



FAIR WORK
AUSTRALIA

28 January 2011

Mr Peter Marshall
Branch Secretary
Victorian Branch
United Firefighters' Union of Australia
410 Brunswick Street
FITZROY VIC 3065

By email: p.marshall@ufuvic.asn.au

Dear Mr Marshall

**Fair Work (Registered Organisations) Act 2009 – (RO Act)
Financial report for year ended 30 June 2009 (FR2009/308)
Financial report for year ended 30 June 2010 (FR2010/2602)**

I acknowledge receipt of the financial reports for the Victorian Branch of the United Firefighters' Union of Australia (UFUA) for the years ended 30 June 2009 and 2010. The documents were lodged with Fair Work Australia (FWA) on 20 January 2011.

I also note that the financial report for year ended 30 June 2009 was initially lodged with our office on 28 October 2010 however in my letter to you dated 10 November I advised that the report would not be filed because there was no quorum achieved at the s266 meeting on 25 October 2010. The financial report for year ended 30 June 2009 was again presented to a general meeting of members on 10 January 2011 at which a quorum was achieved.

The financial reports for both years ended 30 June 2009 and 2010 have now been filed.

Although the reports have been filed, there are several matters to note for the preparation of future financial reports. I have provided a link to the Reporting Guidelines of the General Manager at: <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> (select the s253 guidelines).

1. Income Statement - Separation of Certain Items of Expense

Item 11 of the Reporting Guidelines govern the type of expenses required to be disclosed by a reporting unit. I note items in the income statement provided certain expenses as an aggregate (such as "affiliation fees and levies" and "employee benefits expenses") when they are required to be provided as separate amounts. Please ensure in future the following expense items are disclosed separately:

- Fees and periodic subscriptions in respect of its affiliation to any political party, federation or group of organisations having an interest in industrial matters (11(d));
- Compulsory levies imposed on the reporting unit (11(e));
- Employee benefits to holders of office (11(g)); and
- Employee benefits to employees (11(h)).

Accordingly, there should also be a separation of the employee benefits to office holders and employee benefits to other employees in the current and non-current liabilities of the balance

sheet. I note there was such a separation in the notes to the financial report for year ended 30 June 2010 but not in the 2009. Please ensure this separation of the employee benefits is maintained in future financial reports.

2. Wage Recovery Activity

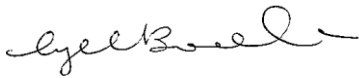
The Reporting Guidelines require the reporting of recovery of wages activity. Where the reporting unit has not undertaken any recovery of wages activity for the financial year a statement by the committee of management stating that there was no recovery of wages for the financial year would satisfy FWA that the reporting unit is aware of such an obligation and that there was no such activity to report. The absence of any statement may suggest that the reporting unit is unaware of this reporting obligation.

3. Operating Report - Names of Committee of Management Members

The operating report requires the provision of names of each person who has been a member of the committee of management of the reporting unit. From the operating report lodged the information regarding the committee of management members omitted to include yourself as the Branch Secretary. Schedule 2 rule 1(1)(a)(i) of the UFUA rules provide that the Secretary is part of the Branch committee of management. Therefore, please include yourself in the list of names of members of the committee of management.

If you wish to discuss any matters contained in this correspondence I may be contacted on (03) 8661 7989 (Tues – Fri) or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely



Cynthia Lo-Booth
Tribunal Services and Organisations

FR2009/308
FR2010/2602



United Firefighters Union

Victorian Branch ABN 74 030 569 265

410 Brunswick Street
Fitzroy Victoria 3065
Australia
Email: officeadmin@ufuvic.asn.au
Phone: (03) 9419 8811

Website: www.ufuvic.asn.au
Fax: (03) 9419 9258

20 January 2011

Strictly Private & Confidential

Ms Cynthia Lo-Booth
Tribunal Services and Organisations
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001



Dear Ms Lo-Booth

**United Firefighters Union of Australia – Victorian Branch
Designated Officer's Certificate**

I, Peter Marshall, being the Secretary of the United Firefighters Union of Australia certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009 being financial report for the year ended 30 June 2009 and 30 June 2010; and
- that the full report was provided to members on 1 December 2010; and
- that the full report was presented to a general meeting of members on 10 January 2011; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Should you have any queries in relation to the Financial Statements, please do not hesitate to me.

Yours sincerely

PETER MARSHALL
Secretary

Encl

FR 2010/2602

AGOSTINELLI PERLEN

CHARTERED ACCOUNTANTS



United Firefighters' Union of Australia - Victorian Branch

General Purpose Financial Reports

For the year ended 30 June 2010

Directors: **JOHN AGOSTINELLI - HENRY V PERLEN**

Level 2 200 Lygon Street Carlton (PO Box 88 Carlton South Victoria 3053)

Telephone (03) 9654 2022 Facsimile (03) 9654 2044

Email: info@agpe.com.au Website: www.agpe.com.au

Liability limited by a scheme approved under Professional Standards Legislation

UNITED FIREFIGHTERS' UNION OF AUSTRALIA
VICTORIAN BRANCH

GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010

CONTENTS

	<u>Page</u>
Financial Statements	
Operating Report	1
Committee of Management Certificate	3
Independent Audit Report	4
Income Statement	6
Balance Sheet	7
Statement of Changes in Members' Funds	8
Cash Flow Statement	9
Notes to the Financial Statements	10

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

OPERATING REPORT

30 JUNE 2010

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 ("the ACT"), your Committee of Management present their report on the Union for the financial year ended 30 June 2010.

Principal Activities

The principal activities of United Firefighters' Union of Australia - Victorian Branch during the financial year was to represent professional firefighters and their safety.

No significant change in the nature of these activities occurred during the year.

Operating result

The operating surplus of the Union for the financial year amounted to \$127,921 (2009: Deficit of \$138,128). No provision for tax was necessary as the reporting unit is exempt from income tax.

Significant Changes in State of Affairs

No significant changes in the union's state of affairs occurred during the financial year.

After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the union, the results of those operations or the state of affairs of the union in future financial years.

Rights of Members

Subject to the rules of the organisation and Sec 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership of the organisation by written notice addressed to and delivered to the secretary of the organisation.

Superannuation Officeholders

No officer or member of the reporting unit:

- a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- b) is a director of a company that is trustee of a superannuation entity or an exempt public sector superannuation scheme.

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Act 2009:

- (a) the number of persons that were at the end of the financial year recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the registered organisation under section 244 of the Fair Work (Registered Organisations) Act 2009 was 2,589.
- (b) the number of persons who were at the end of the financial year employees of the organisation including both full and part time employees measured on a full time equivalent basis was 10.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

OPERATING REPORT

30 JUNE 2010

Other Prescribed Information continued

(c) the name of each person who has been a member of the Committee of Management of the organisation at any time during the financial year, and the periods for which they held such a position were:

Names	Position	Period
David Hamilton	President	1 July 2009 - present
Anthony Trimble	Senior Vice President	1 July 2009 - present
Ken Brown	Junior Vice President	1 July 2009 - present
Paul Martin	Trustee	1 July 2009 - present
Brendan Angwin	Trustee	1 July 2009 - present
Stuart Marshall	Trustee	1 July 2009 - present
Mick McGuinness	Trustee	1 July 2009 - present
Glen Cavanagh	Branch Committee of Management	1 July 2009 - present
Robert Gardiner	Branch Committee of Management	1 July 2009 - present
Danny Ward	Branch Committee of Management	1 July 2009 - present
James Kefalas	Branch Committee of Management	1 July 2009 - present
Chris Cleary	Branch Committee of Management	1 July 2009 - present
David Blundell	Branch Committee of Management	1 July 2009 - present
Mick Tisbury	Branch Committee of Management	1 July 2009 - present

Other Relevant Information

Nil.

Signed for and on behalf of the Committee of Management:



PETER MARSHALL
BRANCH SECRETARY

Dated this 16th day of November 2010.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

COMMITTEE OF MANAGEMENT CERTIFICATE

On the 16th day of November 2010 the Committee of Management of the United Firefighters' Union of Australia - Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2010.

The Committee of Management declares that in relation to the GPFR that in its opinion:

- (a) the financial statements and notes have been prepared in accordance with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Fair Work Australia;
- (c) the financial statements and notes show a true and fair view of the financial performance, financial position and cash flows of the reporting unit as at 30 June 2010;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of the year;
 - (i) meetings of the Committee were held during the year ended 30 June 2010, in accordance with the rules of the organisation including the rules of a branch concerned;
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation including the rules of a branch concerned, and
 - (iii) the financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the union have been kept as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information was sought by any member of the reporting unit or General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.

Signed on behalf of the Committee of Management:



DANNY WARD

Dated this 16th day of November 2010.

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

The Financial Report and committee of management's responsibility

We have audited the financial report of United Firefighters' Union of Australia- Victoria Branch for the financial year ended 30 June 2010 comprising the committee of management statement, balance sheet, income statement, statement of changes in members' funds, statement of cash flows and accompanying notes to the financial statements as set out on pages 3 and 6 to 26.

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

We conducted an independent audit in order to express an opinion to the members of the organisation. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

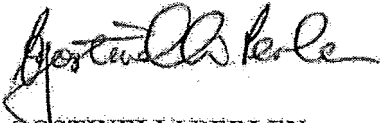
In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH
INDEPENDENT AUDIT REPORT TO THE MEMBERS OF UNITED FIREFIGHTERS'
UNION OF AUSTRALIA - VICTORIAN BRANCH

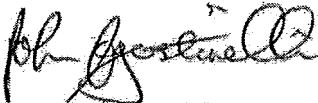
Auditor's Opinion

In our opinion, the general purpose financial report of United Firefighters' Union of Australia- Victoria Branch presents fairly the financial position and results of its operations and its cash flows for the financial year ended 30 June 2010, in accordance with the following that apply in relation to the reporting unit:

- (a) the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009; and
- (b) Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (c) Other mandatory professional reporting requirements.



AGOSTINELLI PERLEN
CHARTERED ACCOUNTANTS



JOHN AGOSTINELLI
PARTNER

Dated at Carlton, Victoria this 18 day of November 2010

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Membership dues	3	2,285,301	1,781,605
Other income	3	97,061	157,569
Administration expenses		(252,097)	(242,094)
Affiliation fees and levies		(93,482)	(85,167)
Campaign, dispute and awareness costs		(565,427)	(482,729)
Donations	20	(15,397)	(7,000)
Education and promotion		(19,761)	(15,030)
Employee benefits expense		(914,357)	(846,354)
Executive/shop stewards and conference expenses		(78,301)	(121,555)
Insurance		(13,658)	(13,106)
Motor vehicle expenses		(114,206)	(90,524)
Members' welfare		(40,800)	(19,015)
Office occupancy expenses		(78,746)	(93,075)
Professional Fees		(32,686)	(30,395)
Social Committee expenses		(35,523)	(31,258)
Operating profit attributable to members		<u>127,921</u>	<u>(138,128)</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

BALANCE SHEET

AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	120,345	112,705
Trade and other receivables	7	13,993	41,519
Inventories	8	14,732	15,762
Other assets	11	-	748
Total current assets		<u>149,070</u>	<u>170,734</u>
Non-current assets			
Other financial assets	9	3,365	3,365
Property, plant and equipment	10	1,947,421	1,945,218
Total non-current assets		<u>1,950,786</u>	<u>1,948,583</u>
TOTAL ASSETS		<u>2,099,856</u>	<u>2,119,317</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	155,115	341,945
Financial liabilities	13	38,404	32,736
Short-term provisions	14	92,104	52,278
Total current liabilities		<u>285,623</u>	<u>426,959</u>
Non-current liabilities			
Financial liabilities	13	46,108	52,154
Total non-current liabilities		<u>46,108</u>	<u>52,154</u>
TOTAL LIABILITIES		<u>331,731</u>	<u>479,113</u>
NET ASSETS		<u>1,768,125</u>	<u>1,640,204</u>
MEMBERS' EQUITY			
Reserves		1,588,042	1,588,042
Retained earnings		180,083	52,162
TOTAL MEMBERS' EQUITY		<u>1,768,125</u>	<u>1,640,204</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2009	52,162	1,588,042	1,640,204
Surplus attributable to members	127,921	-	127,921
Balance at 30 June 2010	180,083	1,588,042	1,768,125

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2008	190,290	1,588,042	1,778,332
Deficit attributable to members	(138,128)	-	(138,128)
Balance at 30 June 2009	52,162	1,588,042	1,640,204

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
Note	\$	\$
Cash from operating activities:		
Receipts from members and related activities	2,412,580	1,933,850
Payments to suppliers and employees	(2,337,302)	(2,044,300)
Interest received	2,849	10,210
Net cash provided by (used in) operating activities	<u>18 78,127</u>	<u>(100,240)</u>
 Cash flows from investing activities:		
Purchase of property, plant and equipment	<u>(62,696)</u>	<u>(130,564)</u>
Net cash provided by (used in) investing activities	<u>(62,696)</u>	<u>(130,564)</u>
 Cash flows from financing activities:		
Proceeds from borrowings	33,985	90,419
Repayment of borrowings	<u>(41,776)</u>	<u>(40,216)</u>
Net cash provided by (used in) financing activities	<u>(7,791)</u>	<u>50,203</u>
 Net increase (decreases) in cash held	7,640	(180,601)
Cash at beginning of financial year	<u>112,705</u>	<u>293,306</u>
Cash at end of financial year	<u><u>120,345</u></u>	<u><u>112,705</u></u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General information

This financial report covers United Firefighters' Union of Australia - Victoria Branch as an individual entity. These financial statements are a general purpose financial report prepared in order to satisfy the requirements of the Fair Work (Registered Organisations) Act 2009.

(b) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(d) Inventories

Inventories are made up of promotional stock on hand and are measured at the lower of cost and net realisable value.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, valuations by external independent valuers, less subsequent depreciation for buildings.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

(e) Property, plant and equipment continued

Property continued

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Furniture, Fixtures and Fittings	7.50 - 30.00 %
Motor Vehicles	15.00 - 22.50 %
Office Equipment	11.25 - 40.00 %
Low Value Asset Pool	18.75 - 37.50 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(f) Investments (financial assets)

Available-for-sale financial assets

All investments are classified as available-for-sale financial assets. Available-for-sale financial assets are reflected at fair value unless their fair value cannot be reliably measured. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

(f) Investments (financial assets) continued

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Recognition

Financial assets are initially measured at cost of trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(h) Employee benefits

Provision is made for the union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. A probability of the future payout was determined.

(i) Provisions

Provisions are recognised when the union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(j) Income Taxes

No provision for income tax has been raised as the Union is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(k) Revenue

Revenue from membership dues is accounted for on a cash receipts basis.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Rental income is recognised on a straight-line basis over a period of lease term so as to reflect a

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

(k) Revenue continued

constant periodic rate of return on the net investment.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit and loss the period in which they are incurred.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) New Accounting Standards 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 against early adoption of these standards. A discussion of those future requirements and their impact on the Branch are as follows:

- AASB 9: Financial instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Branch has not yet determined the potential impact on the financial statements.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - (a) the objective of the entity's business model for managing financial assets;
 - and
 - (b) the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Branch.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from IASB's annual improvements project. No changes are expected to materially affect the Branch.

- AASB 2009-9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Branch.

- AASB 2009-10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Branch. AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Branch.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Branch.

- AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Branch.

The Branch does not anticipate early adoption of any of the above accounting standards.

2 NOTICE REQUIRED UNDER THE 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), (2) and (3) of Section 272, which read as follows:

- (1) "A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit;
- (3) A reporting unit must comply with an application made under subsection (1).

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
3 REVENUE		
Revenue		
- Member subscriptions	1,926,916	1,454,180
- Fighting fund levy	342,508	316,850
- EBA campaign fund	40	854
- Campaign 2002 publicity fund	-	9,091
- Social club welfare	15,837	630
	<u>2,285,301</u>	<u>1,781,605</u>
Other Income		
- Rental income	68,010	67,904
- Worksafe Victoria funding	10,000	55,000
- Sponsorship income	-	17,658
- Interest received	2,849	10,211
- Miscellaneous income	16,202	6,886
	<u>97,061</u>	<u>157,659</u>
4 PROFIT/(LOSS)		
Expenses		
Interest expense		
Motor Vehicles	8,133	9,454
Rental expense on operating leases		
Minimal lease payments	14,228	14,371
5 AUDITOR'S REMUNERATION		
Remuneration of the auditor of the union for	9,000	12,000
6 CASH AND CASH EQUIVALENTS		
Cash on hand	50	50
Cash at bank	120,295	112,655
	<u>120,345</u>	<u>112,705</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
7 TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	7,380	36,432
Sundry receivables	6,613	5,087
	<u>13,993</u>	<u>41,519</u>
8 INVENTORIES		
Current		
Merchandise - at cost	<u>14,732</u>	<u>15,762</u>
9 FINANCIAL ASSETS		
Non Current		
Available for sale financial assets	<u>3,365</u>	<u>3,365</u>
<p>Financial assets comprise of 3,365 Units in ACTU Financial Services Pty Pty and for the ACTU Trusts are paid up to 40% of the par value of units.</p>		
10 PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold land		
At independent valuation 2004	1,050,000	1,050,000
At cost	100,000	100,000
	<u>1,150,000</u>	<u>1,150,000</u>
Buildings		
At independent valuation	457,922	457,922
At cost	192,078	192,078
Accumulated depreciation	(18,699)	(15,815)
	<u>631,301</u>	<u>634,185</u>
Total land and buildings	<u>1,781,301</u>	<u>1,784,185</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
10 PROPERTY, PLANT AND EQUIPMENT (continued)		
Furniture, fixture and fittings		
At cost	92,721	92,721
Accumulated depreciation	(74,654)	(72,585)
	<u>18,067</u>	<u>20,136</u>
Motor vehicles		
At Cost	86,098	54,163
Accumulated depreciation	(38,571)	(31,237)
	<u>47,527</u>	<u>22,926</u>
Office equipment		
At cost	231,524	226,138
Accumulated depreciation	(187,175)	(158,122)
	<u>44,349</u>	<u>68,016</u>
Computer software		
At cost	27,588	2,588
Accumulated depreciation	(7,493)	(1,033)
	<u>20,095</u>	<u>1,555</u>
Low value asset pool		
At cost	13,675	13,300
Accumulated depreciation	(10,466)	(8,732)
	<u>3,209</u>	<u>4,568</u>
Motor Vehicle-under lease		
At cost	56,482	56,482
Accumulated amortisation	(23,609)	(12,650)
	<u>32,873</u>	<u>43,832</u>
Total plant and equipment	<u>166,120</u>	<u>161,033</u>
Total property, plant and equipment	<u>1,947,421</u>	<u>1,945,218</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

2010 2009
\$ \$

Movements in Carrying Amounts

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

	Land	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Computer Software	Low Value Asset Pool	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2008	1,150,000	637,158	22,520	30,186	26,927	-	2,264	1,869,055
Additions	-	-	-	56,482	75,121	2,588	3,614	137,805
Depreciation expense	-	(2,973)	(2,384)	(19,910)	(34,032)	(1,033)	(1,310)	(61,642)
Balance at 30 June 2009	1,150,000	634,185	20,136	66,758	68,016	1,555	4,568	1,945,218
Balance at 1 July 2009	1,150,000	634,185	20,136	66,758	68,016	1,555	4,568	1,945,218
Additions	-	-	-	31,935	5,386	25,000	375	62,696
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	-	(2,884)	(2,069)	(18,293)	(29,053)	(6,460)	(1,734)	(60,493)
Carrying amount 30 June 2010	1,150,000	631,301	18,067	80,400	44,349	20,095	3,209	1,947,421

11 OTHER ASSETS

Current

Deposits paid

748

12 TRADE AND OTHER PAYABLES

Current

Unsecured liabilities

Trade payables

115,482 282,345

Sundry payables and accrued expenses

39,633 59,602

155,115 341,945

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
13 FINANCIAL LIABILITIES		
Current		
Unsecured liabilities		
Hire purchase liability	30,497	25,846
Unexpired interest	(3,432)	(3,435)
Lease liability	11,339	10,325
	<u>38,404</u>	<u>32,736</u>
Non Current		
Unsecured liabilities		
Hire purchase liability	23,157	17,083
Unexpired interest	(1,784)	(1,004)
Lease liability	24,735	36,075
	<u>46,108</u>	<u>52,154</u>

14 PROVISIONS

(a) Analysis of Total Provisions

Current	<u>92,104</u>	<u>52,278</u>
	<u>92,104</u>	<u>52,278</u>

(b) Movement in carrying amounts

	Provision for annual leave	Provisions for long service leave	Total
	\$	\$	\$
Elected Officials			
Opening balance at 1 July 2009	21,955	18,310	40,265
Additional provisions	9,165	13,383	22,548
Amounts used	(9,380)	-	(9,380)
Balance at 30 June 2010	<u>21,740</u>	<u>31,693</u>	<u>53,433</u>
Other Staff			
Opening balance at 1 July 2009	12,013	--	12,013
Additional provisions	74,995	--	74,995
Amounts used	(48,337)	-	(48,337)
Balance at 30 June 2010	<u>38,671</u>	<u>--</u>	<u>38,671</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
	Provision for	Provisions for
	annual leave	long service leave
	Total	
Total All Staff	\$	\$
Opening balance at 1 July 2009	33,968	18,310
Additional provisions	84,160	13,383
Amounts used	(57,717)	(57,717)
Balance at 30 June 2010	60,411	92,104

(c) Provision for Employee Entitlements

A provision has been recognised for current employee benefits relating to annual leave. A provision has also been recognised for non current employee benefits relating to long service leave.

In calculating the present value of future flows in respect to long service leave, the probability of long service leave taken was based on historical trends and data.

15 RESERVES

(a) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non current assets.

16 CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

Payable - minimum lease payments		
- not later than 12 months	41,836	36,171
- between 12 months and 5 years	47,892	53,159
Minimum lease payments	89,728	89,330
Less unexpired interest charge	(5,216)	(4,440)
Present value of minimum lease payments	84,512	84,890

17 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at balance sheet date.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

2010	2009
\$	\$

18 CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Net income/(loss) for the period	127,921	(138,128)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	60,492	61,643
Interest on hire purchase loans	8,161	11,701
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	27,526	(4,029)
(Increase)/decrease in stock on hand	1,030	(9,836)
Increase/(decrease) in trade payables and accruals	(195,458)	(13,875)
Increase/(decrease) in net GST payable	8,631	8,339
Increase/(decrease) in provisions	39,824	(16,055)
	<u>78,127</u>	<u>(100,240)</u>

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

19 COMPULSORY LEVIES

(a) Fighting Fund Levy

	2010	2009
	\$	\$
Levy raised to fund litigation and operating costs of campaigns on behalf of UFU members	342,508	316,850

(b) EBA Campaign Fund

A levy was imposed on all members as stipulated by the rules to raise additional income required to secure a raise in members wages and improved conditions.	40	854
--	----	-----

20 DONATIONS

As required by section 254 of the Fair Work (Registered Organisations) Act 2009, listed below are any donations in excess of \$1,000.

	2010
	\$
Muscular Dystrophy Appeal	6,000
	<u>6,000</u>

21 FINANCIAL RISK MANAGEMENT

The Branch's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable.

The totals for each category of financial instrument are as follows:

Financial Assets

Cash and cash equivalents	120,345	112,705
Trade and other receivables	13,993	41,519
Total Financial Assets	<u>134,338</u>	<u>154,224</u>

Financial Liabilities

Trade and other payables	155,115	341,945
Borrowings	84,512	84,890
Total Financial Liabilities	<u>239,627</u>	<u>426,835</u>

Specific Financial Risk Exposures and Management

The main risks the Branch is exposed to through its financial instruments are liquidity risk and market risk through interest rate risk.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

21 FINANCIAL RISK MANAGEMENT (continued)

(a) Liquidity risk

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

The Branch manages risk through the following mechanisms:

- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets;
- Managing credit risk related to financial assets;
- Maintaining a reputable credit risk profile;
- Obtaining funding from a variety of sources; and

Financial liability and financial asset maturity analysis

	Within 1 Year		1-5 Years		Total Contractual Cash Flow	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Financial Assets – cash flow realisable						
Cash and cash equivalents	120,345	112,705	-	-	120,345	112,705
Trade and other receivables	13,993	41,519	-	-	13,993	41,519
Total anticipated inflows	134,338	154,224	-	-	134,338	154,224
Financial Liabilities due for payment						
Trade and other payables	155,115	341,945	-	-	155,115	341,945
Finance lease liabilities	38,404	32,736	46,108	52,154	84,512	84,890
Total contractual outflows	193,519	374,681	46,108	52,154	239,627	426,835
Net inflow/(outflow) on financial instruments	(59,181)	(220,457)	(46,108)	(52,154)	(105,289)	(272,611)

(b) Market risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect cash flows or the fair value of fixed rate financial instruments.

UNITED FIREFIGHTERS' UNION OF AUSTRALIA - VICTORIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

22 EVENTS AFTER BALANCE DATE

There have not been any material events between the balance date and the date of signing of the operating report.

23 RELATED PARTY TRANSACTIONS

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

Transactions with related parties:

- Trade Receivables	6,771	--
- Trade Payables	--	7,670

24 KEY COMMERCIAL PERSONNEL COMPENSATIONS

The total remuneration paid to elected officials of the Branch during the period are as follows:

	2010
	\$
Short-term employee benefits	179,437
Post-employment benefits	<u>16,556</u>
Total	<u>195,993</u>

The name of key management personnel who received compensation is Peter Marshall.

25 UNION DETAILS

(a) Registered office

The registered office of the company is:

United Firefighters' Union of Australia - Victorian Branch
410 Brunswick Street
Fitzroy 3065
Victoria

(b) Principal place of business

The principal place of business is:

410 Brunswick Street
Fitzroy 3065
Victoria