



23 January 2020

Mr Greg Matthews  
Branch President  
United Firefighters' Union of Australia, New South Wales Branch

By e-mail: [ufuansw@gmail.com](mailto:ufuansw@gmail.com)

Dear Mr Matthews

**United Firefighters' Union of Australia, New South Wales Branch  
Financial Report for the year ended 30 June 2019 - FR2019/50**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the United Firefighters' Union of Australia, New South Wales Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 12 January 2020.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2019 report has been filed the following should be addressed in the preparation of the next financial report.

**1. General purpose financial report (GPFR)**

Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 10 – agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)

Please note that the Fire Brigade Employees Union of New South Wales is an organisation under state legislation and is not a reporting unit for the purposes of the *Fair Work (Registered Organisations) Act 2009*.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

**KEN MORGAN**  
**Financial Reporting Specialist**  
**Registered Organisations Commission**



12 January 2020

Chris Enright  
Executive Director  
Registered Organisations Commission

*By email: regorgs@roc.gov.au*

**Re: Designated Officer's Certificate  
Financial report for year ended 30 June 2019  
Fair Work (Registered Organisations) Act 2009 – (RO Act)**

I, Greg Matthews, being the President and Acting Branch Secretary of the United Firefighters Union of Australia, New South Wales Branch certify:

- that the document lodged herewith is a copy of the full report referred to in s268(a) of the Fair Work (Registered Organisations) Act 2009, being the financial report for the year ended 30 June 2019; and
- that the full report was provided to members of the Branch on 26 November 2019 in accordance with s265(5)(a) of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was presented to a general meeting of the members of the Branch on 30 December 2019 in accordance with s266(1) of the Fair Work (Registered Organisations) Act 2009.

Yours sincerely,

A handwritten signature in black ink that reads 'G. Matthews' with a long horizontal line extending to the right.

Greg Matthews  
Acting Branch Secretary

# **United Firefighters Union of Australia New South Wales Branch**

ABN: 51 824 544 079

## **Financial Statements**

For the Year Ended 30 June 2019

# United Firefighters Union of Australia - New South Wales Branch

ABN: 51 824 544 079

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## United Firefighters Union of Australia - New South Wales Branch

ABN: 51 824 544 079

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### Operating Report

30 June 2019

The Branch Committee of Management presents its operating report of the United Firefighters Union of Australia - New South Wales Branch ("the Branch") for the financial year ended 30 June 2019.

#### Names of Branch Committee of Management members and period positions held during the financial year

The names of the Branch Committee of Management in office at any time during the financial year were:

G Matthews	Branch President
C Read *	Branch Secretary
P Harmon	Branch Vice President

\* resignation tendered 16 May 2019

All members of the Branch Committee of Management were in office for the period 1 July 2018 to 30 June 2019, unless otherwise stated.

#### Review of principal activities, the results of these activities and any significant changes in the nature of those activities during the year

The principal activity of the NSW Branch during the financial year was to remain registered under the *Fair Work (Registered Organisations) Act 2009*. There was no significant change to the nature of this activity from the previous year.

The operating deficit for the United Firefighters Union of Australia - New South Wales Branch for the year ended 30 June 2019 was \$1,643 (2018: surplus of \$2,128) and the Branch Committee of Management believe that the Branch achieved it's objectives for the financial year.

#### Significant changes in financial affairs

There were no significant changes in the state of affairs of the Branch during the year.

#### Number of members

The number of members of the Branch at the end of the financial year was 3 (2018: 3).

#### Right of members to resign

Members retain the right to resign from the United Firefighters Union of Australia - New South Wales Branch in accordance with Rule 8 of the Union's Registered Rules and Section 174 of the *Fair Work (Registered Organisations) Act 2009* ("the RO Act"). In accordance with Section 174(1) of the RO Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

## Operating Report

30 June 2019

### Number of employees

The total number of full time equivalent employees as at 30 June 2019 was Nil (30 June 2018: Nil).

**Officers or members who are superannuation fund trustees or a director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position**

Mr Chris Read was known to be a director of NSW Fire Brigades Superannuation Pty Ltd, being a company that is a trustee of a superannuation entity.

No other officer or member of the Branch acts:

- i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii) as a director of a Company that is a trustee of a superannuation entity or an exempt public sector

Signed in accordance with a resolution of the Branch Committee of Management:



**G Matthews**

Branch President

26 November 2019

## Committee of Management Statement

On 26 November 2019 the Committee of Management of the United Firefighters Union of Australia - New South Wales Branch ("the Branch"), passed the following resolution in relation to the General Purpose Financial Report ("GPFR") of the Branch for the year ended 30 June 2019:

The Branch 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* (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 Branch for the financial year ended 30 June 2019;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 June 2019 and since the end of the financial year:
  - i) meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
  - ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
  - iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
  - iv) the financial records of the Branch 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or 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 Branch Committee of Management.



**G. Matthews**  
Branch Secretary

Dated: 26 November 2019



United Firefighters Union of Australia - New South Wales Branch

ABN: 51 824 544 079

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**Statement of Profit or Loss and Other Comprehensive Income**

For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Membership subscriptions		1,075	1,273
Writeback of related party payable	12	-	1,894
		<u>1,075</u>	<u>3,167</u>
<b>Expenditure</b>			
Audit fees	9	(1,050)	(1,000)
Legal fees		(4,155)	-
Net bad debts expense writeback		2,551	-
Other expenses	12	(64)	(39)
		<u>(2,718)</u>	<u>(1,039)</u>
<b>Result for the year</b>		<u>(1,643)</u>	<u>2,128</u>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<u>(1,643)</u>	<u>2,128</u>

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The accompanying notes form part of these financial statements.

## United Firefighters Union of Australia - New South Wales Branch

ABN: 51 824 544 079

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### Balance Sheet

As at 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	16,772	16,736
Trade and other receivables	5	79,526	76,975
TOTAL CURRENT ASSETS		<u>96,298</u>	<u>93,711</u>
NON-CURRENT ASSETS			
TOTAL ASSETS		<u>96,298</u>	<u>93,711</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	6	124,852	120,622
TOTAL CURRENT LIABILITIES		<u>124,852</u>	<u>120,622</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>124,852</u>	<u>120,622</u>
NET ASSETS		<u>(28,554)</u>	<u>(26,911)</u>
RETAINED EARNINGS		<u>(28,554)</u>	<u>(26,911)</u>

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The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - New South Wales Branch

ABN: 51 824 544 079

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**Statement of Changes in Equity**

For the Year Ended 30 June 2019

	Retained Earnings \$
Balance at 1 July 2018	(26,911)
Result for the year	<u>(1,643)</u>
Balance at 30 June 2019	<u><u>(28,554)</u></u>
Balance at 1 July 2017	(29,039)
Result for the year	<u>2,128</u>
Balance at 30 June 2018	<u><u>(26,911)</u></u>

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The accompanying notes form part of these financial statements.

## United Firefighters Union of Australia - New South Wales Branch

ABN: 51 824 544 079

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### Statement of Cash Flows

For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members	1,180	1,509
Payments to suppliers	(1,144)	(1,166)
Net cash provided by operating activities	10 <u>36</u>	<u>343</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net cash used by investing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents held	36	343
Cash and cash equivalents at beginning of year	<u>16,736</u>	<u>16,393</u>
Cash and cash equivalents at end of financial year	4 <u><u>16,772</u></u>	<u><u>16,736</u></u>

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The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 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 Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Branch is a not-for-profit entity.

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

Comparatives are consistent with prior years, unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Branch is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

#### (b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Branch and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

#### Interest revenue

Interest is recognised using the effective interest rate method.

#### Membership fees

Revenue from the provision of membership subscriptions is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

#### (c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (d) Financial instruments

##### Accounting policy applied from 1 July 2018

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

##### 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)

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

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

#### (d) Financial instruments (continued)

##### Financial assets (continued)

###### *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 balance sheet.

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

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

###### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost

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 effort. 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.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

#### (d) Financial instruments (continued)

##### Financial assets (continued)

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.

Credit losses are measured as the present value of the difference between the cash flows due to the Branch in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade receivables*

Impairment of trade receivables 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 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 finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Branch renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *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.



## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

#### (d) Financial instruments (continued)

##### 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.

The financial liabilities of the Branch comprise trade payables, bank and other loans and finance lease liabilities.

##### Accounting policy applied to 1 July 2018

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Branch becomes party to the contractual provisions of 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).

##### *Financial Assets*

Financial assets for the Branch are represented by receivables.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Branch's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

#### (d) Financial instruments (continued)

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Branch renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Branch does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

#### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Branch's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

#### *Impairment of financial assets*

At the end of the reporting period the Branch assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

**(f) Going concern**

The United Firefighters Union of Australia New South Wales Branch had an operating deficit of \$1,643 for the year ended 30 June 2019 (2018: surplus of \$2,128) and had net liabilities of \$28,554 as at 30 June 2019 (2018: \$26,911). The financial statements have been prepared on a going concern basis due to an offer of financial support, as referred to at note 13.

**(g) Capitation fees and levies**

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

**(h) Fair Value Measurement**

The 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.

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 Branch. 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.

The 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.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

#### (h) Fair Value Measurement (continued)

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 Branch 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.

For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Management of the Branch assessed that the carrying values of all financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### (i) Change in accounting policy

During the current year, AASB 9 Financial Instruments has become mandatory, which has not had a material impact (in the current year or retrospectively) upon the measurement of assets, liabilities, equity, income or expenses, nor upon the disclosures required in this financial report.

The updated accounting policy is disclosed within note 2(d).

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

#### (j) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Branch has decided not to early adopt these Standards. The below summarises those future requirements, and their impact on the Branch where the standard is relevant:

##### *AASB 16 Leases*

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

For not-for-profit (NFP) entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Branch plans to adopt AASB 16 for the year ending 30 June 2020 using the modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of them lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

At this stage, the Branch is not able to estimate the impact of the new rules on the Branch's financial statements. The Branch will make more detailed assessments of the impact over the next twelve months.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

#### (j) New Accounting Standards and Interpretations for Application in Future Periods (continued)

##### *AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from contracts with customers*

AASB 1058 clarifies and simplifies the income recognition requirements that apply to NFP entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Branch plans to adopt AASB 15 for the year ending 30 June 2020 using the modified retrospective method.

At this stage, the Branch is not able to estimate the impact of the new rules on the Branch's financial statements. The Branch will make more detailed assessments of the impact over the next twelve months.

### 3 Critical Accounting Estimates and Judgments

The Branch Committee of Management make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates made have been described below.

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### 4 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and on hand	<u>16,772</u>	<u>16,736</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 5 Trade and Other Receivables

	2019	2018
	\$	\$
Trade and other receivables (cost)	79,526	82,089
Provision for impairment	-	(7,475)
	<u>79,526</u>	<u>74,614</u>
Other receivables	-	2,361
	<u>79,526</u>	<u>76,975</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

*Reconciliation of changes in the provision for impairment of receivables is as follows:*

Balance at beginning of the year	(7,475)	(7,475)
Writeback of provision	7,475	-
<b>Balance at end of the year</b>	<u>-</u>	<u>(7,475)</u>

The Branch measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Branch writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over - years past due, whichever occurs first.

#### Receivables from other reporting units

United Firefighters Union of Australia - National Office	79,526	79,526
Less: provision for doubtful debts	-	(7,475)
	<u>79,526</u>	<u>72,051</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 6 Trade and Other Payables

	Note	2019 \$	2018 \$
Trade payables		<u>124,852</u>	<u>120,622</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

#### (a) Payables to other reporting units

United Firefighters Union of Australia - National Office		<u>119,624</u>	<u>119,583</u>
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### 7 Financial Risk Management

The main risks the Branch is exposed to through its financial instruments is credit risk.

The Branch's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 (2018: AASB 139) as detailed in the accounting policies to these financial statements, are as follows:

#### Financial Assets

Cash and cash equivalents	4	16,772	16,736
Trade and other receivables	5	<u>79,526</u>	<u>76,975</u>
<b>Total financial assets</b>		<u><b>96,298</b></u>	<u><b>93,711</b></u>

#### Financial Liabilities

Financial liabilities at amortised cost			
Trade and other payables	6	<u>120,852</u>	<u>120,622</u>

#### Liquidity risk

Liquidity risk arises from the Branch's management of working capital. It is the risk that the Branch will encounter difficulty in meeting its financial obligations as they fall due.

The Branch's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

The Branch manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Branch expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.



## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 7 Financial Risk Management (continued)

#### Liquidity risk (continued)

The Branch's liabilities have contractual maturities which are summarised below:

	Less than 1 year	
	2019	2018
	\$	\$
Trade Payables	<u>120,605</u>	<u>120,622</u>

#### Credit risk

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Branch.

#### Credit risk - trade and other receivables

The following details the Branch's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Branch and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Branch.

The balances of receivables that remain within initial trade terms are considered to be of high credit quality. There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

The Branch does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

#### Market risk

The Branch is not exposed to a material level of interest rate risk or equity price risk.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 8 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of United Firefighters Union of Australia - New South Wales Branch during the year are as follows:

	2019	2018
	\$	\$
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total remuneration</b>	<u>-</u>	<u>-</u>

There are no office holders directly remunerated by the Branch.

### 9 Auditor's Remuneration

Remuneration of the auditor of the branch, for auditing the financial statements	<u>1,050</u>	<u>1,000</u>
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### 10 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

Result for the year	(4,194)	2,128
Non-cash flows in the operating profit (loss):		
- adjustment to net payables	-	(1,785)
Changes in assets and liabilities:		
- increase in trade and other payables	4,230	-
Net cash inflow from operating activities	<u>36</u>	<u>343</u>

### 11 Contingencies

In the opinion of the Branch Committee of Management, the Branch did not have any contingencies at 30 June 2019 (30 June 2018: None).

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 12 Related Parties

##### *(i) Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel (KMP), refer to Note 8: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

##### *(ii) Fire Brigade Employees Union of New South Wales*

The Fire Brigade Employees Union of New South Wales has agreed to provide financial support as referred to at Note 13.

##### *(iii) United Firefighters Union of Australia - National Office*

The Branch incurred capitation fees of \$64 to the National Office during the financial year (cashflows of \$nil). During the prior year, there was a net writeback of the related party payable (refer note 5 and 6) of \$1,894 (cashflow of \$nil).

#### **Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no transactions with related parties during the year.

#### 13 Financial support

The net amount payable to the National Office, as referred to at note 5 and 6, is \$40,098 which represents the Branch's calculation of the net liability (excluding the provision for doubtful debts). This amount has been in dispute with National Office for at least the past eight years and remains unresolved at the date of signing these financial statements. The Branch Committee of Management is of the opinion that the liability will not be called upon within 12 months of signing these financial statements due to the disputed capitation amounts due and the inability of the National Office to recommence the legal proceedings against the NSW Branch that it discontinued in 2012.

The Branch Committee of Management is satisfied that the current operational cash flow will meet the estimated obligations of the Branch and, given the formal commitment of the Fire Brigade Employees Union of New South Wales to underwrite any Branch liability that is ordered by a competent court to be paid, that all liabilities of the Branch will be met as and when they fall due.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 14 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which 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 future financial years.

### 15 Retrospective restatement

In the 30 June 2018 financial report, the Branch offset the amounts receivable from and payable to the United Firefighters Union of Australia National Office. Following correspondence from the Registered Organisations Committee, the Branch has retrospectively restated the comparative information in order to provide more detailed disclosures relevant to the users of the financial report.

The aggregate effect of this change on the financial statements for the year ended 30 June 2018 is as follows:

	Previously stated	30 June 2018 Adjustments	Restated
	\$	\$	\$
<b>Balance sheet</b>			
<b>Current assets</b>	-	-	-
Trade and other receivables (cost)	-	79,526	79,526
Provision for impairment	-	(2,551)	(2,551)
Total current assets	16,736	76,975	93,711
<b>Current liabilities</b>	-	-	-
Trade and other payables	43,647	76,975	120,622
Total current liabilities	43,647	76,975	120,622
Net assets	(26,911)	-	(26,911)
<b>Retained earnings</b>			
Total equity	(26,911)	-	(26,911)

### 16 Fair Value Measurement

The fair values of financial assets and financial liabilities are materially consistent with their carrying value as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 17 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

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

**United Firefighters Union of Australia - New South Wales Branch**

ABN: 51 824 544 079

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**Subsection 255(2A) report**  
**For the Year Ended 30 June 2019**

The Branch Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

<b>Categories of expenditures</b>	<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
Remuneration and other employment related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	2,718	1,039
Donations to political parties	-	-
Legal costs	4,155	-



**G Matthews**  
**Branch Secretary**

26 November 2019

## Officer Declaration Statement For the Year Ended 30 June 2019

I, Greg Matthews, being Branch President of the United Firefighters Union of Australia - New South Wales Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- ~~• agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)~~
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- ~~• receive periodic or membership subscriptions~~
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- ~~• pay capitation fees or any other expense to another reporting unit~~
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay wages and salaries to employees (other than holders of office)
- pay superannuation to employees (other than holders of office)
- pay leave and other entitlements to employees (other than holders of office)
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- ~~• have a receivable with other reporting unit(s)~~
- ~~• have a payable with other reporting unit(s)~~
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office

## United Firefighters Union of Australia - New South Wales Branch

ABN: 51 824 544 079

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- have other employee provisions in respect of holders of office
- have a annual leave provision in respect of employees (other than holders of office)
- have a long service leave provision in respect of employees (other than holders of office)
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Greg Matthews  
Branch President

26 November 2019



## Independent Audit Report to the members of United Firefighters Union of Australia - New South Wales Branch

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of United Firefighters Union of Australia - New South Wales Branch ("the Branch"), which comprises the balance sheet as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement .

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Branch as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) the Australian Accounting Standards; and
- (ii) 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).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Branch is appropriate.

#### Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Report and Auditors 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 included in the operating report accompanying the financial report.

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ABN 43 152 844 291  
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Scheme approved under  
Professional Standards  
Legislation.



## **Independent Audit Report to the members of United Firefighters Union of Australia - New South Wales Branch**

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

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

### **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Branch 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 Branch'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 Branch or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are 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 our 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Branch Committee of Management.



## Independent Audit Report to the members of United Firefighters Union of Australia - New South Wales Branch

- Conclude on the appropriateness of the Branch 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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch 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.

We 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 we identify during our audit.

I declare that I am an auditor registered under the RO Act.

*Daley Audit*  
Daley Audit

*Michael Mundt*  
Michael Mundt  
Partner

Wollongong

26 November 2019

Registration Number (as registered by the RO Commissioner under the RO Act): AA2017/67

Liability limited by a Scheme under Professional Standards Legislation.