

United Firefighters' Union of Australia

General Purpose Financial Accounts

For the year ended 30 June 2010

Directors: **JOHN AGOSTINELLI - HENRY V PERLEN**

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UNITED FIREFIGHTERS' UNION OF AUSTRALIA
GENERAL PURPOSE FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2010

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UNITED FIREFIGHTERS' UNION OF AUSTRALIA

OPERATING REPORT 30 JUNE 2010

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 2010.

Principal Activities

The principal activities of United Firefighters' Union of Australia during the financial year was to represent professional firefighters and their safety.

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

Operating result

The operating deficit of the Union for the financial year amounted to \$63,541 (2009: \$36,255). 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

Subsequent to year end, the legal proceedings between the National Office and a State Branch have continued and as of the date of signing the financial statements remain unresolved.

Further, a Committee of Management meeting has been held subsequent to year end. At this meeting a motion was ratified and passed for capitation fees to be increased for all other states in order to cover the shortfall in income experienced during the 2009/10 financial year.

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

No officer or member of the reporting unit:

- a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme;
or
- b) is a director of a company that is trustee of a superannuation entity or an exempt public sector superannuation scheme.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

OPERATING REPORT 30 JUNE 2010

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 10,048.
- (b) the number of persons who were at the end of the financial year employees of the organisation were four 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	Names	Period
National Office	Mick Farrell	1 July 2009 - 30 June 2010
	Peter Marshall	1 July 2009 - 30 June 2010
Representing New South Wales	Darryl Harpley	1 July 2009 – 9 April 2010
	Paul Harmon	1 July 2009 - 9 April 2010
	Chris Reed	1 July 2009 - 30 June 2010
	Greg Matthews	1 July 2009 – 30 June 2010
	Clive Hook	1 July 2009 – 30 June 2010
	Jim Casey	1 July 2009 – 9 April 2010
	Ian Straiton	1 July 2009 - 30 June 2010
	Jay Dean Bland	1 July 2009 - 30 June 2010
	Gregory Mitchell	1 July 2009 – 30 June 2010
Representing Victoria	Peter Marshall	1 July 2009 – 30 June 2010
	David Hamilton	1 July 2009 – 30 June 2010
	Tony Trimble	1 July 2009 – 30 June 2010
	Ken Brown	1 July 2009 – 30 June 2010
Representing Queensland	John Oliver	1 July 2009 – 8 March 2010
	Henry Lawrence	1 July 2009 – 11 November 2009
	Bryan Taylor	1 July 2009 – 30 June 2010
	Iark Walker	1 July 2009 – 12 November 2010
	Joseph Ryan	1 July 2009 – 30 June 2010
	Steve Bunney	12 November 2009 – 30 June 2010
Representing South Australia	Greg Northcot	1 July 2009 – 30 June 2010
	Barry Luke	20 May 2009 – 30 June 2010
Representing Western Australia	Graeme Geer	21 May 2009 – 30 June 2010
	Kevin Jolly	21 May 2009 – 30 June 2010
Representing Aviation	Mick Farrell	1 July 2009 – 30 June 2010
	Andrew Stenhouse	1 July 2009 – 30 June 2010
Representing Australian Capital Territory	Jason Jones	1 July 2009 – 30 June 2010
Representing Tasmania	Richard Warwick	1 July 2009 – 30 June 2010

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

OPERATING REPORT

Other Relevant Information

Nil.

Signed for and on behalf of the Committee of Management:



.....
PETER MARSHALL
NATIONAL SECRETARY

Dated at *Melbourne* this *30* day of *November* 2010.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

COMMITTEE OF MANAGEMENT CERTIFICATE

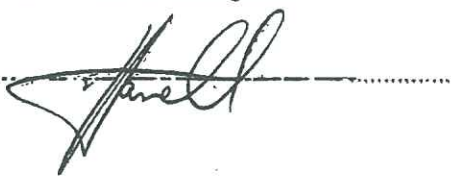
On the 30th day of November the Committee of Management of the United Firefighters' Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2010.

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

- (a) the financial statements and notes have been prepared in accordance with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of Fair Work Australia;
- (c) the financial statements and notes show a true and fair view of the financial performance, financial position and cash flows of the reporting unit as at 30 June 2010;
- (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;
- (e) during the financial year to which the GPFR relates and since the end of the year;
 - (i) meetings of the Committee were held during the year ended 30 June 2010, in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the Union 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 Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the union is a sole reporting unit, therefore the financial records of the union have been kept in a consistent manner specifically relating to the union; 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 Organisation) Act 2009; and
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisation) Act 2009.

Signed on behalf of the Committee of Management:

.....
MICK FARRELL
PRESIDENT



Dated at Melbourne this 30 day of November 2010.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF UNITED FIREFIGHTERS' UNION OF AUSTRALIA

The financial report and Committee of Management's responsibility

We have audited the financial report of United Firefighters' Union of Australia for the financial year ended 30 June 2010 comprising the Committee of Management report, Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flow and accompanying notes to the financial statements as set out on pages 5 and 8 to 22.

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

We conducted an independent audit in order to express an opinion to the members of the organisation. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

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

Directors: **JOHN AGOSTINELLI - HENRY V PERLEN**

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UNITED FIREFIGHTERS' UNION OF AUSTRALIA

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF UNITED FIREFIGHTERS' UNION OF AUSTRALIA

Auditor's Opinion

In our opinion, the general purpose financial report of the United Firefighters' Union of Australia presents fairly the financial position and results of its operations and its cashflows for the financial year ended 30 June 2010, in accordance with the following that apply in relation to the reporting unit:

- (a) the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
- (b) Australian Accounting Standards (including the Australian Accounting Interpretations) and
- (c) Other mandatory professional reporting requirements



**AGOSTINELLI PERLEN
CHARTERED ACCOUNTANTS**



**JOHN AGOSTINELLI
PARTNER**

Dated at Carlton, Victoria

This *Thirtieth* day of *November* 2010.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	<u>Notes</u>	<u>2010</u> \$	<u>2009</u> \$
(DEFICIENCY IN MEMBERS' EQUITY) / MEMBERS' EQUITY		(37,291)	26,252
		=====	=====
REPRESENTED BY:			
CURRENT ASSETS			
Cash at Bank	5(a)	-	1,994
Subscriptions and Levies in Arrears	4(c)	182,463	105,378
Provision for Doubtful Debts		(146,900)	-
Other debtors		16,075	178
Prepayments		6,618	-
GST receivable		9,471	19,578
		-----	-----
Total Current Assets		67,727	127,128
		-----	-----
NON-CURRENT ASSETS			
FIXED ASSETS			
Office Furniture & Equipment & Website Design	3	639	882
		-----	-----
Total Non-Current Assets		639	882
		-----	-----
TOTAL ASSETS		68,366	128,010
		-----	-----
CURRENT LIABILITIES			
Bank Overdraft	5(a)	6,282	-
Trade Creditors		77,660	64,328
Sundry Creditors		3,175	19,772
Provision for Employee Entitlements	6	12,967	17,658
		-----	-----
Total Current Liabilities		100,084	101,758
		-----	-----
NON CURRENT LIABILITIES			
Provision for Employee Entitlements	6	5,573	-
		-----	-----
Total Non- Current Liabilities		5,573	-
		-----	-----
TOTAL LIABILITIES		105,657	101,758
		-----	-----
NET ASSETS		(37,291)	26,252
		=====	=====

The accompanying notes form part of these accounts

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Members' Funds (\$)	Total (\$)
Balance at 1 July 2008	62,507	62,507
Deficit for the year	(36,255)	(36,255)
Balance at 30 June 2009	26,252	26,252
Deficit for the year	(63,543)	(63,543)
Balance at 30 June 2010	(37,291)	(37,291)

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

<u>INCOME</u>	<u>Notes</u>	<u>2010</u> \$	<u>2009</u> \$
Branch Subscriptions	4(b)	296,851	286,505
Affiliation Fees		42,873	37,158
Magazine Revenue		106,500	76,875
Interest Received		1	42
Other Income		2,800	2,607
Sponsorship		5,000	-
Standards Australia		-	10,414
		<hr/>	<hr/>
		454,025	413,601
		<hr/>	<hr/>

Administration and other operating costs

Affiliation Fees		32,267	30,560
Bad and Doubtful Debts		146,900	530
Bank Charges		491	544
Computer Expenses		337	661
Consultancy		-	8,164
Depreciation of plant and equipment		243	358
Depreciation of Website Design		-	2,648
Fringe Benefits Tax		-	476
Industrial Campaigns		200	8,333
Interest expense		3,158	2,307
Legal fees		51,703	38,426
O H & S Campaigns		279	796
Printing & Stationery		2,603	2,317
Promotional and magazine expenses		21,275	19,592
Rent and occupancy expenses		32,305	30,387
Storage		1,677	2,564
Subscriptions		3,109	1,093
Travelling		3,889	3,386
Web Hosting		3,309	9,499
		<hr/>	<hr/>
		303,745	162,641
		<hr/>	<hr/>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	<u>Notes</u>	<u>2010</u> \$	<u>2009</u> \$
<u>Audit & Accounting Fees</u>		22,000	17,700
<u>Employment Costs</u>			
Salaries and Benefits – Office Bearers		45,787	31,789
Salaries and Benefits – Other employees		49,213	60,419
Superannuation		15,190	13,263
Workcover		1,243	1,601
Movement in Employee Entitlements		883	2,270
Honorarium		800	800
Staff Costs		-	4,507
		<u>113,116</u>	<u>114,649</u>
<u>Conference and Meetings</u>		78,707	154,866
<u>TOTAL EXPENDITURE</u>		<u>517,568</u>	<u>449,856</u>
OPERATING (DEFICIT)		(63,543)	(36,255)
Accumulated Surplus at 1 July 2009		<u>26,252</u>	<u>62,507</u>
ACCUMULATED (DEFICIT)/SURPLUS AT 30 JUNE 2010		<u>=====</u> (37,291)	<u>=====</u> 26,252

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	<u>Note</u>	<u>2010</u> \$	<u>2009</u> \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from Branch Subscriptions and Affiliation Fees		383,118	479,993
Payment to Suppliers and employees		(388,237)	(514,376)
Interest received		1	42
Interest paid		(3,158)	-
Net Cash used in Operating Activities	5 (b)	(8,276)	(34,341)
<u>CASH FLOWS FROM INVESTING & FINANCING ACTIVITIES</u>			
Payments for Property, Plant & Equipment		-	-
Proceeds from Sale of Property, Plant & Equipment		-	-
Net cash provided by Investing & Financing Activities		-	-
NET INCREASE (DECREASE) IN CASH HELD		(8,276)	(34,341)
Cash at the Beginning of the Financial Year		1,994	36,335
CASH AT THE END OF FINANCIAL YEAR	5 (a)	(6,282)	1,994

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 1 – General Information

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.

In accordance with generally accepted accounting principles for such organisations, membership contributions are accounted for on an accruals basis. Unless otherwise stated, the accounts are prepared under the historical cost convention and do not take into account changing money values, or except where stated, current valuations of non-current assets. The accounts have been drawn up in accordance with the Accounting Standards jointly issued by the Australian Accounting Bodies and as required by law.

(a) Depreciation

Fixed assets are depreciated over the period of their expected effective lives.

(b) Employee Entitlements

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.

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

(c) Comparatives

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

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 1 - Accounting Policies (continued)

(g) Revenue

Revenue from membership dues is accounted for on a cash receipts basis.

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

Rental income is recognised on a straight-line basis over a period of lease term so as to reflect a constant periodic rate of return on the net investment.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(h) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Union has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Union are as follows:

- AASB 9: Financial instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Union has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

-simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;

-simplifying the requirements for embedded derivatives;

-removing the tainting rules associated with held-to-maturity assets;

-removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

Note 1 – General Information (continued)

(h) New Accounting Standards for Application in Future Periods (continued)

-allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and

-reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:

(a) the objective of the entity's business model for managing financial assets; and

b) the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Union.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from IASB's annual improvements project. No changes are expected to materially affect the Union.

- AASB 2009-9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).
- These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Union.
- AASB 2009-10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

Note 1 – General Information (continued)

(h) New Accounting Standards for Application in Future Periods (continued)

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Union. AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Union.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Union.

- AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Union.

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

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

Note 2 – Basis of Preparation

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 report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations.

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.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

	<u>2010</u>	<u>2009</u>
	\$	\$
Note 3 - Motor Vehicles, Office Furniture & Equipment		
Office Furniture & Equipment - at Cost	13,862	13,862
Less: Accumulated Depreciation	(13,223)	(12,980)
	<hr/>	<hr/>
	639	882
	=====	=====
Computer Software	41,641	41,641
Less: Accumulated Depreciation	(41,641)	(41,641)
	<hr/>	<hr/>
	-	-
	=====	=====
Total Written Down Value	639	882
	=====	=====

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

Note 4 – Subscriptions

- (a) Subscriptions are receivable from State Branches based on membership numbers and paid quarterly in arrears.
 (b) Subscriptions receivable for the year ended 30 June 2010 are made up as follows:

New South Wales	101,692	98,136
Victoria	64,543	60,198
Queensland	53,221	51,354
South Australia	20,928	21,959
Western Australia	24,372	23,883
Tasmania	8,323	8,425
Australian Capital Territory	8,141	8,720
Australian Government Employees	15,631	13,830
	=====	=====
Total Subscriptions	296,851	286,505
	=====	=====

- (c) The total receivables at 30 June 2010 comprises:

<u>Subscriptions:</u>		
New South Wales	146,899	90,716
Tasmania	2,564	-
Victoria	-	7,670
	-----	-----
Total Subscriptions and levies in Arrears	149,463	98,386
Other receivables	33,000	6,992
	=====	=====
Total Receivables	182,463	105,378
	=====	=====

Note 5 - 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:

	<u>2010</u>	<u>2009</u>
	\$	\$
Cash at Bank – Commonwealth Bank	(6,282)	1,994

UNITED FIREFIGHTERS' UNION OF AUSTRALIA

Note 5 - Notes To The Statement of Cash Flows (continued)

(b) Reconciliation of Cash Flow from Operations with Operating Surplus:

<u>Operating Surplus/(Deficit)</u>	(63,543)	(36,255)
Depreciation & Amortisation	243	3,006
<u>Adjustments for Non-Cash Income and Expense Items:</u>		
Employee Entitlements	882	-
Doubtful Debts	146,900	-
<u>Changes in Operating Assets & Liabilities:</u>		
(Increase/Decrease) in Other Receivables	(6,440)	-
(Increase)/Decrease in Subscriptions in Arrears	(86,981)	66,433
Increase/(Decrease) in Trade Creditors and Accruals	(9,444)	(69,796)
Increase/(Decrease) in Other Creditors	10,107	-
Increase/(Decrease) in Provisions	-	2,271
	<hr/>	<hr/>
Cash Inflow from Operating Activities	(8,276)	34,341
	=====	=====

	Elected Official	Other Staff	Total Provision
Note 6 – Employee Entitlements Provision			
Annual Leave			
Balance at the beginning of the year	13,568	4,090	17,658
Additional provisions	6,627	7,427	14,054
Amounts used	(15,425)	(3,320)	(18,745)
	<hr/>	<hr/>	<hr/>
Balance at the end of the year	4,770	8,197	12,967
	=====	=====	=====
Long Service Leave			
Balance at the beginning of the year	-	-	-
Additional provisions	5,573	-	5,573
Amounts used	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at the end of the year	5,573	-	5,573
	=====	=====	=====
Total Employee Entitlements	10,343	8,197	18,540
	=====	=====	=====
Reconciliation to Movement in Provisions			
Balance at the beginning of the year			17,658
Movement in Provisions			882
			<hr/>
Balance at the end of the year			18,540
			=====

Note 7 – 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 equivalents	-	1,994
Trade and other receivables	61,109	124,956
Total Financial Assets	61,109	126,950

Financial Liabilities

Bank overdraft	6,282	-
Trade and other payables	80,835	84,100
Total Financial Liabilities	87,117	84,100

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

(a) 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

	Within 1 Year		1-5 Years		Total Contractual Cash Flow	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Financial Assets – cash flow realisable						
Cash and cash equivalents	-	1,994	-	-	-	1,994
Trade and other receivables	61,109	126,950	-	-	61,109	126,950
Total anticipated inflows	61,109	128,944	-	-	61,109	128,944

Note 7 – Financial Risk Management (continued)

Bank overdrafts	6,282	-	-	-	6,282	-
Trade and other payables	80,835	84,100	-	-	80,835	84,100
Total contractual outflows	87,117	84,100	-	-	87,117	84,100
Net inflow/(outflow) on financial instruments	(26,008)	44,844	-	-	(26,008)	44,844

(b) Market risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect cash flows or the fair value of fixed rate financial instruments.

Note 8 – 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.

Transactions with related parties:

-Trade Receivables	149,463	98,386
-Trade Payables	6,771	6,182

Note 9 – Key Management Personnel

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

Short-term employee benefits	45,787
Post-employment benefits	6,983
Total	<u>52,770</u>

Note 10 - Going Concern

The Union has a working capital deficiency as at 30 June 2010. This situation indicates the existence of a material uncertainty which may cast doubt on the Union's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The working capital deficiency has resulted from the introduction of a provision for doubtful debts raised against the membership dues receivable balance as at 30 June 2010. The provision has been raised due to the funds receivable being in dispute and subject to legal action at balance date.

A Committee of Management meeting has been held subsequent to year end. During this meeting, a motion was ratified and passed for capitation fees to be increased for all other states in order to cover the shortfall in income. The forecast for the 2010/11 financial year, taking into account this capitation fee increase, has the Union returning to a surplus position.

Note 11 - Contingent Liability

Legal proceedings are ongoing between the National Office and a State Branch and remain unresolved at the date of signing of the audit report. These proceedings relate to membership dues which are in dispute and remain unpaid at year end.

As at the date of the audit report, legal fees to date have not yet been invoiced nor quantified; however a liability is expected to arise in relation to this matter.

Note 12 - Events after Balance Date

Subsequent to year end, the legal proceedings between the National Office and a State Branch have continued and as of the date of signing the audit report remain unresolved.

Further, a Committee of Management meeting has been held subsequent to year end. At this meeting, a motion was ratified and passed for capitation fees to be increased for all other states in order to cover the shortfall in income experienced during the 2009/10 financial year.

Note 13 - 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:

- (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 14 - Union Details

(a) Registered office

The registered office of the company 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