



28 January 2021

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

Sent via email: ufuansw@gmail.com

CC: mm@daley.com.au

Dear Greg Matthews,

**United Firefighters' Union of Australia-New South Wales Branch
Financial Report for the year ended 30 June 2020 – (FR2020/45)**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the United Firefighters' Union of Australia-New South Wales Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 31 December 2020.

The financial report has now been filed.

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 2021 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 concerns have been addressed prior to filing next year's report.

Non-compliance with previous requests

While we filed last year's financial report, we raised the issue of a reporting guideline activity which was not disclosed in the financial report (i.e. item 10 – agree to receive financial support from another reporting unit to continue as a going concern). I note that the same error has appeared in the current report.

The ROC aims to assist reporting units comply with their obligations under the RO Act and reporting guidelines by providing advice about the errors identified in financial reports. Please ensure that this issue is addressed in the next financial report.

Inconsistency in disclosure of financial information

The operating report states that there was an operating surplus of \$1,643 for the 2019 financial year. The statement of profit or loss and other comprehensive income, however, discloses an operating deficit of \$1,643 for the 2019 financial year.

In future years, please ensure that information within the financial report and operating report is disclosed consistently.

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 Kylie Ngo on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission



31 December 2020

The Executive Director
Registered Organisations Commission

By email: regorgs@roc.gov.au

**Re: Designated Officer's Certificate
Financial report for year ended 30 June 2020
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 2020; and
- that the full report was provided to members of the Branch on 26 November 2020 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 2020 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'.

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 2020

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

Operating Report

30 June 2020

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 2020.

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:

<u>Name</u>	<u>Position</u>
G Matthews	Branch President
P Harmon	Branch Vice President

All members of the Branch Committee of Management were in office for the period 1 July 2019 to 30 June 2020, 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 2020 was \$605 (2019: surplus of \$1,643) 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 (2019: 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 2020 was Nil (2019: Nil).

United Firefighters Union of Australia - New South Wales Branch

ABN: 51 824 544 079

Operating Report

30 June 2020

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 superannuation scheme.

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



G Matthews

Branch President

Dated: 26 November 2020

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Committee of Management Statement

On 26 November 2020 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 2020:

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 2020;
- (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 2020 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 that information 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 2020

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Membership subscriptions	4	<u>575</u>	<u>1,075</u>
Audit fees	10	(1,100)	(1,050)
Legal fees		-	(4,155)
Net bad debt expenses writeback		-	2,551
Other expenses		<u>(80)</u>	<u>(64)</u>
		<u>(1,180)</u>	<u>(2,718)</u>
Result for the year		<u>(605)</u>	<u>(1,643)</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(605)</u>	<u>(1,643)</u>

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 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	12,097	16,772
Trade and other receivables	6	79,526	79,526
TOTAL CURRENT ASSETS		<u>91,623</u>	<u>96,298</u>
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		<u>91,623</u>	<u>96,298</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	120,782	124,852
TOTAL CURRENT LIABILITIES		<u>120,782</u>	<u>124,852</u>
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		<u>120,782</u>	<u>124,852</u>
NET ASSETS		<u>(29,159)</u>	<u>(28,554)</u>
EQUITY			
Retained earnings		<u>(29,159)</u>	<u>(28,554)</u>

The accompanying notes form part of these financial statements.

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Retained Earnings \$
Balance at 1 July 2019	(28,554)
Result for the year	<u>(605)</u>
Balance at 30 June 2020	<u><u>(29,159)</u></u>
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>

The accompanying notes form part of these financial statements.

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Statement of Cash Flows

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members	575	1,180
Payments to suppliers	<u>(5,250)</u>	<u>(1,144)</u>
Net cash provided/(used) by operating activities	11 <u>(4,675)</u>	<u>36</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash used by investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents held	(4,675)	36
Cash and cash equivalents at beginning of year	<u>16,772</u>	<u>16,736</u>
Cash and cash equivalents at end of financial year	5 <u><u>12,097</u></u>	<u><u>16,772</u></u>

The accompanying notes form part of these financial statements.

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

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

Accounting policy applied from 1 July 2019

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Branch expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Accounting policy applied from 1 July 2019 (continued)

None of the revenue streams of the Branch have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Branch are:

Membership subscriptions

Membership services requires the annual subscription payment to be made upfront. A contract liability is recognised on receipt of the payment and recognised on a straight-line basis as revenue as the services are provided.

Interest revenue

Interest is recognised using the effective interest rate method.

Accounting policy applied prior to 1 July 2019

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.

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.

United Firefighters Union Of Australia - New South Wales Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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 payables 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 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.

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Classification

On initial recognition, the Branch classifies its financial assets as those measured at amortised cost.

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(d) Financial instruments (continued)

Financial assets (continued)

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

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.

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(d) Financial instruments (continued)

Financial assets (continued)

Other financial assets measured at amortised cost

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

Financial liabilities

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

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

(e) Cash and cash equivalents

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

(f) Going concern

The United Firefighters Union of Australia - New South Wales Branch had an operating deficit of \$605 for the year ended 30 June 2020 (2019: deficit of \$1,643) and had net liabilities of \$29,159 as at 30 June 2020 (2019: \$28,554). 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 an expense in the year to which it relates.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(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.

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.

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(i) Change in accounting policy

The Branch adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, the Branch recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, the Branch has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 July 2019.

(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.

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.

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Revenue and Other Income

	2020	2019
	\$	\$
Revenue from contracts with customers		
Membership subscriptions	<u>575</u>	<u>1,075</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated; the following table shows this breakdown:

	2020
	\$
Timing of revenue recognition	
- At a point in time	-
- Over time	<u>575</u>
	<u>575</u>

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and on hand	<u>12,097</u>	<u>16,772</u>

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

6 Trade and Other Receivables

	2020	2019
	\$	\$
Trade and other receivables	79,526	79,526
Provision for impairment	-	-
	<u>79,526</u>	<u>79,526</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)
Writeback of provision	-	7,475
Balance at end of the year	<u>-</u>	<u>-</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 1 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	-	-
	<u>79,526</u>	<u>79,526</u>

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

7 Trade and Other Payables

	Note	2020 \$	2019 \$
Trade and other payables		<u>120,782</u>	<u>124,852</u>

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

Payables to other reporting units

United Firefighters Union of Australia - National Office		<u>119,667</u>	<u>119,624</u>
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8 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 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	5	12,097	16,772
Trade and other receivables	6	<u>79,526</u>	<u>79,526</u>
Total financial assets		<u>91,623</u>	<u>96,298</u>

Financial Liabilities

Financial liabilities at amortised cost			
Trade and other payables	7	<u>120,782</u>	<u>120,852</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.

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Financial Risk Management (continued)

Liquidity risk (continued)

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

	Less than 1 year	
	2020	2019
	\$	\$
Trade Payables	<u>120,782</u>	<u>120,852</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.

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Key Management Personnel Disclosures

There are no office holders directly remunerated by the Branch.

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Auditor's Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor of the branch, for auditing the financial statements	<u>1,100</u>	<u>1,050</u>

11 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Result for the year	(605)	(4,194)
Non-cash flows in the operating profit (loss):		
Changes in assets and liabilities:		
- increase/(decrease) in trade and other payables	<u>(4,070)</u>	4,230
Net cash inflow from operating activities	<u>(4,675)</u>	<u>36</u>

12 Contingencies

In the opinion of the Branch Committee of Management, the Branch did not have any contingencies at 30 June 2020 (30 June 2019: None).

13 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 9: 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.

United Firefighters Union Of Australia - New South Wales Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

13 Related Parties (continued)

(iii) United Firefighters Union of Australia - National Office

The Branch incurred capitation fees of \$42 to the National Office during the financial year (cashflows of \$nil) (2019: \$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 other transactions with related parties during the year.

14 Financial support

The net amount payable to the National Office, as referred to at note 6 and 7, is \$40,141 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.

15 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.

United Firefighters Union Of Australia - New South Wales Branch

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Notes to the Financial Statements

For the Year Ended 30 June 2020

16 Change in Accounting Policy

On 1 July 2019 the Branch adopted the following new accounting standards that were mandatory for the first time:

- AASB 15 *Revenue from contracts with customers*
- AASB 16 *Leases*
- AASB 1058 *Income for Not-for-Profit Entities*

All standards have been applied to the year ended 30 June 2020, however, as allowed, comparatives have not been restated.

AASB 15, AASB 16 and AASB 1058 resulted in changes to accounting policies, however no adjustments were required to be recognised in the financial statements.

17 Events Occurring After the Reporting Date

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch.

No other 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.

18 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

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Subsection 255(2A) report

For the Year Ended 30 June 2020

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 2020.

Categories of expenditures	2020 \$	2019 \$
Remuneration and other employment related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	1,180	2,718
Donations to political parties	-	-
Legal costs	-	4,155



G Matthews
Branch Secretary

Dated: 26 November 2020

United Firefighters Union Of Australia - New South Wales Branch

ABN: 51 824 544 079

Officer Declaration Statement

For the Year Ended 30 June 2020

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 2020.

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~~
- ~~• have a payable with other reporting unit~~
- 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
- have other employee provisions in respect of holders of office

United Firefighters Union Of Australia - New South Wales Branch

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- 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 unit 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

Dated: 26 November 2020



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 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020, 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 2020, 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 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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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
Dated: 26 November 2020

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

Liability limited by a scheme under Professional Standards Legislation.