

UNITED FIREFIGHTERS UNION OF AUSTRALIA

ABN 51 825 544 079

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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

**GENERAL PURPOSE FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2014**

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UNITED FIREFIGHTERS UNION OF AUSTRALIA
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OPERATING REPORT
30 JUNE 2014

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 2014.

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 \$14,177 (2013: \$41,542). No provision for tax was necessary as the reporting unit is exempt from income tax.

Significant changes in state of affairs

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

The dispute with one of the state branches, as reported in previous financial reports, remains unresolved. Legal proceeding ceased during the 2012 financial year and no further action has been undertaken by the Union during the 2014 financial year regarding this matter.

Outstanding dues owing from the branch continue to be fully provided for.

After balance day events

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

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

The following members of the committee of management are a trustee of a superannuation entity.

Name	Branch	Fund
Greg Northcott	South Australia	South Australian Fire Services Superannuation Scheme

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Officers and employees who are directors of a company

The following members of the committee of management hold the following positions. The positions are not held as a result of the individual being a committee member of the Union.

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

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 9,163.
- (b) the number of persons who were at the end of the financial year employees of the organisation was one full time and two part-time employees.

The role of National Secretary is not included in the above employee numbers. From 1 April 2014 the National Secretary is solely employed by the United Firefighters Union – Victorian Branch. The services of the National Secretary are contracted out from the Victorian Branch.

- (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:

Office	Name	Period
National Office	Greg Northcott	1 July 2013 – 30 June 2014
	Peter Marshall	1 July 2013 – 30 June 2014
Representing New South Wales	Chris Read	1 July 2013 – 30 June 2014
Representing Victoria	Peter Marshall	1 July 2013 – 30 June 2014
	David Hamilton	1 July 2013 – 30 June 2014
	Tony Trimble	1 July 2013 – 30 June 2014
	Ken Brown	1 July 2013 – 30 June 2014
Representing Queensland	John Oliver	1 July 2013 – 30 June 2014
	Mark Dearlove	1 July 2013 – 30 June 2014
	Bryan Taylor	1 July 2013 – 30 June 2014
	Joe Ryan	1 July 2013 – 30 June 2014
Representing South Australia	Greg Northcott	1 July 2013 – 30 June 2014
	Barry Luke	1 July 2013 – 30 June 2014
Representing Western Australia	Kevin Jolly	1 July 2013 – 30 June 2014
	Frank Martinelli	1 July 2013 – 30 June 2014
Representing Aviation	Henry Lawrence	1 July 2013 – 30 June 2014
	Joe Stenhouse	1 July 2013 – 30 June 2014
Representing Australian Capital Territory	Dave Livingstone	1 July 2013 – 30 June 2014
Representing Tasmania	Vincent Males	1 July 2013 – 17 March 2014
	Greg Cooper	18 March 2014 – 30 June 2014

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Other relevant information

Nil.

Signed for and on behalf of the Committee of Management:



GREG NORTHCOTT
PRESIDENT

Dated at this 2nd day of December 2014.

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COMMITTEE OF MANAGEMENT CERTIFICATE

On the.....2nd.....day of.....December.....2014.....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 2014.

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 2014.

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



GREG NORTHCOTT
PRESIDENT

Dated at _____ this 2nd day of December 2014.

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 2014, 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 2014, 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 ^{4th} day of December 2014.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

INCOME	Notes	<u>2014</u>	<u>2013</u>
		\$	\$
Branch subscriptions	3(a)	611,722	557,404
Affiliation fees		33,518	32,367
Magazine revenue		110,000	110,000
Interest received		77	60
Other income		577	-
Sponsorship		-	50,000
		<u>755,894</u>	<u>749,831</u>
Administration and other operating costs			
Affiliation fees		54,126	52,804
Doubtful debts		15,447	16,523
Bank charges		61	3
Campaign costs		34,432	49,286
Computer expenses		9	2,934
Consultancy		10,000	2,215
Depreciation		1,545	4,400
Fines and penalties		-	440
Legal fees		33,759	23,428
Printing, postage and stationery		2,954	2,708
Promotional and magazine expenses		13,513	16,385
Rent and occupancy expenses		23,871	33,442
Research centre		4,470	-
Storage		3,073	2,927
Subscriptions		-	581
Travelling		3,736	4,000
Web hosting		6,854	12,553
		<u>207,850</u>	<u>224,629</u>

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Audit and accounting fees		44,632	20,100
Employment costs	4(a)	356,498	206,596
Conference and meetings	4(b)	132,737	256,964
TOTAL EXPENDITURE		<u>741,717</u>	<u>708,289</u>
OPERATING SURPLUS		14,177	41,542
Accumulated surplus at beginning of year		69,270	27,728
ACCUMULATED SURPLUS AT 30 JUNE 2014		<u><u>83,447</u></u>	<u><u>69,270</u></u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	<u>2014</u>	<u>2013</u>
		\$	\$
ASSETS			
Current assets			
Cash at bank	10(a)	206,753	127,334
Trade and other receivables	6	33,000	36,251
Prepayments		-	3,111
Total current assets		239,753	166,696
Non current assets			
Plant and equipment	7	2,735	4,280
Total non current assets		2,735	4,280
TOTAL ASSETS		242,488	170,976
LIABILITIES			
Current liabilities			
Trade and other payables	8	83,046	44,807
Provisions	9	75,995	56,899
Total current liabilities		159,041	101,706
TOTAL LIABILITIES		159,041	101,706
NET ASSETS		83,447	69,270
MEMBERS' EQUITY			
Members' funds		83,447	69,270
TOTAL MEMBERS' EQUITY		83,447	69,270

The accompanying notes form part of these accounts

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Members'	Total
	funds	\$
	\$	\$
Balance at 1 July 2012	27,728	27,728
Surplus for the year	41,542	41,542
Balance at 30 June 2013	<u>69,270</u>	<u>69,270</u>
Surplus for the year	14,177	14,177
Balance at 30 June 2014	<u>83,477</u>	<u>83,477</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	<u>2014</u>	<u>2013</u>
		\$	\$
Cash flows from operating activities			
Receipts from branch subscriptions and affiliation fees		817,983	768,226
Payment to suppliers and employees		(738,641)	(657,584)
Interest received		77	60
Net cash provided by operating activities	10(b)	<u>79,419</u>	<u>110,702</u>
Net increase in cash held		79,419	110,702
Cash at the beginning of the financial year		<u>127,334</u>	<u>16,632</u>
Cash at end of financial year	10(a)	<u><u>206,753</u></u>	<u><u>127,334</u></u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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.

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

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) 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.

(c) 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1 – Significant accounting policies (continued)

(d) 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 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.

All plant and equipment is assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(e) 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.

(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) 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
FOR THE YEAR ENDED 30 JUNE 2014

Note 1 – Significant accounting policies (continued)

(h) 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.

(i) 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 2014

Note 1 – Significant accounting policies (continued)

(j) 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.

(k) 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.

(l) Leases

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

(m) 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 2014

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 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	Requires entities to disclose information on techniques and inputs used to develop fair value measurements; as well as the effect of the measurements on profit or loss for the period.
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	Requires entities to disclose information on the effect or potential effect of netting arrangements on the entity's financial position.
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle'	Requires an entity to include comparative information for qualitative information if it is relevant to an understanding of the current period's financial statements.
AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'	Requires entities to disclose information on the effect or potential effect of netting arrangements on the entity's financial position.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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

Standards and Interpretations in issue not yet adopted (continued)

<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 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures of Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015

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

<u>2014</u>	<u>2013</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 2014 are made up as follows:

United Firefighters' Union – Queensland Branch	137,577	114,961
United Firefighters' Union – South Australian Branch	67,721	64,910
United Firefighters' Union – Tasmanian Branch	23,222	22,162
United Firefighters' Union – Victorian Branch	217,357	197,662
United Firefighters' Union – Western Australian Branch	81,080	78,568
United Firefighters' Union – New South Wales Branch	14,051	14,993
United Firefighters' Union – Australian Capital Territory	21,437	17,270
United Firefighters' Union – Aviation Branch	49,277	46,878
Total subscriptions	<u>611,722</u>	<u>557,404</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Note 4 – Expenses		
(a) Employee expenses		
 Holders of office		
Wages and salaries	41,921	31,789
Back pay adjustment	90,887	-
Contract services (i)	14,237	-
Superannuation	23,183	4,848
Movement in leave and other entitlements	11,230	17,916
Other employee expenses	400	4,000
Honorarium	800	800
Subtotal employee expenses – holders of office	182,658	59,353
 Employees other than office holders		
Wages and salaries	137,685	124,109
Superannuation	23,988	14,175
Movement in leave and other entitlements	7,865	7,503
Other employee expenses	2,782	-
Subtotal employee expenses – employees other than office holders	172,320	145,787
Other employee expenses - work cover insurance	1,520	1,456
Total employee expenses	356,498	206,596
 (i) Reimbursement of wages paid to National Secretary by the United Firefighters Union – Victorian Branch. The total amount paid to the Victorian Branch from 1 April 2014 to 30 June 2014 included in the above holders of office amounts:		
Contract services	14,237	
Superannuation	2,492	
Movement in leave and other entitlements	1,897	
	18,626	
 (b) Conference and meeting costs		
Conference and meeting travel expenses	59,355	57,035
Venue and catering costs	28,688	102,165
Teleconferencing	14,062	15,714
Other conference and meeting expenses	30,632	82,050
	132,737	256,964
 (c) Administration and other operating expenses		
Operating lease rentals		
Minimum lease payments	18,655	18,655
	18,655	18,655

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Note 5 – Auditor remuneration		
Remuneration of the auditor of the Union for:		
Audit of the financial report	11,000	10,500
Other services	18,300	9,600
	29,300	20,100
	29,300	20,100

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	288,654	271,662
United Firefighters' Union – Australian Capital Territory	-	475
Total receivables from other reporting units	288,654	272,137

Less provision for doubtful debts

United Firefighters' Union – New South Wales	288,654	271,662
Total provision for doubtful debts	288,654	271,662
Net receivables from other reporting units	-	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	33,000	35,776
Total other receivables	33,000	35,776
Total net trade and other receivables	33,000	36,251

Note 7 – Plant and equipment

Office furniture and equipment - at cost	1,667	1,667
Less: accumulated depreciation	(1,289)	(1,164)
	378	503

Computer software	10,182	48,742
Less: accumulated depreciation	(10,182)	(47,387)
	-	1,355

Leasehold Improvements	2,591	2,591
Less: accumulated depreciation	(234)	(169)
	2,357	2,422
	2,735	4,280

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 2012	1,667	48,742	2,591	53,000
Additions	-	-	-	-
Balance at 30 June 2013	1,667	48,742	2,591	53,000
Disposals	-	(38,560)	-	(38,560)
Balance at 30 June 2014	1,667	10,182	2,591	14,440
Accumulated depreciation				
Balance at 1 July 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)
Disposals	-	38,560	-	38,560
Depreciation expense	(125)	(1,355)	(65)	(1,545)
Balance at 30 June 2014	(1,289)	(10,182)	(234)	(11,705)

<u>2014</u>	<u>2013</u>
\$	\$

Note 8 – Trade and other payables

Payables to other reporting units

United Firefighters' Union – Victorian Branch	961	1,710
United Firefighters' Union – Tasmania Branch	421	-
Subtotal payables to other reporting units	1,382	1,710

Trade and other payables

Trade creditors	3,977	20,408
Legal costs	9,090	2,855
GST payable	18,212	12,402
Superannuation	3,424	2,922
Sundry payables and accrued expenses	46,961	4,510
Subtotal trade and other payables	81,664	43,097
Total trade and other payables	83,046	44,807

Settlement is usually made within 30 days

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Note 9 – Provisions		
Employee provisions		
Office holders		
Annual leave	28,483	24,589
Long service leave	19,900	12,562
Subtotal employee provisions – office holders	48,383	37,151
Employees other than office holders		
Annual leave	24,834	18,998
Long service leave	2,028	-
Subtotal employee provisions – employees other than office holders	26,862	18,998
Total employee provisions	75,245	56,149
Current		
Employee benefits	75,245	56,149
Other provisions	750	750
Total provisions	75,995	56,899

The balance of employee entitlements for the National Secretary has been frozen as at 31 March 2014. From 1 April 2014 the United Firefighters Union of Australia – Victorian Branch has taken responsibility for accruing all employee entitlements in relation to the position of The National Secretary. United Firefighters Union of Australia reimburses the Victorian Branch for all payroll expenses for The National Secretary from 1 April 2014.

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	145,980	126,575
Cash at Bank – Credit Union	60,773	759
	206,753	127,334

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Note 10 - Notes to the statement of cash flows (continued)		
(b) Reconciliation of cash flow from operating activities		
Operating surplus	14,178	41,542
Adjustments for non-cash income and expense items:		
Depreciation expense	1,545	4,400
Doubtful debts	15,447	16,523
Changes in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(12,196)	18,455
Decrease/(increase) in other assets	3,111	(518)
Increase in trade and other payables	38,238	5,681
Increase in provisions	19,096	24,619
Cash Inflow from operating activities	79,419	110,702

(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.

	2014		
	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	151,335	9,816	161,151
United Firefighters' Union – South Australian Branch	74,493	4,117	78,610
United Firefighters' Union – Tasmanian Branch	25,545	1,256	26,801
United Firefighters' Union – Victorian Branch	239,092	11,758	250,850
United Firefighters' Union – Western Australian Branch	89,188	4,389	93,577
United Firefighters' Union – Australian Capital Territory	23,580	1,333	24,913
United Firefighters' Union – Aviation Branch	54,204	2,666	56,870
	657,437	35,335	692,772

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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

(c) Cash flows from related parties (continued)

	2014		
	Rent and other services \$	Contract services \$	Total \$
Payments to suppliers and employees include the following amounts paid to related parties:			
United Firefighters' Union – Victorian Branch	25,012	19,432	44,444
	<u>25,012</u>	<u>19,432</u>	<u>44,444</u>

	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
	<u>596,651</u>	<u>33,918</u>	<u>630,569</u>

	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
	<u>20,520</u>	<u>-</u>	<u>20,520</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	<u>2014</u>	<u>2013</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	206,753	127,334
Loans and receivables		
Trade and other receivables	33,000	36,251
Carrying amount of financial assets	239,753	163,585
Financial liabilities		
Other financial liabilities		
Trade and other payables	83,046	44,807
Carrying amount of financial liabilities	83,046	44,807
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	77	60
Net gain on cash and cash on hand	77	60
Net gain from financial assets	77	60

The net income/expense from financial liabilities is \$nil (2013: \$nil)

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Note 11 - Financial risk management (continued)

(b) Fair value of financial instruments

	2014		2013	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Financial assets				
Cash and cash on hand	206,753	206,753	127,334	127,334
Trade and other receivables	33,000	33,000	36,251	36,251
Total	239,753	239,753	163,585	163,585
Financial liabilities				
Trade and other payables	83,046	83,046	44,807	44,807
Total	83,046	83,046	44,807	44,807

(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>2014</u> \$	<u>2013</u> \$
Financial assets		
Trade and other receivables	33,000	36,251
Total	<u>33,000</u>	<u>36,251</u>

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

	2014		2013	
	Not past due nor impaired \$	Past due or impaired \$	Not past due nor impaired \$	Past due or impaired \$
Trade and other receivables	33,000	288,654	35,776	272,137
	<u>33,000</u>	<u>288,654</u>	<u>35,776</u>	<u>272,137</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 11 - Financial risk management (continued)

(c) Credit risk (continued)

Ageing of financial assets that were past due but not impaired for 2014

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

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

(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	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Financial assets – cash flow realisable						
Cash and cash equivalents	206,753	127,334	-	-	206,753	127,334
Trade and other receivables	-	-	33,000	36,251	33,000	36,251
Total anticipated inflows	206,753	127,334	33,000	36,251	239,753	163,585
Trade and other payables	-	-	84,730	44,807	84,730	44,807
Total contractual outflows	-	-	84,730	44,807	84,730	44,807
Net inflow/(outflow) on financial instruments	206,753	127,334	(51,730)	(8,556)	155,023	118,778

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	<u>2014</u>	<u>2013</u>
	\$	\$
Note 12 – Related party transactions		
Revenue transactions in relation to branch subscriptions:		
United Firefighters' Union – Queensland Branch	137,578	114,961
United Firefighters' Union – South Australian Branch	67,721	64,910
United Firefighters' Union – Tasmanian Branch	23,222	22,162
United Firefighters' Union – Victorian Branch	217,356	197,662
United Firefighters' Union – Western Australian Branch	81,080	78,568
United Firefighters' Union – New South Wales Branch	14,051	14,993
United Firefighters' Union – Australian Capital Territory	21,437	17,270
United Firefighters' Union – Aviation Branch	49,277	46,878
	611,722	557,404
Revenue transactions in relation to affiliation fees:		
United Firefighters' Union – Queensland Branch	8,924	8,821
United Firefighters' Union – South Australian Branch	3,743	3,673
United Firefighters' Union – Tasmanian Branch	1,142	1,103
United Firefighters' Union – Victorian Branch	10,689	9,838
United Firefighters' Union – Western Australian Branch	3,990	3,910
United Firefighters' Union – New South Wales Branch	1,395	1,533
United Firefighters' Union – Australian Capital Territory	1,212	1,155
United Firefighters' Union – Aviation Branch	2,423	2,333
	33,518	32,366
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	645,240	589,770
Expense transactions in relation to rent and other services:		
United Firefighters' Union – Victorian Branch		
Rent and other services	21,437	18,655
Contract services (note 4(a))	18,626	-
Total expense transactions with related parties	40,063	18,655
Expense reimbursements to related parties are not included in the above disclosure. Amounts reimbursed to branches are equal to the total amount charged by the third party.		
The following balances were outstanding at the end of the period:		
Trade receivables		
United Firefighters' Union – New South Wales Branch	288,654	271,662
United Firefighters' Union – Australian Capital Territory	-	475
	288,654	272,137
Provision for doubtful debts		
United Firefighters' Union – New South Wales Branch	(288,654)	(271,662)
Total amounts owed by related parties	-	475

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	<u>2014</u>	<u>2013</u>
	\$	\$
Note 12 – Related party transactions (continued)		
Trade payables		
United Firefighters' Union – Victorian Branch	961	1,710
United Firefighters' Union – Tasmanian Branch	421	-
Total amounts owed to related parties	1,382	1,710

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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	41,921	31,789
Back pay adjustment (i)	90,887	-
Contract services (ii)	14,237	-
Allowances	400	4,000
Honorarium	800	800
Total short-term employee benefits	148,245	36,589
Post-employment benefits		
Superannuation	23,183	4,848
Total post-employment benefits	23,183	4,848
Total employee benefits	171,428	40,637

(i) Per an independent review of National secretary remuneration, an adjustment for pay was required. The amount paid was in relation to several years' wages as well as entitlements.

(ii) From 1 April 2014 the National Secretary is solely employed by the United Firefighters Union – Victorian Branch. The services of the National Secretary are contracted out from the Victorian branch. The United Firefighters Union of Australia reimburses the Victorian Branch for all payroll expenses for the National Secretary.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 2014 and will continue to be provided for until the dispute is resolved.

United Firefighters Union of Australia rents office space from the United Firefighters Union - Victorian Branch. Under the current arrangement the space is leased to the Victorian Branch on a month by month basis with rent payable one month in advance. On the basis the arrangement may be ended at any stage it has not been treated as an on-going commitment for disclosure purposes.

Note 15 - After balance date events

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

The on-going dispute with one of the state branches, as disclosed in Note 14, remains unchanged after balance date up to the date of signing of this 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:

- (1) A member of a reporting unit, or the General Manager, 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