

United Firefighters Union of Australia

General Purpose Financial Reports

For the year ended 30 June 2012

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

**GENERAL PURPOSE FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2012**

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UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

OPERATING REPORT
30 JUNE 2012

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 2012.

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 \$63,614 (2011: \$1,405). 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 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.

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

Chris Read is a director of a company that is trustee of a superannuation entity, NSW Fire Brigades Superannuation Pty Ltd.

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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 9,419.
- (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	Names	Period
National Office	Mick Farrell	1 July 2011 - 30 June 2012
	Peter Marshall	1 July 2011 - 30 June 2012
Representing New South Wales	Chris Read	1 July 2011 - 30 June 2012
	Greg Matthews	1 July 2011 - 30 June 2012
Representing Victoria	Peter Marshall	1 July 2011 - 30 June 2012
	David Hamilton	1 July 2011 - 30 June 2012
	Tony Trimble	1 July 2011 - 30 June 2012
	Ken Brown	1 July 2011 - 30 June 2012
Representing Queensland	John Oliver	1 July 2011 - 30 June 2012
	Steve Bunney	1 July 2011 - 9 May 2012
	Mark Dearlove	10 May 2012 - 30 June 2012
	Bryan Taylor	1 July 2011 - 30 June 2012
	Joe Ryan	1 July 2011 - 30 June 2012
Representing South Australia	Greg Northcott	1 July 2011 - 30 June 2012
	Barry Luke	1 July 2011 - 30 June 2012
Representing Western Australia	Graeme Geer	1 July 2011 - 13 April 2012
	Kevin Jolly	1 July 2011 - 30 June 2012
	Frank Martinelli	14 April 2012 - 30 June 2012
Representing Aviation	Mick Farrell	1 July 2011 - 8 May 2012
	Henry Lawrence	8 May 2012 - 30 June 2012
	Joe Stenhouse	1 July 2011 - 30 June 2012
Representing Australian Capital Territory	Dave Livingstone	1 July 2011 - 30 June 2012
Representing Tasmania	Vincent Males	1 July 2011 - 30 June 2012

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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OPERATING REPORT
30 JUNE 2012

Other relevant information

Nil.

Signed for and on behalf of the Committee of Management:

PETER MARSHALL
NATIONAL SECRETARY



Dated at Melbourne this 20th day of December 2012.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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COMMITTEE OF MANAGEMENT CERTIFICATE

On the.....day of.....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 2012.

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 2012;
- (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 2012, 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 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 2012.

Signed on behalf of the Committee of Management:

PETER MARSHALL
NATIONAL SECRETARY



Dated at *Melbourne* this *20th* day of *December* 2012.

**UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079****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 2012, 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. In Note 1, the committee also states, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

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.

JOHN AGOSTINELLI - HENRY V PERLEN

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

Auditor's opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of United Firefighters Union of Australia as at 30 June 2012, 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; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



AGOSTINELLI PERLEN
CHARTERED ACCOUNTANTS



JOHN AGOSTINELLI
PARTNER

Dated at Carlton, Victoria this 20 day of December 2012.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	<u>2012</u>	<u>2011</u>
		\$	\$
ASSETS			
Current assets			
Cash at bank	10(a)	16,632	17,321
Trade and other receivables	6(a)	71,229	8,891
Prepayments		2,593	6,915
Total current assets		<u>90,454</u>	<u>33,127</u>
Non current assets			
Plant and equipment	7	8,680	13,473
Total non current assets		<u>8,680</u>	<u>13,473</u>
TOTAL ASSETS		<u>99,134</u>	<u>46,600</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	39,126	60,069
Provisions	9	25,878	16,149
Total current liabilities		<u>65,004</u>	<u>76,218</u>
Non current liabilities			
Provisions	9	6,402	6,268
Total non current liabilities		<u>6,402</u>	<u>6,268</u>
TOTAL LIABILITIES		<u>71,406</u>	<u>82,486</u>
NET ASSETS/ (LIABILITIES)		<u>27,728</u>	<u>(35,886)</u>
MEMBERS' EQUITY			
Members funds		27,728	(35,886)
TOTAL MEMBERS' EQUITY		<u>27,728</u>	<u>(35,886)</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Members'	Total
	funds	
	\$	\$
Balance at 1 July 2010	(37,291)	(37,291)
Surplus for the year	1,405	1,405
Balance at 30 June 2011	<u>(35,886)</u>	<u>(35,886)</u>
Surplus for the year	63,614	63,614
Balance at 30 June 2012	<u>27,728</u>	<u>27,728</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

INCOME	Notes	<u>2012</u>	<u>2011</u>
		\$	\$
Branch subscriptions	3(b)	523,780	492,278
Presumptive legislation special levies		24,076	-
Affiliation fees		30,450	30,537
Magazine revenue		140,000	80,000
Interest received		8	20
Other income		1,163	-
Sponsorship		5,000	20,000
ACTU IR campaign		-	10,048
		<u>724,477</u>	<u>632,883</u>
 Administration and other operating costs			
Affiliation fees		31,577	49,193
Doubtful debts		37,950	64,842
Bank charges		77	94
Campaign costs		191,514	500
Computer expenses		318	-
Consultancy		-	10,839
Depreciation of plant and equipment		656	48
Depreciation of computer software		4,073	681
Depreciation of leasehold improvement		65	39
Legal fees		32,077	190,162
Loss from sale of assets		-	413
Other expenses		966	-
Printing, postage and stationery		2,876	5,314
Promotional and magazine expenses		16,438	11,466
Rent and occupancy expenses		34,931	24,858
Research centre		8,800	-
Sponsorship		-	1,000
Storage		2,714	2,568
Subscriptions		-	1,354
Travelling		13,245	2,724
Web hosting		12,417	10,350
		<u>390,694</u>	<u>376,445</u>

The accompanying notes form part of these accounts

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012	2011
		\$	\$
Audit and accounting fees		19,830	27,750
Employment costs			
Salaries and benefits – office bearers		31,576	31,576
Salaries and benefits – other employees		119,834	65,836
Superannuation		18,928	12,695
Workcover		1,141	973
Movement in employee entitlements		9,862	2,327
Honorarium		800	800
		182,141	114,207
Conference and meetings		68,198	113,076
TOTAL EXPENDITURE		660,863	631,478
OPERATING SURPLUS		63,614	1,405
Accumulated deficit at beginning of year		(35,886)	(37,291)
ACCUMULATED (DEFICIT)/SURPLUS AT 30 JUNE 2012		27,728	(35,886)

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	<u>2012</u>	<u>2011</u>
		\$	\$
Cash flows from operating activities			
Receipts from branch subscriptions and affiliation fees		624,179	614,185
Payment to suppliers and employees		(624,876)	(576,586)
Interest received		8	20
Net cash (used in)/ provided by operating activities	10(b)	<u>(689)</u>	<u>37,619</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-	(14,016)
Net cash provided by investing activities		<u>-</u>	<u>(14,016)</u>
Net increase/ (decrease) in cash held		(689)	23,603
Cash at the beginning of the financial year		<u>17,321</u>	<u>(6,282)</u>
Cash at end of financial year	10(a)	<u><u>16,632</u></u>	<u><u>17,321</u></u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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 the basis of historical cost, except for certain non current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars, unless otherwise noted.

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

(a) 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%

(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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1 – Significant accounting policies (continued)

(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

(i) 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.

(j) Receivables

Receivables are measured at amortised cost using the effective interest method, less any impairment.

(k) 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1 – Significant accounting policies (continued)

(l) 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.

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>
Amendments to AASB 7 'Financial Instruments: Disclosure'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans.
Amendments to AASB 101 'Presentation of Financial Statements'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project'	The application of AASB 1054 and AASB 2011-1 in the current year has resulted in the simplification of disclosures in regards to audit fees, franking credits and capital and other expenditure commitments as well as an additional disclosure on whether the company is a for-profit or not-for-profit entity.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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

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', AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9'	1 January 2013	30 June 2014
and		
AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'		
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 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013

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

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u>	<u>2011</u>
	\$	\$

Note 3 – Subscriptions

- (a) Subscriptions are receivable from State Branches based on membership numbers and paid quarterly in arrears.
- (b) Subscription invoices rendered for the year ended 30 June 2012 are made up as follows:

New South Wales	34,806	52,517
Victoria	178,773	169,606
Queensland	92,816	66,547
South Australia	63,717	61,335
Western Australia	72,951	68,128
Tasmania	22,027	21,500
Australian Capital Territory	14,030	10,162
Australian Government employees	44,660	42,483
Total subscriptions	523,780	492,278

Note 4 – Profit/(loss)

(a) Expenses

Depreciation expense		
Depreciation of plant and equipment	4,794	768

(b) Other gains and losses

Loss on disposal of property, plant and equipment	-	413
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Note 5 – Auditor remuneration

Remuneration of the auditor of the Union for:

Audit of the financial report	10,030	10,000
Other services	9,800	17,750
	19,830	27,750

The auditor of United Firefighters Union of Australia is Agostinelli Perlen

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
Note 6 – Trade and other receivables		
(a) The total receivables at 30 June 2012 comprises:		
<u>Subscriptions:</u>		
New South Wales	253,484	211,742
ACT	475	475
Total subscriptions and levies in arrears	<u>253,959</u>	<u>212,217</u>
Other receivables	70,757	5,000
GST receivable	-	3,416
	<u>324,716</u>	<u>220,633</u>
Less: provision for doubtful debts	<u>(253,487)</u>	<u>(211,742)</u>
	<u>71,229</u>	<u>8,891</u>
(b) A provision for doubtful debts has been booked in the accounts representing a disputed amount payable by a State Branch.		

Note 7 – Plant and equipment

Office furniture and equipment - at cost	1,667	1,667
Less: accumulated depreciation	<u>(902)</u>	<u>(246)</u>
	765	1,421
Computer software	48,742	48,742
Less: accumulated depreciation	<u>(43,314)</u>	<u>(39,242)</u>
	5,428	9,500
Leasehold Improvements	2,591	2,591
Less: accumulated depreciation	<u>(104)</u>	<u>(39)</u>
	2,487	2,552
	<u>8,680</u>	<u>13,473</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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 2010	13,862	41,641	-	55,503
Additions	1,243	10,182	2,591	14,016
Disposals	(13,438)	(3,081)	-	(16,519)
Balance at 30 June 2011	1,667	48,742	2,591	53,000
Additions	-	-	-	-
Balance at 30 June 2012	1,667	48,742	2,591	53,000
Accumulated depreciation				
Balance at 1 July 2010	(12,981)	(41,641)	-	(54,622)
Eliminated on disposals of assets	12,783	3,081	-	15,864
Depreciation expense	(48)	(681)	(39)	(768)
Balance at 30 June 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)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
Note 8 – Trade and other payables		
Unsecured liabilities		
Trade payables	24,862	13,676
GST payable	7,694	-
Sundry payables and accrued expenses	6,570	46,393
	<u>39,126</u>	<u>60,069</u>

Note 9 - Provisions

Employee benefits	30,730	20,867
Other provisions	1,550	1,550
	<u>32,280</u>	<u>22,417</u>
Current	25,878	16,149
Non current	6,402	6,268
	<u>32,280</u>	<u>22,417</u>

	<u>Elected official</u>	<u>Other staff</u>	<u>Total provision</u>
	\$	\$	\$
Annual leave			
Balance at the beginning of the year	8,934	5,665	14,599
Increases resulting from re-measurement	340	(63)	277
Additional provisions	3,355	11,580	14,935
Amounts used	-	(5,483)	(5,483)
Balance at the end of the year	<u>12,629</u>	<u>11,699</u>	<u>24,328</u>
Long service leave			
Balance at the beginning of the year	6,269	-	6,269
Reductions resulting from re-measurement	(492)	-	(492)
Additional provisions	625	-	625
Balance at the end of the year	<u>6,402</u>	<u>-</u>	<u>6,402</u>
Total employee entitlements	<u>19,031</u>	<u>11,699</u>	<u>30,730</u>

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	<u>2012</u>	<u>2011</u>
	\$	\$

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	15,077	15,769
Cash at Bank – Credit Union	1,555	1,552
	16,632	17,321

(b) Reconciliation of cash flow from operating activities

Operating surplus	63,614	1,405
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Adjustments for non cash income and expense items:

Depreciation expense	4,793	768
Doubtful debts	37,950	64,842
Loss on sale of assets	-	413

Changes in operating assets and liabilities:

(Increase)/decrease in trade and other receivables	(100,288)	(18,975)
(Increase)/decrease in other assets	4,322	-
Increase/(decrease) in Trade and other payables	(20,943)	(13,161)
Increase/(decrease) in provisions	9,863	2,327
Cash Inflow/ (outflow) from operating activities	(689)	37,619

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 equivalents	16,632	17,321
Trade and other receivables	71,229	8,891
Total financial assets	87,861	26,212

Financial liabilities

Trade and other payables	39,126	60,069
Total financial liabilities	39,126	60,069

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

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Note 11– Financial risk management (continued)

(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	
	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$
Financial assets – cash flow realisable						
Cash and cash equivalents	16,632	17,321	-	-	16,632	17,321
Trade and other receivables	71,229	8,891	-	-	71,229	8,891
Total anticipated inflows	87,861	26,212	-	-	87,861	26,212
Trade and other payables	39,126	60,069	-	-	39,126	60,069
Total contractual outflows	39,126	60,069	-	-	39,126	60,069
Net inflow/(outflow) on financial instruments	48,735	(33,857)	-	-	48,735	(33,857)

(b) Market risk

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.

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	<u>2012</u>	<u>2011</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.		
Transactions with related parties:		
Income:		
Subscriptions	523,780	492,278
Presumptive legislation	24,076	-
Affiliation fees	30,450	30,537
	<u>578,306</u>	<u>522,815</u>
Expenses:		
Rental and other services	19,250	18,655
The following balances were outstanding at the end of the reporting period:		
Trade receivables	253,959	212,217
Provision for doubtful debts	(253,487)	(211,742)
	<u>472</u>	<u>475</u>
Trade payables	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	31,576	31,576
Post-employment benefits	4,815	4,815
	<u>36,391</u>	<u>36,391</u>

Note 15 - Contingent liability

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 2012 and will continue to be provided for until the dispute is resolved.

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Note 14 – Going concern

In 2011 the Union had a working capital deficiency of \$43,091. This indicated the existence of a material uncertainty in the prior year and cast doubt on the Union's ability to continue as a going concern. In the current year the Union was able to put in measures to rectify this deficiency such as raising affiliation fees charged to Branches.

Going forward the working capital will continue to be closely monitored by the committee of management. The working capital position of the Union is largely impacted by the ongoing dispute between the National Office and one of the Branches; the fees relating to this branch continue to be fully provided for in the 2013 financial year.

Note 16 - Events after balance date

The National Office ceased legal proceedings with one of its State Branches during the 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 17 - 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 18 - 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