



24 May 2019

Mr Chris Read
Branch Secretary
United Firefighters' Union of Australia-New South Wales Branch

By e-mail: ufuansw@gmail.com

CC: mm@daley.com.au

Dear Mr Read,

United Firefighters' Union of Australia-New South Wales Branch

Financial Report for the year ended 30 June 2018 - [FR2018/193]

I acknowledge receipt of the financial report of the United Firefighters' Union of Australia-New South Wales Branch (**UFUA-NSW**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 20 December 2018.

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

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

Trade Receivables and Trade Payables

The statement of financial position discloses a nil balance for trade and other receivables as at 30 June 2018 compared to \$76,946 as at 30 June 2017. Note 5 *Trades and other receivables* indicates that as at 30 June 2017, \$72,051 relates to receivables from the United Firefighters Union Australia – National Office (**National office**).

The statement of financial position also discloses a total trade and other payables balance of \$43,647 as at 30 June 2018 compared to a balance as at 30 June 2017 of \$122,378. Note 6 *Trade and other payables* discloses a balance of \$42,608 owing to the National office as at 30 June 2018 compared to an amount of \$119,583 as at 30 June 2017.

As per your correspondence with the ROC on 21 February 2019, you have advised that in preparing the 2018 financial report the UFUA-NSW has offset the receivable balance from the National office and the payable balance to the National office.

I note that the financial report of the National office and the UFUA-NSW contained inconsistent figures regarding capitation fees payable and capitation fees receivables. This inconsistency appears to be the outcome of the on-going internal dispute between the two reporting units.

Paragraph 32 of Australian Accounting Standard *AASB 101 Presentation of Financial Statements (AASB 101)* states that:

'an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an Australian Accounting Standard.'

Paragraph 33 of AASB 101 states that:

'offsetting in the statement(s) of profit or loss and other comprehensive income or financial position, except when offsetting reflects the substance of the transaction or other event, detracts from the ability to users both to understand the transactions, other events and conditions that have occurred and to access the entity's future cash flows.'

Due to the nature of the transactions, the offset of the receivables and payables does not reflect the true substance of the event and therefore, detracts from the ability of users to understand the transactions.

Paragraph 42 of *AASB 132 Financial Instruments: Presentation* states that *'a financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:*

- a) currently has a legally enforceable right to set off the recognised amounts; and*
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously'*

As there is an on-going dispute between the National office and UFUA-NSW and the National office does not recognise the liability owing to the UFUA-NSW, the UFUA-NSW has yet derived a legally enforceable right to offset the recognised amounts. The Accounting Standards therefore do not allow the UFUA-NSW to offset the transactions regarding the receivables and payables to the National office.

In future years, the ROC will expect that the assets and liabilities of UFUA-NSW are disclosed separately in according to paragraph 32 of AASB 101. The comparative figures are to be adjusted accordingly.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at Kylie.Ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Financial Reporting Assistant
Registered Organisations Commission



20 December 2018

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 2018
Fair Work (Registered Organisations) Act 2009 – (RO Act)**

I, Chris Read, being the Branch Secretary of 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 2018; and
- that the full report was provided to members of the Branch on 7 November 2018 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 19 December 2018 in accordance with s266(1) of the Fair Work (Registered Organisations) Act 2009.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'Chris Read'.

Chris Read
Branch Secretary

United Firefighters Union of Australia New South Wales Branch

ABN: 51 824 544 079

Financial Statements

For the Year Ended 30 June 2018

United Firefighters Union of Australia - New South Wales Branch

ABN: 51 824 544 079

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For the Year Ended 30 June 2018

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Operating Report

30 June 2018

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 2018.

Names of Branch Committee of Management members and 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

All members of the Branch Committee of Management were in office for the period 1 July 2017 to 30 June 2018, 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 surplus for the United Firefighters Union of Australia - New South Wales Branch for the year ended 30 June 2018 was \$2,128 (2017: \$278) and the Branch Committee of Management believe that the Branch achieved its 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 (2017: 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.

Number of employees

The total number of full time equivalent employees as at 30 June 2018 was Nil (30 June 2017: Nil).

Operating Report

30 June 2018

Officers or members who are superannuation fund trustees or a director of a company that is a superannuation fund trustee 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 superannuation scheme.

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



C Read

Branch Secretary



G Matthews

Branch President

3 November 2018

Committee of Management Statement

On 3 November 2018 the Branch 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 2018:

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 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 2018;
- (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 2018 and since the end of the financial year:
 - i) meetings of the Branch 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) no information has been sought in any request by a member of the Commissioner under section 272 of the RO Act; and
 - vi) no order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act.

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



Chris Read
Branch Secretary

Dated: 3 November 2018

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Membership subscriptions		1,273	1,207
Writeback of related party payable	11	1,894	10
Total Income		3,167	1,217
Expenditure			
Audit Fees	9	(1,000)	(900)
Capitation fees	11	(39)	(39)
Total expenditure		(1,039)	(939)
Result for the year		2,128	278
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,128	278

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - New South Wales Branch

ABN: 51 824 544 079

Balance Sheet

As at 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	16,736	16,393
Trade and other receivables	5	-	76,946
TOTAL CURRENT ASSETS		<u>16,736</u>	<u>93,339</u>
NON-CURRENT ASSETS			
TOTAL ASSETS		<u>16,736</u>	<u>93,339</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	43,647	122,378
TOTAL CURRENT LIABILITIES		<u>43,647</u>	<u>122,378</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>43,647</u>	<u>122,378</u>
NET ASSETS		<u>(26,911)</u>	<u>(29,039)</u>
RETAINED EARNINGS		<u>(26,911)</u>	<u>(29,039)</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2018

	Retained Earnings \$
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>
Balance at 1 July 2016	(29,317)
Result for the year	<u>278</u>
Balance at 30 June 2017	<u><u>(29,039)</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members	1,509	1,328
Payments to suppliers	(1,166)	(958)
Interest received	-	1
Other receipts	-	9
Net cash provided by operating activities	12 343	380
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash used by investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used by financing activities	-	-
Net increase in cash and cash equivalents held	343	380
Cash and cash equivalents at beginning of year	-	16,013
Cash and cash equivalents at end of financial year	4 343	16,393

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2018

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 the 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 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 2018

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

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 loans and 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.

Loans and receivables

Loans and 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

(d) Financial instruments (continued)

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.

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 loans and 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 comprises 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 2018

2 Summary of Significant Accounting Policies (continued)

(f) Going concern

The United Firefighters Union of Australia New South Wales Branch had an operating surplus of \$2,128 for the year ended 30 June 2018 (2017: \$278) and had net liabilities of \$26,911 as at 30 June 2018 (2017: \$29,039). The financial statements have been prepared on a going concern basis due to an offer of financial support, as referred to at Note 14.

(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 2018

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) Adoption of new and revised accounting standards

During the current year, there have been no new or revised accounting standards that have become mandatory, which have 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

(j) New Accounting Standards and Interpretations

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 following table summarises those future requirements, and their impact on the Branch where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments	Mandatory for financial years commencing on or after 1 January 2018.	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	There will be no impact on the Branch's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Branch does not have any such liabilities.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

(j) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from Contracts with Customers	Mandatory for financial years commencing on or after 1 January 2019.	<p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.</p> <p>The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period.</p> <p>They will only need to apply the new rules to contracts that are not completed as of the date of initial application.</p>	Management have assessed that this will not have any impact upon the way revenue is recognised under the current arrangements in place with customers.

3 Critical Accounting Estimates and Judgments

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

These estimates and judgements 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 and judgements made have been described below.

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Critical Accounting Estimates and Judgments (continued)

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

	2018	2017
	\$	\$
Cash at bank and on hand	<u>16,736</u>	<u>16,393</u>

5 Trade and Other Receivables

Trade receivables	-	82,089
Provision for impairment	-	(7,475)
Other receivables	-	2,332
	<u>-</u>	<u>76,946</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.

Receivables from other reporting units

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

Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Trade and Other Payables

	2018	2017
	\$	\$
Trade payables	<u>43,647</u>	<u>122,378</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>42,608</u>	<u>119,583</u>
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7 Financial Risk Management

The main risks United Firefighters Union of Australia - New South Wales 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 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	4	16,736	16,393
Trade and other receivables	5	-	76,946
Total financial assets		<u>16,736</u>	<u>93,339</u>

Financial Liabilities

Financial liabilities at amortised cost			
Trade and other payables	6	43,647	122,378

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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

7 Financial Risk Management (continued)

Liquidity risk (continued)

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.

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

	Less than 1 year	
	2018	2017
	\$	\$
Trade Payables	<u>43,647</u>	<u>122,378</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 table details the Branch's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis 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 counter party 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

7 Financial Risk Management (continued)

Credit risk - Trade and Other Receivables (continued)

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality (there are no balances as at 30 June 2018).

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
2017							
Trade receivables	82,089	7,475	-	-	-	-	74,614
Other receivables	2,332	-	-	-	-	-	2,332
Total	84,421	7,475	-	-	-	-	76,946

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

The other classes of receivables do not contain impaired assets.

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 2018

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:

	2018	2017
	\$	\$
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total remuneration	<u>-</u>	<u>-</u>

There are no office holders directly remunerated by the Branch.

9 Auditor's Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor of the branch, for auditing the financial statements	<u>1,000</u>	<u>900</u>

10 Contingencies

In the opinion of the Branch Committee of Management, the Branch did not have any contingencies at 30 June 2018 (30 June 2017: None).

Notes to the Financial Statements

For the Year Ended 30 June 2018

11 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 14.

(iii) United Firefighters Union of Australia - National Office

The Branch paid capitation fees of \$39 to the National Office during the financial year (cashflows of \$43). Also, during the 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.

12 Cash Flow Information

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

	2018	2017
	\$	\$
Result for the year	2,128	278
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	-	102
Net cash inflow from operating activities	<u>343</u>	<u>380</u>

Notes to the Financial Statements

For the Year Ended 30 June 2018

13 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.

14 Financial support

The net amount payable to the National Office, as referred to at note 6, is \$42,608 which represents the Branch's calculation of the net liability. This amount has been in dispute with National Office for at least the past seven 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 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 legitimate liabilities of the Branch will be met.

15 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

Subsection 255(2A) report

For the Year Ended 30 June 2018

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 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	1,039	939
Donations to political parties	-	-
Legal costs	-	-



Chris Read
Branch Secretary

3 November 2018

Officer Declaration Statement

For the Year Ended 30 June 2018

I, Chris Read, being a Branch Secretary 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 2018.

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 from another reporting unit
- receive any other revenue 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 to another reporting unit~~
- pay 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 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 a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch

Officer Declaration Statement

For the Year Ended 30 June 2018

- 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
- have any employees and therefore there are no employee provisions or benefits to be disclosed



Chris Read
Branch Secretary

3 November 2018

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 Reporting Unit), which comprises the balance sheet as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, the Branch 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 United Firefighters of Australia New South Wales Branch as at 30 June 2018 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 Reporting Unit 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 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 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 Branch 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.

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.

Independent Audit Report

to the members of United Firefighters Union of Australia - New South Wales Branch

Responsibilities of Committee Of Management for the Financial Report

The Branch 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 Branch 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 Branch 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 Branch 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

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 judgement 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 Reporting Unit'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 .
- 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 Reporting Unit'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 Reporting Unit to cease to continue as a going concern.

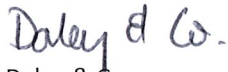
Independent Audit Report

to the members of United Firefighters Union of Australia - New South Wales Branch

- 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 Branch 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 & Co
Chartered Accountants



Michael Mundt
Partner

Wollongong

3 November 2018

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

Liability limited by a Scheme under Professional Standards Legislation



11 December 2018

Mr Christopher Read
Branch Secretary
United Firefighters' Union of Australia-New South Wales Branch
Sent via email: ufuansw@gmail.com

Dear Mr Read,

Lodgement of Financial Report - Reminder to lodge

The Registered Organisations Commission's (the ROC) records disclose that the financial year of the United Firefighters' Union of Australia-New South Wales Branch (the reporting unit) ended on the 30 June 2018.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the ROC within 14 days of that meeting.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$105,000 per contravention on the organisation and up to \$21,000 per contravention on an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to regorgs@roc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 9954 2931 or via email at Sam.Gallichio@roc.gov.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Sam Gallichio'.

Sam Gallichio
Registered Organisations Commission



25 September 2018

Mr Chris Read
United Firefighters' Union of Australia-New South Wales Branch

By Email: ufuansw@gmail.com

Dear Mr Read,

**Re: Lodgement of Financial Report - [FR2018/193]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the United Firefighters' Union of Australia-New South Wales Branch (the reporting unit) ended on 30 June 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 28 September 2018.

The attached fact sheet *Loans Grants and Donations (FS 009)* summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines (FS 008)* summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 December 2018 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the

ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into operation with effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (also available on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,



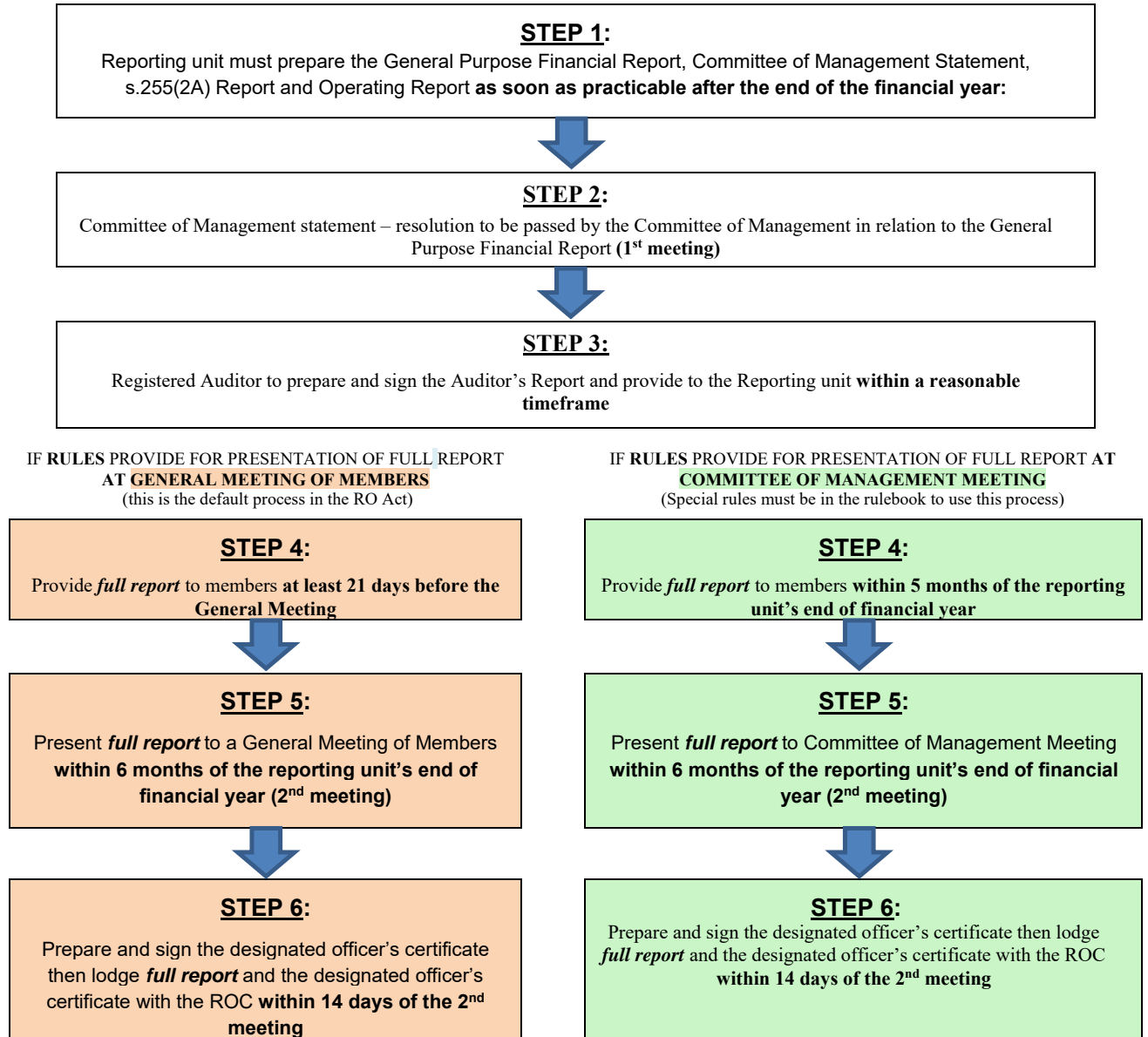
Sarah Wilkin
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



Fact sheet



Australian Government
Registered Organisations Commission

FS 009
(19 June 2017)

Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.





The Loans, Grants & Donations Statement



Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL. Common misconceptions Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner’s Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants OR donations*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice