

**UNITED FIREFIGHTERS UNION – ACT BRANCH
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017**



UNITED FIREFIGHTERS UNION – ACT BRANCH COMMITTEE OF MANAGEMENT STATEMENT

On 10 October 2017 the Committee of Management of the United Firefighters Union – ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2017.

The Committee of Management declares 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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*;
- 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;
- 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) Act 2009*; and
 - iv. the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
 - v. no request has been made by a member of the reporting unit or the General Manager under section 272 of the *Fair Work (Registered Organisations) Act 2009*; and
 - vi. no order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*.
- f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer: 

Name and title of designated officer: Greg McConville, Branch Secretary, UFU ACT Branch

Dated: 23rd October 2017

BRANCH PRESIDENT
Mate Peric

BRANCH SECRETARY
Greg McConville

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11 September 2017

UNITED FIREFIGHTERS UNION OF AUSTRALIA ACT BRANCH OPERATING REPORT

Financial Year Ending 30 June 2017

Number of members

The number of financial members as at 30 June 2017 was 331.

Number of Employees

1 full-time (office bearer)
1 part-time (office bearer)
2 part-time (staff members)

Full time equivalent of staff and office bearers: 1.45

Principal Activities

UFU ACT is a trade union whose members are firefighters with the ACT Fire & Rescue Service. The union acts on their behalf in all industrial and workplace matters to improve their working conditions and general welfare.

Significant Changes

A general meeting of members held on 9 May 2017 resolved to impose a levy on subscriptions of \$10 per fortnight (\$2 per fortnight for part time or job share), to take effect in the first pay period on or after 1 June 2017 and to be reviewed within 12 months.

Members right to resign

A member has the right to resign from the Union under **Rule 8 – Resignation from Membership** by providing written notice to the Secretary of the Branch.

Superannuation Trustees

Details of officers or members who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or an officer of a registered organisation - Nil

Membership of the Branch Committee of Management

Attachment 1 sets out the names of persons who are or were members of the Branch Committee of Management during the financial year and the periods for which they held those roles.

Report prepared by:
Greg McConville
Secretary
UFU ACT Branch

Dated this 11th day of September 2017

Attachment 1: Persons who are or have been members of the Branch Committee of Management during the financial year

Position on BCOM	Person	Dates office held
President	Maté Peric	1 July 2016 to 30 June 2017
Secretary	Greg McConville	1 July 2016 to 30 June 2017
Vice President	Graeme Gallagher	1 July 2016 to 30 June 2017
Junior Vice President	Damian Holloway	1 July 2016 to 11 April 2017
Trustee	Stephen Geerdink	1 July 2016 to 30 June 2017
Trustee	Adam Gresham	1 July 2016 to 30 June 2017
Trustee	Neal Hall	1 July 2016 to 30 June 2017
Trustee	Peter Telford	20 April 2016 to 30 June 2017

UNITED FIREFIGHTERS UNION – ACT BRANCH

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

		2,017	2,016
	Note	\$	\$
Revenue	3	314,574	231,479
Depreciation charges	4(b)	(5,573)	(5,862)
Other expenses	3(a)	<u>(367,167)</u>	<u>(258,531)</u>
Surplus/(deficit) for the year		<u>(58,166)</u>	<u>(32,914)</u>

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION – ACT BRANCH

**BALANCE SHEET
AS AT 30 JUNE 2017**

	Note	2017	2016
		\$	\$
CURRENT ASSETS			
Cash at bank		57,922	536,967
Term deposits		443,335	14,261
Trade and other receivables		-	1,101
Prepayments		870	645
TOTAL CURRENT ASSETS		<u>502,127</u>	<u>552,974</u>
NON CURRENT ASSETS			
Property, plant and equipment	4	<u>21,042</u>	<u>25,428</u>
TOTAL NON CURRENT ASSETS		<u>21,042</u>	<u>25,428</u>
TOTAL ASSETS		<u>523,169</u>	<u>578,402</u>
CURRENT LIABILITIES			
Trade and other payables		24,015	27,908
Provision	13	<u>14,765</u>	<u>8,201</u>
TOTAL CURRENT LIABILITIES		<u>38,780</u>	<u>36,109</u>
NON CURRENT LIABILITIES			
Provision	13	<u>1,416</u>	<u>1,154</u>
TOTAL NONCURRENT LIABILITIES		<u>1,416</u>	<u>1,154</u>
TOTAL LIABILITIES		<u>40,196</u>	<u>37,263</u>
NET ASSETS		<u><u>482,973</u></u>	<u><u>541,139</u></u>
EQUITY			
Retained earnings at start of year		541,139	574,053
Current year surplus (deficit)		<u>(58,166)</u>	<u>(32,914)</u>
TOTAL EQUITY		<u><u>482,973</u></u>	<u><u>541,139</u></u>

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION – ACT BRANCH

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Retained surplus	Total
	\$	\$
Balance at 30 June 2015	574,053	574,053
Deficit attributable to the Entity	(32,914)	(32,914)
Balance at 30 June 2016	541,139	541,139
Deficit attributable to the Entity	(58,166)	(58,166)
Balance at 30 June 2017	482,973	482,973

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION – ACT BRANCH

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017	2016
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		336,829	246,720
Inflow/outflow to/from other reporting Units - UFU of Australia		(29,700)	(28,136)
Payments to suppliers and employees		(365,280)	(219,783)
Interest received		9,367	6,187
Other income		-	289
Net cash provided by (used in) operating activities	5(b)	<u>(48,784)</u>	<u>5,277</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Movement in term deposits			-
Purchase of property, plant and equipment		<u>(1,187)</u>	<u>(1,807)</u>
Net cash provided by (used in) investing activities		<u>(1,187)</u>	<u>(1,807)</u>
Net increase/(decrease) in cash held		(49,971)	3,470
Cash at beginning of the financial year		<u>551,228</u>	<u>547,758</u>
Cash at end of the financial year	5(a)	<u><u>501,257</u></u>	<u><u>551,228</u></u>

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION – ACT BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1- Basis of Preparation of the Financial Statements

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 – ACT Branch is a not-for-profit entity.

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

1.2- Significant Accounting Judgements and Estimates

There has been no accounting assumptions or estimates identified that would indicate any significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.3- New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year except that the Branch has now adopted the accrual basis for membership fee income (previously recorded on a cash basis) this change has only a minor effect on this year' financial statements.

The management consider that the carrying values as stated on the statement of Financial Position are a reasonable indication of their fair value at balance date.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are not expected to have a future financial impact on United Firefighters Union - ACT Branch.

1.4- Capitation fees / levies and Member's Subscriptions

Membership Fees, Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.5- Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

UNITED FIREFIGHTERS UNION – ACT BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.6- Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Impairment of Assets

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement. 1.7- Financial Liabilities

1.7 – Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the managers together and has a recent actual patterns of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument

UNITED FIREFIGHTERS UNION – ACT BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 – Financial Liabilities (continued)

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition
- inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or managed and its performance is evaluated on a fair value basis, in accordance with the units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other 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 costs using the effective interest method, with interest expense recognised on an effective yield basis.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using effective interest rate method.

1.8- Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

Class of asset	Useful life
Plant and equipment	3-8 years
Motor vehicles	5-10 years

UNITED FIREFIGHTERS UNION – ACT BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.9- Taxation

United Firefighters Union - ACT Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER OF THE FAIR WORK COMMISSION

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 272, which indicates as follows:

- 1) A member of the 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) The reporting unit must comply with an application made under subsection (1).

NOTE 3. REVENUE

	2017	2016
	\$	\$
Operating activities		
Membership subscriptions	305,207	225,292
Other revenue from operating activities	-	-
	<u>305,207</u>	<u>225,292</u>
Non-operating activities		
Interest received	9,367	6,187
Other revenue	-	-
	<u>9,367</u>	<u>6,187</u>
Total revenue	<u><u>314,574</u></u>	<u><u>231,479</u></u>

UNITED FIREFIGHTERS UNION – ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 3(a). PROFIT

		2017	2016
		\$	\$
Other expenses			
Accountancy and audit		5,930	5,000
Affiliation fees paid to United Firefighters Union of Australia		1,943	1,434
Capitation fees paid to UFU of Australia		25,984	24,911
Other Affiliation Fees - Unions ACT		1,773	1,791
Bank fees		149	261
Donations	6	373	4,000
Insurance		1,101	1,570
Legal Costs -member's legal matter (non-litigation)		32,729	12,805
Motor vehicle expenses		6,768	7,682
Administration expenses		13,602	15,353
Rent and property costs		10,000	7,085
Functions and meetings		7,771	1,164
Other employment costs and training		270	1,408
Publications and campaign costs		44,797	10,895
Telephone and internet		15,013	3,084
Travel, accommodation and conference costs		5,124	8,619
Wages and superannuation - Office holders	10	146,241	109,562
Wages and superannuation - General staff	10	47,599	41,907
		<u>367,167</u>	<u>258,531</u>
Surplus/(deficit) for the year		<u>(58,166)</u>	<u>(32,914)</u>

UNITED FIREFIGHTERS UNION – ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 3(b). OTHER EXPENSES AND DISCLOSURES

	2017	2016
	\$	\$
Other expenses and disclosures		
Penalties -via RO Act or RO Regulations	-	-
Legal Costs:		
- Litigation	-	-
- Other - Special Projects/Equal Pay Case	32,729	12,805
Accounts other than general funds held (Investment Acc)	443,335	14,261
Consideration to Employers for payroll deductions	-	-
Entrance fees -Payment or received	-	-
Donations or grant income	-	-
Transfer/withdrawals from special purpose accounts	-	-
Fees or allowances paid to office - holders for attendance at meetings, (other than their normal salary etc)	-	-
Payables to - Other reporting Units:		
- to employers (payroll)	-	-
- Legal Costs	-	-
Separation/redundancy or other provisions for Office Holder;	-	-
Separation/redundancy or	-	-
	<u>476,064</u>	<u>27,066</u>

NOTE 3(c). OTHER DISCLOSURE REQUIREMENTS

- No capitation fees were received during the year.
- No donations were received during the year.
- There is no agreed going concern financial support received or paid to another reporting unit.
- There were no assets or liabilities acquired as a result of an amalgamation or restructure.
- No entrance fees were paid or received during the year.
- There has been no financial support from any other reporting units.
- There were no compulsory levies paid during the year.
- There were no fees or allowances paid to office-holders for attendance at meetings, other than their normal salary.
- There are no accounts or investments held in respect of compulsory levies or voluntary contributions.
- There has been no administration of financial affairs by a third party.

UNITED FIREFIGHTERS UNION – ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of property, plant and equipment

	2017	2016
	\$	\$
Plant and equipment		
At cost	10,292	9,105
Accumulated depreciation	<u>(7,644)</u>	<u>(5,317)</u>
	<u>2,648</u>	<u>3,788</u>
Motor vehicle		
At cost	40,445	40,445
Accumulated depreciation	<u>(22,051)</u>	<u>(18,805)</u>
	<u>18,394</u>	<u>21,640</u>
	<u>21,042</u>	<u>25,428</u>

The management consider that the value of the leasehold property shown above represents its fair value due its recent purchase at market value.

(b) Reconciliation of the opening and closing balances of property, plant and equipment

	Plant and equipment	Motor vehicles	Total
Opening balance at 1 July 2016	3,788	21,640	25,428
Additions	1,187	-	1,187
Revaluations	-	-	-
Depreciation/impairment	(2,327)	(3,246)	(5,573)
Disposals	-	-	-
Closing balance at 30 June 2017	<u>2,648</u>	<u>18,394</u>	<u>21,042</u>

UNITED FIREFIGHTERS UNION – ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 5. CASH FLOW INFORMATION

	2017	2016
	\$	\$
(a) Reconciliation of cash		
Cash at bank	57,922	536,967
Term deposit	443,335	14,261
	<u>501,257</u>	<u>551,228</u>
(b) Reconciliation of cash flows from operations		
Operating surplus/(deficit)	(58,166)	(32,914)
Add Back Non-Cash Items:		
Depreciation of Plant & Equipment	2,327	2,043
Depreciation of Motor Vehicles	3,246	3,819
Changes in Assets & Liabilities		
Decrease/(increase) in debtors and prepayments	877	(1,746)
Increase(decrease) in Leave provisions	6,826	7,919
Increase(decrease) in Creditors	(3,893)	26,156
	<u>(48,784)</u>	<u>5,277</u>

NOTE 6. DONATIONS/GRANTS MADE

	2017	2016
	\$	\$
Donations paid that were \$1000 or less	-	-
Donation paid exceed \$1,000	373	4,000
Grants paid that were \$1000 or less	-	-
Grants paid exceed \$1000	-	-
	<u>373</u>	<u>4,000</u>

UNITED FIREFIGHTERS UNION – ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 7. KEY MANAGEMENT PERSONNEL REMUNERATION

	2017	2016
	\$	\$
Short-term employee benefits		
Salary	118,958	89,027
Annual leave accrued or paid	9,374	6,899
Performance bonus	-	-
Total short-term employee benefits	<u>128,332</u>	<u>95,926</u>
 Post-employment benefits		
Superannuation	<u>17,843</u>	<u>12,684</u>
Total post-employment benefits	<u>17,843</u>	<u>12,684</u>
 Other long-term benefits		
Long service leave accrued or paid	<u>66</u>	<u>952</u>
Total other long-term benefits	<u>66</u>	<u>952</u>
 Total remuneration of Key Management Personnel	<u><u>146,241</u></u>	<u><u>109,562</u></u>

NOTE 8. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR IMMEDIATE FAMILY

There were no loans or other transactions between the reporting entity and its key management personnel, or their immediate family members, during the financial year.

NOTE 9. AUDITORS' REMUNERATION

Audit of financial statements	5,200	5,000
Other fees	-	-
	<u>5,200</u>	<u>5,000</u>

UNITED FIREFIGHTERS UNION – ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 10. EMPLOYEE EXPENSES

	2017	2016
	\$	\$
Holders of Office		
Wages and salaries	118,958	89,027
Superannuation	17,843	12,684
Leave and other entitlements	9,440	7,851
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>146,241</u>	<u>109,562</u>
Employees other than office holders		
Wages and salaries	45,912	38,496
Superannuation	4,300	3,343
Leave and other entitlements	(2,613)	68
Separation and redundancies	-	-
Other employee expense	-	-
	<u>47,599</u>	<u>41,907</u>
Total employee expenses	<u><u>193,840</u></u>	<u><u>151,469</u></u>

NOTE 11. FINANCIAL RISK MANAGEMENT

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

The main risks arising from the Union's financial instruments are liquidity risk, credit risk and market price risk. The Branch does not use derivative instruments to manage risks associated with its financial instruments.

The Union's Council have overall responsibility for risk management, including risks associated with financial instruments.

This note presents, information about the Union's exposure to liquidity, credit and market price risk, and its objectives, policies and processes for measuring and managing risk.

UNITED FIREFIGHTERS UNION – ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 11. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk

Liquidity risk is the risk that the Union will not be able to fund its obligations as they fall due.

The following are the contractual maturities of financial assets and liabilities:

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	24,015	27,908					24,015	27,908
Total expected outflows	24,015	27,908	-	-	-	-	24,015	27,908
Financial assets - Cash flows realisable								
Cash and cash equivalents	501,257	551,228					501,257	551,228
Trade and other receivables	-	1,101					-	1,101
Total anticipated inflows	501,257	552,329	-	-	-	-	501,257	552,329
Net inflow on financial instruments	477,242	524,421	-	-	-	-	477,242	524,421

Credit Risk

Credit risk is the risk of financial loss to the Union if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure of credit risk

The carrying amount of the Union's financial assets best represents its maximum credit risk exposure. The Union's maximum exposure to credit risk at the reporting date was:

	2017	2016
	\$	\$
Cash and cash equivalents	501,257	551,228
Trade debtors	-	1,101
Other receivables	-	-
	<u>501,257</u>	<u>552,329</u>

UNITED FIREFIGHTERS UNION – ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 12. FAIR VALUE MEASUREMENT

Management of the reporting unit assessed that (cash, trade receivables, trade payables, and other current liabilities) approximate their carrying amounts largely due to the short term maturities and instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

Fair values of the reporting entities interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuers borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2017 was assessed to be insignificant.

- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets
- Long-term fixed rate and variable-rate receivables / borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2017 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The management consider that the carrying values of assets and liabilities as stated on the Statement of Financial Position are a reasonable indication of their Fair Value balance date.

NOTE 13. PROVISION FOR STAFF LEAVE ENTITLEMENTS

	2017	2016
	\$	\$
Current Liabilities		
<i>General Staff</i>		
Provision for Annual Leave	793	-
Provision for Long Service Leave	1,645	1,302
Liability for Separation/redundancies	-	-
Liability for other Staff Provisions	-	-
	<u>2,438</u>	<u>1,302</u>
<i>Office Holder</i>		
Provision for Annual Leave	12,327	6,899
Provision for Long Service Leave	-	-
Liability for Separation/redundancies	-	-
Liability for other Staff Provisions	-	-
	<u>12,327</u>	<u>6,899</u>
TOTAL CURRENT STAFF LEAVE ENTITLEMENTS	<u>14,765</u>	<u>8,201</u>
Non Current Liability		
Provision for Long Service Leave -General Staff	250	202
Provision for Long Service Leave - Office Holders	1,167	952
TOTAL NON-CURRENT STAFF LEAVE ENTITLEMENTS	<u>1,417</u>	<u>1,154</u>

UNITED FIREFIGHTERS UNION – ACT BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

Transactions with related parties:

	2017	2016
	\$	\$
Income	-	-
Expenses		
- Affiliation fees to UFU of Australia	1,943	1,434
- Capitation fees to UFU of Australia	25,984	24,911
	<u>27,927</u>	<u>26,345</u>

No money was owing to or from the related reporting entity at balance date.

NOTE 15. CONTINGENT LIABILITIES

There are no contingent liabilities outstanding at balance date.

NOTE 16. EVENTS AFTER BALANCE DATE

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

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
UNITED FIREFIGHTERS UNION - ACT BRANCH

Opinion

I have audited the financial report of United Firefighters Union - ACT Branch (the Reporting Unit), which comprises the Balance Sheet² as at 30 June 2017, the statement of comprehensive income³, statement of changes in equity⁴ and statement of cash flows⁵ for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of United Firefighters Union - ACT Branch as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of Chartered Accountants of Australia and New Zealand and hold a current Public Practice Certificate.

RSM Australia Pty Ltd



G M STENHOUSE
Director

Canberra, Australian Capital Territory
Dated: 24 October 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/129