Depreciation of plant and equipment		262	656
Depreciation of computer software		4,073	4,073
Depreciation of leasehold improvement		65	65
Fines and penalties		440	-
Legal fees	4(d)	23,428	32,077
Other expenses		-	966
Printing, postage and stationery		2,708	2,876
Promotional and magazine expenses		16,385	16,438
Rent and occupancy expenses		33,442	34,931
Research centre		-	8,800
Storage		2,927	2,714
Subscriptions		581	-
Travelling		4,000	13,245
Web hosting		12,553	12,417
		<u>224,629</u>	<u>390,694</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Audit and accounting fees	5	<u>20,100</u>	<u>19,830</u>
Employment costs	4(b)	<u>206,596</u>	<u>182,141</u>
Conference and meetings	4(c)	<u>256,964</u>	<u>68,198</u>
TOTAL EXPENDITURE		<u>708,289</u>	<u>660,863</u>
OPERATING SURPLUS		41,542	63,614
Accumulated surplus/(deficit) at beginning of year		<u>27,728</u>	<u>(35,886)</u>
ACCUMULATED SURPLUS/(DEFICIT) AT 30 JUNE 2013		<u><u>69,270</u></u>	<u><u>27,728</u></u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Notes	<u>2013</u>	<u>2012</u>
		\$	\$
ASSETS			
Current assets			
Cash at bank	10(a)	127,334	16,632
Trade and other receivables	6	36,251	71,229
Prepayments		3,111	2,593
Total current assets		<u>166,696</u>	<u>90,454</u>
Non current assets			
Plant and equipment	7	4,280	8,680
Total non current assets		<u>4,280</u>	<u>8,680</u>
TOTAL ASSETS		<u>170,976</u>	<u>99,134</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	44,807	39,126
Provisions	9	44,337	25,878
Total current liabilities		<u>89,144</u>	<u>65,004</u>
Non current liabilities			
Provisions	9	12,562	6,402
Total non current liabilities		<u>12,562</u>	<u>6,402</u>
TOTAL LIABILITIES		<u>101,706</u>	<u>71,406</u>
NET ASSETS/ (LIABILITIES)		<u>69,270</u>	<u>27,728</u>
MEMBERS' EQUITY			
Members funds		<u>69,270</u>	<u>27,728</u>
TOTAL MEMBERS' EQUITY		<u>69,270</u>	<u>27,728</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Members'	Total
	funds	\$
	\$	\$
Balance at 1 July 2011	(35,886)	(35,886)
Surplus for the year	63,614	63,614
Balance at 30 June 2012	<u>27,728</u>	<u>27,728</u>
Surplus for the year	41,542	37,342
Balance at 30 June 2013	<u>69,270</u>	<u>65,070</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	<u>2013</u>	<u>2012</u>
		\$	\$
Cash flows from operating activities			
Receipts from branch subscriptions and affiliation fees		768,226	624,179
Payment to suppliers and employees		(657,584)	(624,876)
Interest received		60	8
Net cash (used in)/ provided by operating activities	10(b)	<u>110,702</u>	<u>(689)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-	-
Net cash provided by investing activities		<u>-</u>	<u>-</u>
Net increase/ (decrease) in cash held		110,702	(689)
Cash at the beginning of the financial year		<u>16,632</u>	<u>17,321</u>
Cash at end of financial year	10(a)	<u><u>127,334</u></u>	<u><u>16,632</u></u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 – Significant accounting policies

Statement of compliance

These accounts are the accounts of the national body of the United Firefighters Union of Australia. They do not include the accounts of each of the branches of the Union which are constituted under its rules and in accordance with the provisions of Section 271 of the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

This financial report covers United Firefighters Union of Australia. These financial statements are a general purpose financial report prepared in order to satisfy the requirements of the Fair Work (Registered Organisations) Act 2009.

Basis of preparation

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at 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.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Comparative amounts

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

(b) Plant and equipment

Office furniture, equipment, software and leasehold improvements are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Plant and equipment	15 – 67%
Computer software	40%
Leasehold improvements	2.5%

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 – Significant accounting policies (continued)

(a) Employee benefits

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Union in respect of services provided by employees up to reporting date.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

(d) Income tax

No provision for income tax is necessary as Trade Unions are exempt bodies under Division 50-15 of the Income Tax Assessment Act 1997.

(e) Stock on hand

All stocks of stationery, printed materials and other consumables are written off immediately on acquisition through the income and expenditure account.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(g) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the tax authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Significant accounting policies (continued)

(f) Revenue

Revenue is measured at the fair value of the consideration received or receivable. In accordance with generally accepted accounting principles for such organisations, branch contributions are accounted for on an accrual basis.

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

(g) Financial assets

Financial assets are classified into the following specified categories: held-to-maturity investments, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Union has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Derecognition of financial assets

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 – Significant accounting policies (continued)

(h) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the assets carrying amount and the present value of future cash flows, discounted at the financial asset's original effective interest rate.

(i) Financial liabilities

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Union derecognises financial liabilities when, and only when, the Union's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(j) Leases

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

(k) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 2 – Application of new and revised Accounting Standards

The following new and revised Standards and Interpretations have been adopted in the current year and have not affected the amounts reported in these financial statements.

<u>Standard</u>	<u>Impact on presentation and disclosure</u>
AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	Requires entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments)

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

<u>Standard/Interpretation</u>	<u>Effective for annual reporting periods beginning on or after</u>	<u>Expected to be initially applied in the financial year ending</u>
AASB 9 'Financial Instruments' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2015	30 June 2016
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 2 – Application of new and revised Accounting Standards (continued)

Standards and Interpretations in issue not yet adopted

<u>Standard/Interpretation</u>	<u>Effective for annual reporting periods beginning on or after</u>	<u>Expected to be initially applied in the financial year ending</u>
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle'	1 January 2013	30 June 2014
AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'	1 January 2013	30 June 2014
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures of Non-Financial Assets'	1 January 2014	30 June 2015

The Union does not anticipate early adoption of any of the above accounting standards.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
Note 3 – Income		
(a) Subscriptions		
Subscriptions are receivable from State Branches based on membership numbers and paid quarterly in arrears.		
Subscription invoices rendered for the year ended 30 June 2013 are made up as follows:		
United Firefighters' Union – Queensland Branch	114,961	92,816
United Firefighters' Union – South Australian Branch	64,910	63,717
United Firefighters' Union – Tasmanian Branch	22,162	22,027
United Firefighters' Union – Victorian Branch	197,662	178,773
United Firefighters' Union – Western Australian Branch	78,568	72,951
United Firefighters' Union – New South Wales Branch	14,993	34,806
United Firefighters' Union – Australian Capital Territory	17,270	14,030
United Firefighters' Union – Aviation Branch	46,878	44,660
Total subscriptions	557,404	523,780
(b) Presumptive legislation special levies		
To assist covering the expenditure incurred at the National level for the activities surrounding the presumptive legislation activities the branches (with the exception of New South Wales) contributed a total of \$24,078. The total expenditure incurred by the National Office in relation to Presumptive legislation activities for the 2013 financial year was \$7,640 (2012: \$151,304).		
United Firefighters' Union – Queensland Branch	-	3,513
United Firefighters' Union – South Australian Branch	-	3,513
United Firefighters' Union – Tasmanian Branch	-	3,513
United Firefighters' Union – Victorian Branch	-	3,000
United Firefighters' Union – Western Australian Branch	-	3,513
United Firefighters' Union – Australian Capital Territory	-	3,513
United Firefighters' Union – Aviation Branch	-	3,513
Total special levies	-	24,078
(c) Grants and donations		
Grants	-	-
Donations	-	-
Total grants and donations	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
Note 4 – Expenses		
(a) Depreciation expense		
Depreciation of plant and equipment	4,400	4,794
(b) Employee expenses		
 Holders of office		
Wages and salaries	31,789	31,576
Superannuation	4,848	4,815
Movement in leave and other entitlements	17,916	3,512
Other employee expenses	4,000	-
Honorarium	800	800
Subtotal employee expenses – holders of office	59,353	40,703
 Employees other than office holders		
Wages and salaries	124,109	119,834
Superannuation	14,175	14,113
Movement in leave and other entitlements	7,503	6,350
Subtotal employee expenses – employees other than office holders	145,787	140,297
Other employee expenses - work cover insurance	1,456	1,141
Total employee expenses	206,596	182,141
(c) Conference and meeting costs		
Conference and meeting travel expenses	57,035	38,836
Venue and catering costs	102,165	2,014
Teleconferencing	15,714	7,544
Other conference and meeting expenses	82,050	19,804
	256,964	68,198
(d) Administration and other operating expenses		
Administration and other operating expenses include:		
Operating lease rentals:		
Minimum lease payments	18,655	18,655
Legal costs:		
Litigation	-	13,937
Other legal matters	23,428	18,140
	23,428	32,077

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
Note 5 – Auditor remuneration		
Remuneration of the auditor of the Union for:		
Audit of the financial report	10,500	10,030
Other services	9,600	9,800
	20,100	19,830
The auditor of United Firefighters Union of Australia is Agostinelli Perlen		
Note 6 – Trade and other receivables		
Receivables from other reporting units		
United Firefighters' Union – New South Wales	271,662	253,484
United Firefighters' Union – Australian Capital Territory	475	475
Total receivables from other reporting units	272,137	253,959
Less provision for doubtful debts		
United Firefighters' Union – New South Wales	271,662	253,484
Total provision for doubtful debts	271,662	253,484
Net receivables from other reporting units	475	475
A provision for doubtful debts has been booked in the accounts representing a disputed amount payable by a State Branch.		
Other receivables		
Other trade receivables	35,776	70,754
Total other receivables	35,776	70,754
Total net trade and other receivables	36,251	71,229
Note 7 – Plant and equipment		
Office furniture and equipment - at cost	1,667	1,667
Less: accumulated depreciation	(1,164)	(902)
	503	765
Computer software	48,742	48,742
Less: accumulated depreciation	(47,387)	(43,314)
	1,355	5,428
Leasehold improvements	2,591	2,591
Less: accumulated depreciation	(169)	(104)
	2,422	2,487
	4,280	8,680

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NOTES TO THE FINANCIAL STATEMENTS
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Note 7 – Plant and equipment (continued)

Movements in carrying amounts

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

	Office furniture and equipment \$	Computer software \$	Leasehold improvements \$	Total \$
Cost				
Balance at 1 July 2011	1,667	48,742	2,591	53,000
Additions	-	-	-	-
Balance at 30 June 2012	1,667	48,742	2,591	53,000
Additions	-	-	-	-
Balance at 30 June 2013	1,667	48,742	2,591	53,000
Accumulated depreciation				
Balance at 1 July 2011	(246)	(39,241)	(39)	(39,526)
Depreciation expense	(656)	(4,073)	(65)	(4,794)
Balance at 30 June 2012	(902)	(43,314)	(104)	(44,320)
Depreciation expense	(262)	(4,073)	(65)	(4,400)
Balance at 30 June 2013	(1,164)	(47,387)	(169)	(48,720)

2013 **2012**
\$ **\$**

Note 8 – Trade and other payables

Payables to other reporting units

United Firefighters' Union – Victorian Branch	1,710	8,550
Subtotal payables to other reporting units	1,710	8,550

Trade and other payables

Trade creditors	20,408	16,312
Legal costs	2,855	-
GST payable	12,402	7,694
Superannuation	2,922	2,908
Sundry payables and accrued expenses	4,510	3,662
Subtotal trade and other payables	43,097	30,576
Total trade and other payables	44,807	39,126

Settlement is usually made within 30 days

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
Note 9 – Provisions		
Employee provisions		
Office holders		
Annual leave	24,589	12,833
Long service leave	12,562	6,402
Subtotal employee provisions – office holders	37,151	19,235
Employees other than office holders		
Annual leave	18,998	11,495
Subtotal employee provisions – employees other than office holders	18,998	11,495
Total employee provisions	56,149	30,730
Current		
Employee benefits	43,587	24,328
Other provisions	750	1,550
	44,337	25,878
Non current		
Employee benefits	12,562	6,402
Total provisions	56,899	32,280

Note 10 - Notes to the statement of cash flows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank and deposits. Cash at the beginning and end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at Bank – Commonwealth Bank	126,575	15,077
Cash at Bank – Credit Union	759	1,555
	127,334	16,632
	127,334	16,632

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
Note 10 - Notes to the statement of cash flows (continued)		
(b) Reconciliation of cash flow from operating activities		
Operating surplus	41,542	63,614
Adjustments for non cash income and expense items:		
Depreciation expense	4,400	4,793
Doubtful debts	16,523	37,950
Changes in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	18,455	(100,288)
(Increase)/decrease in other assets	(518)	4,322
Increase/(decrease) in Trade and other payables	5,681	(20,943)
Increase/(decrease) in provisions	24,619	9,863
Cash Inflow/ (outflow) from operating activities	110,702	(689)

(c) Cash flows from related parties

The following amounts relate to cash inflows/outflows from related party entities. The cash flows presented are on a gross basis including GST.

	2013		
	Subscription	ACTU	Total
	\$	\$	\$
Cash from operating activities			
Receipts from members and related activities include the following amounts received from related parties:			
United Firefighters' Union – Queensland Branch	126,457	9,703	136,160
United Firefighters' Union – South Australian Branch	71,401	4,041	75,442
United Firefighters' Union – Tasmanian Branch	24,378	1,213	25,591
United Firefighters' Union – Victorian Branch	217,428	10,822	228,250
United Firefighters' Union – Western Australian Branch	86,424	4,302	90,726
United Firefighters' Union – Australian Capital Territory	18,997	1,270	20,267
United Firefighters' Union – Aviation Branch	51,566	2,567	54,133
	596,651	33,918	630,569

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 10 - Notes to the statement of cash flows (continued)

(d) Cash flows from related parties (continued)

	2013		
	Rent	Other	Total
	\$	\$	\$
Payments to suppliers and employees include the following amounts paid to related parties:			
United Firefighters' Union – Victorian Branch	20,520	-	20,520
	20,520	-	20,520

	2012			
	Subscription	Special levy	ACTU	Total
	\$	\$	\$	\$
Cash from operating activities				
Receipts from members and related activities include the following amounts received from related parties:				
United Firefighters' Union – Queensland Branch	102,098	3,564	8,825	114,487
United Firefighters' Union – South Australian Branch	70,089	3,564	3,747	77,400
United Firefighters' Union – Tasmanian Branch	24,230	3,564	1,132	28,926
United Firefighters' Union – Victorian Branch	196,650	3,000	9,156	208,806
United Firefighters' Union – Western Australian Branch	80,246	3,564	3,737	87,547
United Firefighters' Union – Australian Capital Territory	15,433	3,564	1,156	20,153
United Firefighters' Union – Aviation Branch	49,126	3,564	2,287	54,977
	537,872	24,384	30,040	592,296

	2012		
	Rent	Other	Total
	\$	\$	\$
Payments to suppliers and employees include the following amounts paid to related parties:			
United Firefighters' Union – Victorian Branch	11,970	655	12,625
	11,970	655	12,625

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	\$	\$

Note 11 - Financial risk management

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable.

The totals for each category of financial instrument are as follows:

Financial assets

Cash and cash on hand	127,334	16,632
Loans and receivables		
Trade and other receivables	36,251	71,229
Carrying amount of financial assets	163,585	87,861

Financial liabilities

Other financial liabilities		
Trade and other payables	44,807	39,126
Carrying amount of financial liabilities	44,807	39,126

The main risks the Union is exposed to through its financial instruments are liquidity risk and market risk through credit risk.

(a) Net income and expense from financial assets and financial liabilities

Cash and cash on hand		
Interest revenue	60	8
Net gain/(loss) on cash and cash on hand	60	8
Net gain/(loss) from financial assets	60	8

The net income/expense from financial liabilities is \$nil (2012: \$nil)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 11 - Financial risk management (continued)

(b) Fair value of financial instruments

	2013		2012	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Financial assets				
Cash and cash on hand	127,334	127,334	16,632	16,632
Trade and other receivables	36,251	36,251	71,229	71,229
Total	<u>163,585</u>	<u>163,585</u>	<u>87,861</u>	<u>87,861</u>
Financial liabilities				
Trade and other payables	44,807	44,807	39,126	39,126
Total	<u>44,807</u>	<u>44,807</u>	<u>39,126</u>	<u>39,126</u>

(c) Credit risk

Credit risk refers to the risk of any default on any type of debt owing to the Union. The Union is exposed to credit risk on its subscription fees, trade debtors, and other debtors.

The following table illustrates the Unions' gross exposure to credit risk, excluding any collateral or credit enhancements

	<u>2013</u>	<u>2012</u>
	\$	\$
Financial assets		
Trade and other receivables	36,251	71,229
Total	<u>36,251</u>	<u>71,229</u>

Credit quality of financial instruments not past due or individually determined as impaired

	2013		2012	
	Not past due nor impaired \$	Past due or impaired \$	Not past due nor impaired \$	Past due or impaired \$
Trade and other receivables	35,776	272,137	70,757	253,959
	<u>35,776</u>	<u>272,137</u>	<u>70,757</u>	<u>253,959</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 11 - Financial risk management (continued)

(c) Credit risk (continued)

Ageing of financial assets that were past due but not impaired for 2013

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	475	475
	-	-	-	475	475

Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	475	475
	-	-	-	475	475

(d) Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Union manages risk through the following mechanisms:

- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets;
- Managing credit risk related to financial assets;
- Maintaining a reputable credit risk profile; and
- Monitoring undrawn credit facilities.

Financial liability and financial asset maturity analysis

	On demand		Within 1 year		Total contractual cash flow	
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
Financial assets – cash flow realisable						
Cash and cash equivalents	127,334	16,632	-	-	127,334	16,632
Trade and other receivables	-	-	36,251	71,229	36,251	71,229
Total anticipated inflows	127,334	16,632	36,251	71,229	163,585	87,861
Trade and other payables	-	-	44,807	39,126	44,807	39,126
Total contractual outflows	-	-	44,807	39,126	44,807	39,126
Net inflow/(outflow) on financial instruments	127,334	16,632	(8,556)	32,103	118,778	48,735

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
Note 12 – Related party transactions		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Revenue transactions in relation to subscription fees:		
United Firefighters' Union – Queensland Branch	114,961	92,816
United Firefighters' Union – South Australian Branch	64,910	63,717
United Firefighters' Union – Tasmanian Branch	22,162	22,027
United Firefighters' Union – Victorian Branch	197,662	178,773
United Firefighters' Union – Western Australian Branch	78,568	72,951
United Firefighters' Union – New South Wales Branch	14,993	34,806
United Firefighters' Union – Australian Capital Territory	17,270	14,030
United Firefighters' Union – Aviation Branch	46,878	44,660
	<u>557,404</u>	<u>523,780</u>
Revenue transactions in relation to presumptive legislation special levies:		
United Firefighters' Union – Queensland Branch	-	3,513
United Firefighters' Union – South Australian Branch	-	3,513
United Firefighters' Union – Tasmanian Branch	-	3,513
United Firefighters' Union – Victorian Branch	-	3,000
United Firefighters' Union – Western Australian Branch	-	3,513
United Firefighters' Union – Australian Capital Territory	-	3,513
United Firefighters' Union – Aviation Branch	-	3,513
	<u>-</u>	<u>24,078</u>
Revenue transactions in relation to ACTU affiliation fees:		
United Firefighters' Union – Queensland Branch	8,821	8,023
United Firefighters' Union – South Australian Branch	3,673	3,406
United Firefighters' Union – Tasmanian Branch	1,103	1,029
United Firefighters' Union – Victorian Branch	9,838	8,324
United Firefighters' Union – Western Australian Branch	3,910	3,397
United Firefighters' Union – New South Wales Branch	1,533	3,141
United Firefighters' Union – Australian Capital Territory	1,155	1,051
United Firefighters' Union – Aviation Branch	2,333	2,079
	<u>32,366</u>	<u>30,450</u>
The above affiliation fees are collected by the National Office and paid to the Australian Council of Trade Unions (ACTU) on behalf of the branches.		
Total revenue transactions with related parties	<u><u>589,770</u></u>	<u><u>578,308</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
Note 12 – Related party transactions (continued)		
Expense transactions in relation to rent and other services:		
United Firefighters' Union – Victorian Branch	18,655	19,250
Total expense transactions with related parties	18,655	19,250
The following balances were outstanding at the end of the period:		
Trade receivables		
United Firefighters' Union – New South Wales Branch	271,662	253,484
United Firefighters' Union – Australian Capital Territory	475	475
	272,137	253,959
Provision for doubtful debts		
United Firefighters' Union – New South Wales Branch	(271,662)	(253,484)
Total amounts owed by related parties	475	475
Trade payables		
United Firefighters' Union – Victorian Branch	1,710	8,550
Total amounts owed to related parties	1,710	8,550

Note 13 – Key management personnel

The total remuneration paid to elected officials of the Branch during the period is as follows:

Short-term employee benefits		
Salary	31,789	31,576
Allowances	4,000	-
Total short-term employee benefits	35,789	31,576
Post-employment benefits		
Superannuation	4,848	4,815
Total post-employment benefits	4,848	4,815
	40,637	36,391

Note 14 - Commitments and contingencies

The dispute between the National Office and a State Branch remains unresolved at the date of signing the committee report despite cessation of legal proceedings during the 2012 financial year. Membership dues owing from that Branch are in dispute and remain unpaid at year end. These amounts were fully provided for as at 30 June 2013 and will continue to be provided for until the dispute is resolved.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 15 - Events after balance date

The National Office ceased legal proceedings with one of its State Branches during the 2012 financial year. The matter remains unresolved at the date of signing of this financial report despite cessation of legal proceedings. Outstanding dues owing from the branch continue to be fully provided for.

There have not been any other material events between the balance sheet date and the date of signing of the operating report.

Note 16 - Notice required under the Fair Work (Registered Organisations) Act 2009:

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which read as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Note 17 - Union details

(a) Registered office

The registered office of the union is:
United Firefighters' Union of Australia
410 Brunswick Street
Fitzroy VIC 3065

(b) Principal place of business

The principal place of business is:
410 Brunswick Street
Fitzroy VIC 3065