



UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH

ABN 90 662 922 325

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH

ABN 90 662 922 325

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UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 74 030 569 265

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate For The Year Ended 30 June 2020

I, Greg McConville, being the Branch Secretary of the United Firefighters Union of Australia - ACT Branch certify:

- that the documents lodged herewith are copies of the full report for the United Firefighters Union of Australia - ACT Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on ...24 November 2020.....; and
- that the full report was presented to a general meeting of members of the reporting unit on

21 December 2020; in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature of designated officer:

Name of designated officer: Greg McConville

Title of designated officer: Branch Secretary

Dated: 23 December 2020

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 74 030 569 265

EXPENDITURE REPORT - PER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2020.

Categories of expenditures	2020	2019
	\$	\$
Remuneration and other employment-related costs and expenses - employees	220,290	213,046
Advertising	-	-
Operating costs	142,496	144,315
Donations to political parties	-	-
Legal costs	82,708	122,082



Signature of designated officer:

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

Dated: 12 November 2020



UNITED FIREFIGHTERS UNION OF AUSTRALIA
ACT BRANCH OPERATING REPORT

Financial Year Ending 30 June 2020

Number of members

The number of financial members as at 30 June 2020 was 356.

Number of Employees

1 full-time (office bearer)

3 part-time (staff members)

Full time equivalent of staff and office bearers: 1.40

Principal activities review

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 in financial affairs

There were no significant changes within the 12 months to 30 June 2020.

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

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 are as follows:

Position on BCOM	Person	Dates office held
President	Maté Peric	1 July 2019 to 30 June 2020
Secretary	Greg McConville	1 July 2019 to 30 June 2020
Vice President	Stephen Geerdink	1 July 2019 to 30 June 2020
Junior Vice President	David Bridgford	1 July 2019 to 30 June 2020
Trustee	Vacant	1 July 2019 to 24 June 2020
Trustee	Arron Kiewiet	24 June 2020 to 30 June 2020
Trustee	Adam Gresham	1 July 2019 to 30 June 2020
Trustee	Neal Hall	1 July 2019 to 30 June 2020
Trustee	Peter Telford	1 July 2019 to 30 June 2020

Signature of designated officer:

Report prepared by designated officer: Greg McConville
Secretary, UFU ACT Branch

Dated this 5th day of November 2020

BRANCH PRESIDENT
Mate Peric

BRANCH SECRETARY
Greg McConville

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COMMITTEE OF MANAGEMENT CERTIFICATE

On the.....30th.....day of...October 2020.....the Committee of Management of the United Firefighters' Union of Australia ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30 June 2020.

The Committee of Management declares 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 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Greg McConville
Branch Secretary



Dated this 12th day of November 20 20

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH**

Opinion

I have audited the financial report of United Firefighters' Union Of Australia - ACT Branch (the Reporting Unit), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year ended 30 June 2020, notes to the financial statements, including a summary of significant accounting policies, the subsection 255(2A) report and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material respects, the financial position of United Firefighters' Union Of Australia - ACT Branch as at 30 June 2020, 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 of 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.

Kidmans Partners Audit Pty Ltd

**Suite 4, 255 Whitehorse Road, Balwyn,
Victoria, Australia 3103**

**Postal Address: P.O. Box 718, Balwyn,
Victoria, Australia 3103**

INDEPENDENT AUDIT REPORT (Continued)

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 auditor registered under the RO Act.

Kidmans Partners Audit Pty Ltd



Heinz Mai
Director

Date 12 / 11 / 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/162
Melbourne

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
ABN 90 662 922 325

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
REVENUE			
Membership subscriptions		386,487	373,731
Capitation Fees and other revenue from another reporting unit		-	-
Levies		-	-
Interest on deposits		9,130	5,636
Other revenue	3 (a)	8,466	6,884
Total revenue		404,083	386,251
Other income			
Grants and/ or donations	3 (b)	40,136	-
Revenue from recovery of wages activity		-	-
Total other income		40,136	-
Total income		444,219	386,251
EXPENSES			
Administration expenses	4 (a)	92,878	97,121
Affiliation fees	4 (b)	4,786	4,789
Audit fees	4 (c)	5,650	7,905
Capitation Fees paid to United Firefighters Union of Australia	4 (d)	26,339	26,243
Depreciation	4 (e)	2,705	3,152
Employee expenses	4 (f)	220,290	213,046
Grants or donations	4 (g)	364	273
Legal costs	4 (h)	82,708	122,082
Other expenses	4 (i)	10,138	5,105
Total expenses		445,858	479,716
OPERATING SURPLUS/ (DEFICIT) FOR THE YEAR		(1,639)	(93,465)
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,639)	(93,465)

The above statement should be read in conjunction with the notes.

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH

ABN 90 662 922 325

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	428,401	441,021
Trade and other receivables	6	30,652	1,812
Other assets	7	-	2,831
TOTAL CURRENT ASSETS		459,053	445,664
NON-CURRENT ASSETS			
Property, plant and equipment	8	13,709	13,552
TOTAL NON-CURRENT ASSETS		13,709	13,552
TOTAL ASSETS		472,762	459,216
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	9	26,183	45,886
Other payables	9	24,682	3,787
Employee provisions	10	24,211	13,295
TOTAL CURRENT LIABILITIES		75,076	62,968
NON-CURRENT LIABILITIES			
Employee provisions	10	6,936	3,859
TOTAL NON-CURRENT LIABILITIES		6,936	3,859
TOTAL LIABILITIES		82,012	66,827
NET ASSETS		390,750	392,389
MEMBERS' EQUITY			
Members funds		390,750	392,389
TOTAL MEMBERS' EQUITY		390,750	392,389

The above statement should be read in conjunction with the notes.

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
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STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Members funds	Total
	\$	\$
Balance at 1 July 2018	485,854	485,854
Surplus/(deficit) attributable to members	<u>(93,465)</u>	<u>(93,465)</u>
Balance at 30 June 2019	<u>392,389</u>	<u>392,389</u>
Surplus/(deficit) attributable to members	<u>(1,639)</u>	<u>(1,639)</u>
Balance at 30 June 2020	<u>390,750</u>	<u>390,750</u>

The above statement should be read in conjunction with the notes.

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
ABN 90 662 922 325

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		392,724	416,683
Donations and grants		10,000	-
Payments to suppliers and employees		(421,612)	(496,611)
Interest received		9,130	5,636
Net cash provided by (used in) operating activities	11 (b)	<u>(9,758)</u>	<u>(74,292)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(2,862)	-
Net cash provided by (used in) investing activities		<u>(2,862)</u>	<u>-</u>
Net increase / (decrease) in cash held		(12,620)	(74,292)
Cash at beginning of financial year		441,021	515,313
Cash at end of financial year	5	<u><u>428,401</u></u>	<u><u>441,021</u></u>

The above statement should be read in conjunction with the notes.

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.a- 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 of Australia – ACT Branch (“the 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.b- 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.c- 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 for the following standards and amendments, which have been adopted for the first time this financial year.

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions
- AASB 16 Leases and amending standards, which replaces AASB117 Leases.

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the Branch. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.c- New Australian Accounting Standards (continued)

- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the Branch's financial statements.

Impact on adoption of AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases - Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Branch applied the available practical expedients wherein it:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.

The adoption of AASB 16 did not have a material impact on the Branch's financial statements.

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 the Branch.

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

1.d- Revenue

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
ABN 90 662 922 325

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.d- Revenue (continued)

Revenue from contracts with customers

Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Branch.

The Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch's promise to stand ready to provide assistance and support to the member as required.

Capitation fees and Levies

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.

Income of the Branch as a Not-for-Profit Entity

Consideration is received by the Branch to enable the entity to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the Branch obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and

During the year, the Branch received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government grants.

Interest income

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

No change to comparative information were required given the adoption of AABS15: Revenue from Contracts with C

All revenue is recognised at the point of sale/service recognition. There are no unsatisfied performance obligations.

1.e- 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.e- Employee Benefits (continued)

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.

1.f- Leases

The Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Branch as a lessee

The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets

The Branch's short-term leases are those that have a lease term of 12 months or less from the commencement. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.g- Financial Instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Branch classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - equity instrument (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Branch changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Branch's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.g- Financial Instruments (continued)

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through profit and loss

There are no financial assets classified as fair value through profit and loss

Fair value through other comprehensive income

There are no financial assets classified as fair value through other comprehensive income.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Branch considers reasonable and supportable information that is relevant and available without undue cost or effect. This includes both quantitative and qualitative information and analysis based on the Branch's historical experience and informed credit assessment and including forward looking information.

The Branch uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Branch uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Branch in full, without recourse to the Branch to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Branch has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in the expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Branch measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.g- Financial Instruments (continued)

The financial liabilities of the Branch comprise trade and other payables.

Financial instruments are recognised initially on the date that the Branch becomes party to the contractual provisions on the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

1.h- 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

1.i- Taxation

United Firefighters Union of Australia - 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.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

1.j- Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.k- Contingent Liabilities and Contingent Assets

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

1.l- Fair Value Measurement

United Firefighters Union of Australia - Act Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

United Firefighters Union of Australia - ACT Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability.

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.m- Going Concern

United Firefighters Union of Australia - ACT Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

United Firefighters Union of Australia - ACT Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR COMMISSIONER 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 Commissioner, 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).

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2,020 \$	2,019 \$
NOTE 3: INCOME			
(a) Other income			
Sale of Clothing Merchandise		8,466	6,884
Other income		-	-
Total other income		8,466	6,884
(b) Grants and/ or donations			
Grants - ATO Cash Flow Boost		40,136	-
Donations		-	-
		40,136	-
NOTE 4: EXPENSES			
(a) Administration expenses			
Accounting fees		-	-
Bank fees		255	320
Conference and meeting expenses		-	-
Fees/ allowance - meeting and conferences		-	-
Compulsory levies		-	-
Functions and meetings		14,132	16,626
Insurance		1,474	1,485
Motor vehicle expenses		3,360	5,475
Other employment costs and training		-	786
Publications and campaign costs		58,422	52,659
Rent and property costs		10,000	10,000
Sponsorship		-	-
Telephone and internet		1,959	1,764
Total paid to employers for payroll deductions of membership subscriptions		-	-
Travel and accommodation costs		3,276	8,006
Total administration expenses		92,878	97,121
(b) Affiliation fees			
United Firefighters Union of Australia		2,050	2,053
Unions ACT		2,736	2,736
Total affiliation fees		4,786	4,789
(c) Auditors' Remuneration			
Audit of financial statements		5,350	7,905
Other fees		300	-
Total auditors' remuneration		5,650	7,905

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2,020 \$	2,019 \$
NOTE 4: EXPENSES (CONTINUED)			
(d) Capitation fees and other expense to another reporting unit			
Capitation fees - United Firefighters Union of Australia		26,339	26,243
Subtotal capitation fees		<u>26,339</u>	<u>26,243</u>
Other expense to another reporting unit		-	-
Subtotal other expense from another reporting unit		<u>-</u>	<u>-</u>
Total capitation fees and other expense to another reporting unit		<u>26,339</u>	<u>26,243</u>
(e) Depreciation			
Plant and equipment		711	807
Motor vehicle		1,994	2,345
Total depreciation		<u>2,705</u>	<u>3,152</u>
(f) Employee expenses			
Holders of office:			
Wages and salaries		135,126	128,771
Superannuation		21,903	18,809
Movement in leave and other entitlements		12,948	1,465
Separation and redundancies		-	-
Other employee expenses		-	-
Subtotal employee expenses – holders of office		<u>169,977</u>	<u>149,045</u>
Employees other than office holders:			
Wages and salaries		46,106	60,993
Superannuation		4,531	7,278
Movement in leave and other entitlements		(324)	(4,270)
Separation and redundancies		-	-
Other employee expenses		-	-
Subtotal employee expenses other than office holders		<u>50,313</u>	<u>64,001</u>
Total employee expenses		<u>220,290</u>	<u>213,046</u>
(g) Grants or Donations			
Grants:			
Total expensed that were \$1,000 or less		-	-
Total expensed that were exceeds \$1,000		-	-
Donations:			
Total expensed that were \$1,000 or less		364	273
Total expensed that were exceeds \$1,000		-	-
Total grants or donations		<u>364</u>	<u>273</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2,020 \$	2,019 \$
NOTE 4: EXPENSES (CONTINUED)			
(h) Legal costs			
Litigation		-	-
Other legal costs		<u>82,708</u>	<u>122,082</u>
Total legal costs		<u>82,708</u>	<u>122,082</u>
(i) Other expenses			
Penalties - via RO Act or the Fair Work Act 2009		-	-
Other expenses		<u>10,138</u>	<u>5,105</u>
Total other expenses		<u>10,138</u>	<u>5,105</u>
NOTE 5: CASH AND CASH EQUIVALENTS			
Cash on hand		484	8
Cash at bank		57,080	79,276
Term deposits		<u>370,837</u>	<u>361,737</u>
Total cash and cash equivalents		<u>428,401</u>	<u>441,021</u>
NOTE 6: TRADE AND OTHER RECEIVABLES			
Receivables from other reporting units		-	-
Total receivables from other reporting units		-	-
Less allowance for expected credit losses		-	-
Total allowance for expected credit losses		-	-
Receivable from other reporting units (net)		-	-
GST receivable		641	1,812
ATO cash flow boost		30,011	-
Other		-	-
Total other receivables		<u>30,652</u>	<u>1,812</u>
Total trade and other receivables (net)		<u>30,652</u>	<u>1,812</u>
NOTE 7: OTHER ASSETS			
Prepayments		-	2,831
		-	2,831

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2,020 \$	2,019 \$
NOTE 8: PLANT AND EQUIPMENT			
(a) Reconciliation of property, plant and equipment			
Computer equipment			
At cost		6,305	10,292
Accumulated depreciation		<u>(4,330)</u>	<u>(10,030)</u>
		<u>1,975</u>	<u>262</u>
Plant & Equipment			
At cost		459	-
Accumulated depreciation		<u>(21)</u>	<u>-</u>
		<u>438</u>	<u>-</u>
Motor vehicle			
At cost		40,445	40,445
Accumulated depreciation		<u>(29,149)</u>	<u>(27,155)</u>
		<u>11,296</u>	<u>13,290</u>
Total property, plant and equipment		<u><u>13,709</u></u>	<u><u>13,552</u></u>

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

(b) Movements in Carrying Amounts

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

	Plant and equipment \$	Motor vehicles \$	Total \$
Opening balance at 1 July 2019	262	13,290	13,552
Additions	2,862	-	2,862
Revaluations	-	-	-
Depreciation	(711)	(1,994)	(2,705)
Disposals	-	-	-
Closing balance at 30 June 2020	<u><u>2,413</u></u>	<u><u>11,296</u></u>	<u><u>13,709</u></u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2,020 \$	2,019 \$
NOTE 9: TRADE AND OTHER PAYABLES			
Trade payables		23,164	45,886
Payable to employers for making payroll deductions of membership subscriptions		-	-
Legal costs		3,019	-
Other payables		24,682	3,787
		50,865	49,673
Payables to other reporting unit		-	-
Subtotal payables to other reporting unit		-	-
Total trade and other payables		50,865	49,673
NOTE 10: EMPLOYEE PROVISIONS			
Office holders:			
Annual leave		20,095	10,402
Long service leave		6,936	3,682
Separation and redundancies		-	-
Other		-	-
Subtotal employee provisions – office holders		27,032	14,084
Employees other than office holders:			
Annual leave		1,561	799
Long service leave		2,555	2,271
Separation and redundancies		-	-
Other		-	-
Subtotal employee provisions – employees other than office holders		4,115	3,070
Total employee provisions		31,147	17,154
Current		24,211	13,295
Non Current		6,936	3,859
Total employee provisions		31,147	17,154

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2,020 \$	2,019 \$
NOTE 11: CASH FLOW INFORMATION			
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 on hand		484	8
Cash at Bank		57,080	79,276
Term deposits		370,837	361,737
		427,917	441,013
b. Reconciliation of cash flow from operating activities			
Net surplus/(deficit) for the period		(1,639)	(93,465)
Adjustments for non-cash income and expense items:			
Depreciation		2,705	3,152
Changes in operating assets and liabilities			
(Increase)/decrease in trade and other receivables		(28,840)	(1,812)
(Increase)/decrease in prepayments		2,831	(2,601)
Increase/(decrease) in trade payables		(19,703)	17,255
Increase/(decrease) in other payables		20,895	2,823
Increase/(decrease) in leave provisions		13,993	356
		(9,758)	(74,292)
c. Cash flows with related parties			
The following amounts relate to cash inflows/outflows from related party entities. The cash flows presented are on a gross basis including GST.			
Cash inflows from operating activities			
United Firefighters Union of Australia		14,838	353
Total cash inflows		14,838	353
Cash outflows from operating activities			
United Firefighters Union of Australia		31,228	34,106
Total cash outflows		31,228	34,106

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2,020 \$	2,019 \$
NOTE 12: RELATED PARTY TRANSACTIONS			
Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.			
Transactions with related parties:			
Income			
- Reimbursement from United Firefighters Union of Australia		13,489	321
Expenses			
- Affiliation fees to United Firefighters Union of Australia		2,050	2,053
- Capitation fees to United Firefighters Union of Australia		26,339	26,243
- Reimbursement to United Firefighters Union of Australia		-	2,709
		28,389	31,005
NOTE 13: KEY MANAGEMENT PERSONNEL REMUNERATION			
Short-term employee benefits			
Salary		135,126	128,771
Annual leave accrued or paid		9,693	(279)
Performance bonus		-	-
Total short-term employee benefits		144,820	128,492
Post-employment benefits			
Superannuation		21,903	18,809
Total post-employment benefits		21,903	18,809
Other long-term benefits			
Long service leave accrued or paid		3,254	1,744
Total other long-term benefits		3,254	1,744
Total remuneration of Key Management Personnel		169,977	149,045

Transactions with key management personnel and their close family members

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 14: OTHER DISCLOSURE REQUIREMENTS

- 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 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.
- The branch did not make a payment to a former related party of the branch.

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2,020 \$	2,019 \$
NOTE 15: 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 totals for each category of financial instrument are as follows:			
Financial assets			
Cash and cash equivalents		428,401	441,021
<i>Loans and receivables</i>			
Trade and other receivables		30,652	4,643
Carrying amount of financial assets		<u>459,053</u>	<u>445,664</u>
Financial liabilities			
Trade and other payables		50,865	49,673
Carrying amount of financial liabilities		<u>50,865</u>	<u>49,673</u>
Specific financial risk exposures and management			
The main risks the Branch is exposed to through its financial instruments are liquidity risk and market risk through interest rate risk.			
(a) Net income and expense from financial assets and financial liabilities			
<i>Cash and cash on hand</i>			
Interest revenue		9,130	5,636
Net gain/(loss) on cash and cash on hand		9,130	5,636
Net gain/(loss) from financial assets		<u>9,130</u>	<u>5,636</u>
<i>Other financial liabilities</i>			
Interest expense		-	-
Net gain/(loss) financial liabilities at amortised cost		-	-
Net gain/(loss) from financial liabilities		<u>-</u>	<u>-</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Fair value of financial instruments

Management of the reporting unit assessed that (cash, term deposits, 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 2020 was assessed to be insignificant.

- Fair value of available-for-sale financial assets are derived from quoted market prices in active markets.
- Long-term fixed rate and variable-rate receivables/ borrowings are evaluated by the reporting entity 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 2020 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 at balance date.

(c) Credit risk

Credit risk refers to the risk of any default on any type of debt owing to the Branch. The Branch is exposed to credit risk on its member subscriptions, trade debtors, and other debtors.

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

	2020	2019
	\$	\$
Financial assets		
Trade and other receivables	<u>30,652</u>	1,812
Total	<u>30,652</u>	<u>1,812</u>

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

	2020		2019	
	Not past due nor impaired	Past due or impaired	Not past due nor impaired	Past due or impaired
	\$	\$	\$	\$
Trade and other receivables	<u>30,652</u>	-	1,812	-
	<u>30,652</u>	-	1,812	-

UNITED FIREFIGHTERS UNION OF AUSTRALIA - ACT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

Ageing of financial assets that were past due but not impaired for 2020

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	30,652	-	-	-	30,652
	<u>30,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,652</u>

Ageing of financial assets that were past due but not impaired for 2019

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	1,812	-	-	-	1,812
	<u>1,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,812</u>

(d) Liquidity risk

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

The Union manages risk through the following mechanisms:

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

Financial liability and financial asset maturity analysis

	2020			
	On demand	< 1 year	1-5 years	Total
	\$	\$	\$	\$
Financial assets – cash flow realisable				
Cash and cash equivalents	57,564	370,837	-	428,401
Trade and other receivables	-	30,652	-	30,652
Total anticipated inflows	<u>57,564</u>	<u>401,489</u>	<u>-</u>	<u>459,053</u>
Financial liabilities due for payment				
Trade and other payables	-	50,865	-	50,865
Total contractual outflows	<u>-</u>	<u>50,865</u>	<u>-</u>	<u>50,865</u>
Net inflow/(outflow) on financial instruments	<u>57,564</u>	<u>350,624</u>	<u>-</u>	<u>408,188</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

	2019			Total \$
	On demand \$	< 1 year \$	1-5 years \$	
Financial assets – cash flow realisable				
Cash and cash equivalents	79,284	361,737	-	441,021
Trade and other receivables	-	1,812	-	1,812
Total anticipated inflows	<u>79,284</u>	<u>363,549</u>	<u>-</u>	<u>442,833</u>
Financial liabilities due for payment				
Trade and other payables	-	49,673	-	49,673
Total contractual outflows	<u>-</u>	<u>49,673</u>	<u>-</u>	<u>49,673</u>
Net inflow/(outflow) on financial instruments	<u>79,284</u>	<u>313,876</u>	<u>-</u>	<u>393,160</u>

NOTE 16: COMMITMENTS AND CONTINGENCIES

The branch has an agreement with its barrister to provide 10 hours of legal services per month which allows for the banking of hours by either party to future periods. At 30 June 2020, work undertaken has exceeded the set monthly hours by 19 hours 45 minutes which equates to \$4,345. The committee is of the opinion that the excess hours will be offset against unused hours in subsequent months. Accordingly, no provision has been provided within this financial report.

Apart from the above, there were no other contingent liabilities or contingent assets as at balance sheet date. There were no commitments as at balance sheet date.

NOTE 17: EVENTS AFTER THE BALANCE DATE

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.