

10 June 2010

Mr Graeme Geer
Branch Secretary
United Firefighters' Union of Australia
West Australian Branch
21 View Street
NORTH PERTH WA 6006



FAIR WORK
AUSTRALIA

By email: graemegeer@ufuofwa.net.au

Dear Mr Geer,

**Fair Work (Registered Organisations) Act 2009 (“RO Act”)
Fair Work (Registered Organisations) Regulations 2009 (“RO Regulations”)
Financial Report for the year ended 31 December 2009 – FR2009/10272**

We acknowledge receipt of the financial report for the United Firefighters' Union of Australia– West Australian Branch for the year ended 31 December 2009.

The documents were lodged on 2 June 2010.

The documents have been filed

Although the documents have been filed, I would like to comment on some issues arising from the financial report. I make the following comments to assist you when you prepare the next financial report. You do not need to take any further action in respect of the documents already lodged in relation to these particular matters.

Operating Report

The operating report must illustrate the number of people who were employees of the organisation on a *full-time equivalent basis* at the end of the financial year. For example, if there was 1 person employed full-time, 1 person employed part-time for 2 days a week (i.e. each day being a normal 7½ or 8 hour day) and 1 person employed part-time for 3 days a week (i.e. each day being a normal 7½ or 8 hour day) this would make a total of 2 persons employed on a full time equivalent basis. Casual employees do not need to be counted – see Regulation 159(b) of the RO Regulations.

Independent Audit Report

Audit Opinion

The opinion of the audit report was not fully in accord with the requirements of section 257 of the RO Act in that it used the expression “true and fair view” rather than “presented fairly” and referred to the *Fair Work Act 2009* rather than to the relevant provisions of the RO Act.

The following wording would satisfy the requirements of the RO Act:

In my opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009

Qualifications of Auditor

The audit report should confirm that the auditor is an 'approved auditor' – i.e. that the auditor is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate – see section 256 of the RO Act and Regulation 4 of the RO Regulations. A statement in the audit report that the auditor is a 'Registered Company Auditor' would satisfy these requirements. Please bring these matters to the attention of your auditor.

Committee of Management Statement

The Committee of Management Statement contained many deficiencies.

Date of resolution

The date of the resolution of committee of management is not stated. The date of the resolution must be identified in accordance with Item 26(d) of the Reporting Guidelines.

Meetings of the committee of management

The committee of management statement must include a declaration that during the financial year to which the financial report relates and since the end of that year meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned. Please refer to Item 25(e)(i) of the Reporting Guidelines.

Keeping and maintaining financial records

The committee of management statement must include a declaration that during the financial year to which the financial report relates and since the end of that year the financial records of the reporting unit have been kept and maintained in accordance with the RO Act and the RO Regulations (not Chapter 8 of *Fair Work Act 2009*). Please refer to Item 25(e)(iii) of the Reporting Guidelines.

Records kept in a consistent manner

The committee of management statement must include a declaration that during the financial year to which the financial report relates and since the end of that year the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation. Please refer to Item 25(e)(iv) of the Reporting Guidelines.

Information sought and provided

The committee of management statement must include a declaration that during the financial year to which the financial report relates and since the end of that year information sought in any request of a member of a reporting unit or the General Manager duly made under section 272 of the RO Act has been furnished to the member or the General Manager as required by Item 25(e)(v) of the Reporting Guidelines.

Compliance with orders for inspection

The committee of management statement must include a declaration that during the financial year to which the financial report relates and since the end of that year there has been compliance with any order for inspection of financial records made by FWA under section 273 of the RO Act. Please refer to Item 25(e)(vi) of the Reporting Guidelines.

Wages Recovery Activity

I noted that the financial report did not provide information in relation to any recovery of wages activity. The financial reporting obligations regarding recovery of wages activity are outlined in Items 16 to 23 and Item 25(f) of the Reporting Guidelines.

Where the reporting unit has not undertaken any recovery of wages activity for the financial year it is suggested that the committee of management statement or the independent audit report include a statement to this effect.

Income Statement

Fees for payroll deductions

Expenses incurred as consideration for employers making payroll deductions of membership subscriptions must be disclosed in accordance with Item 11(a) of the Reporting Guidelines.

Conference & meeting allowances and conference & meeting expenses

In accordance with Item 11(i) and (k) of the Reporting Guidelines *conference & meeting allowances and conference & meeting expenses* must be separately disclosed.

Affiliation fees and Capitation fees

Please ensure that capitation fees and so on (that are transferred within an organisation) are separately disclosed to affiliation fees that are paid to external third parties – see items 11(b) and (d) of the reporting Guidelines.

Balance Sheet

In note 9 of the notes to the financial statements provisions for Annual Leave and Long Service Leave are listed. In accordance with Item 14(c) and (d) of the Reporting Guidelines provisions for any employee entitlements must be disclosed separately for those employees who are holders of an office and those who do not hold office.

Disclaimer

The documents included a detailed income and expenditure statement under a disclaimer. Please ensure that expenditure that must be disclosed under item 11 of the Reporting Guidelines (such as donations) appears in the general purpose financial report and not solely under cover of a disclaimer.

Notes to the Financial Statements

In accordance with Item 8 of the Reporting Guidelines the following sub-sections from the RO Act must be included in the notes to the financial statements:

Section 272 - Information to be provided to members or General Manager

- (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).*

Statement of Loans, Grants and Donations (“LGD Statement”)

I acknowledge receipt of the LGD Statement for the United Firefighters’ Union of Australia – West Australian Branch for the year ended 31 December 2009. The document was lodged on 9 June 2010.

Please take note in future that a LGD Statement must be lodged with FWA within 90 days after the end of each financial year in accordance with section 237 of the RO Act.

Your attention to the abovementioned matters when preparing future documents will be much appreciated.

Please note, once the financial report has been filed the documents and relevant correspondence will appear on our registered organisation website <http://www.e-airc.gov.au/259vwa/financial>, with the exception of the LGD Statement which will not be published in any form.

Should you wish to discuss any matters contained in this letter I may be contacted on (03) 8661 7988 or by e-mail at tom.cagorski@fwa.gov.au.

Yours faithfully,

A handwritten signature in grey ink, appearing to read 'Tom Cagorski', is written over the typed name.

Tom Cagorski
Law Graduate
Tribunal Services & Organisations



UNITED FIREFIGHTERS UNION OF AUSTRALIA
WEST AUSTRALIAN BRANCH

ABN: 31 367 577 278

PRESIDENT: Kevin Jolly

SECRETARY: Graeme Geer

Fair Work Australia
Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

31 May 2010

Ref: 88-10

Dear Sir

Lodgement of Financial Documents & Designated Officer's Certificate

Please find enclosed a copy of the General Purpose Financial Report for the year ended 31 December 2009 for the United Firefighters Union of Australia - West Australian Branch, along with the Designated Officer's Certificate.

If you require any further information please contact our office on (08) 9228 8122.

Your faithfully

Graeme Geer
Secretary

enc.

Designated Officer's Certificate or other Authorised Officer

s268 *Fair Work (Registered Organisations) Act 2009*

I, Graeme Geer, being the Secretary of the United Firefighters Union of Australia - West Australian Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 19 April 2010; and
- that the full report was presented to a general meeting of members of the reporting unit on 14 May 2010 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:



Date:

31/5/10

**UNITED FIREFIGHTERS UNION OF AUSTRALIA
WEST AUSTRALIAN BRANCH**

ABN 31 367 577 278

**GENERAL PURPOSE
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

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UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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OPERATING REPORT

Your Committee of Management present their report on the United Firefighters Union of Australia West Australian Branch (the "Union") for the financial year 31 December 2009.

MEMBERS OF THE COMMITTEE OF MANAGEMENT

The names of the Committee Members in office at any time during or since the end of the financial year are:

1. Kevin Joly, President.
2. David Bowers, Secretary. (January - 21 May)
3. Graeme Geer, Trustee - Officer. (January - 21 May)
4. Graeme Geer, Secretary. (21 May - December)
5. Brad Stringer, Vice President - Officer. (January - 21 May)
6. Brad Stringer, Committee Member. (21 May - December)
7. Rob Forster, Trustee - Ordinary. (January - 21 May)
8. Rob Forster, Vice President - Officer. (21 May - December)
9. Scott Gamble, Vice President - Firefighter. (January - 21 May)
10. Mark Payne, Committee Member. (January - 21 May)
11. Mark Payne, Vice President - Firefighter. (21 May - December)
12. Brian Longman, Assistant Secretary.
13. Leigh Bishop, Committee Member. (January - 21 May)
14. Rick Cook, Committee Member. (21 May - December)
15. Terry Griffiths, Committee Member. (January - 21 May)
16. Leslie Holden, Committee Member. (January - 21 May)
17. Jane Humphrys, Committee Member. (January - 21 May)
18. Chester Mackean, Committee Member. (21 May - December)
19. John Manocchio, Committee Member. (1 October - December)
20. Steve Matthews, Trustee - Ordinary. (1 October - December)
21. Neil MacKintosh, Committee Member.
22. Frank Martinelli, Committee Member. (January - 21 May)
23. Frank Martinelli, Trustee - Officer. (21 May - December)
24. Wal McNamara, Trustee - Firefighter. (1 October - December)
25. Paul Paardekooper, Committee Member. (January - 21 May)
26. Russell Perring, Committee Member. (January - 21 May)
27. Steve Rogers, Committee Member.
28. Adam Steenson, Committee Member. (1 October - December)
29. Mike Teraci, Committee Member.
30. David Young, Trustee - Firefighter. (January - 21 May)

Members have been in office since the start of the financial year to date of this report unless otherwise stated.

Brian Longman, Assistant Secretary became a trustee of a superannuation entity in September 2009. No other elected Officer of Member is a trustee/director of a superannuation entity.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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Principal Activity

The Union is a trade union which represents the industrial interests of the career public sector and private industry firefighters, communications officers and fire safety officers employed within the state of Western Australia.

Number of members as at 31 December 2009: 1056.

Member's right to resign

Members may resign from the Union by giving written notice to the Union in accordance with the rules of the Union.

Operating results

The Union's gain of the year amounted to \$ 1,169,909 (2008: \$36,937 loss).

Significant Changes in State of Affairs

The Union and the Western Australia Prison Officers Union ("WAPOU") entered into a deed of partition on 24th February 2009 to dissolve existing joint venture arrangement.

The joint venture held the following properties which were distributed among the Union and WAPOU as follows:

- 63 Railway Parade, Mt. Lawley – to WAPOU
- 9 Pelican Place, Dunsborough – to WAPOU
- 61 Railway Parade, Mt. Lawley – to the Union; and
- 6 Pelican Place, Dunsborough – to the Union.

As part of the settlement, WAPOU paid \$170,000 (GST exclusive) to the Union as consideration for the excess in property value; and also \$80,000 (GST exclusive) to compensate the Union for shifting of the office.

The Union has acquired an investment property at 21 View Street, North Perth for \$1,600,000. The transaction has been settled on 17th February 2009. The property has been funded through mortgage from Police & Nurse Credit Society Limited. The Union has moved to occupy the new office as at 2009.

Funds advanced by Firefighters Benefit Fund of WA Inc for \$250,000 has been repaid along with interest on 17 February 2009.

After Balance Date Events

The sale of property at 23 Chick Place, Kalbarri for \$630,000 on 9 December 2009 has been settled on 22 January 2010. The remaining loan on the abovementioned property from Police & Nurse Credit Society Limited for \$56,833.34 has been repaid.

Indemnification of Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Union.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

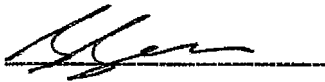
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Proceedings on Behalf of the Union

No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings.

The Union was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Committee of Members



Graeme Geer

Secretary



S. Matthews
TRUSTEE



F. MARSHALL
TRUSTEE

Dated: 14 April 2010

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

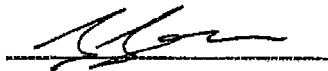
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COMMITTEE OF MANAGEMENT STATEMENT


The committee of Management of United Firefighters Union of Australia West Australian Branch ("Union") declares that the attached financial report:

1. Comply with the Australian Accounting Standards;
2. Comply with the reporting guidelines of the Industrial Registrar;
3. Gives a true and fair view of the Union's financial position at 31 December 2009, and the financial performance, cash flows, and the changes in equity for the year then ended;
4. There are reasonable grounds to believe that the Union would be able to pay its debt as and when they become due and payable; and
5. During the 2009 financial year, and up to date of this statement,
 - a. The financial affairs of the Union have been managed in accordance with the Rules of the Union; and
 - b. The financial records of the Union have been kept and maintained in accordance with Chapter 8 of *Fair Work Act 2009 (Commonwealth)*.


Signed in accordance with a resolution of the Committee of Members



Graeme Geer
Secretary



Steve Matthews
Treasurer



F. Marshall
President

Dated: 14 April 2010

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
Continuing operations			
<i>Revenue:</i>			
Members subscriptions		622,246	533,138
Rental income		57,625	40,380
Other income		1,331,299	15,429
		<u>2,011,170</u>	<u>588,947</u>
<i>Expenditure:</i>			
Affiliation fees		(34,820)	(44,318)
Finance costs		(98,351)	(13,540)
Contribution to Joint Venture Funds	3a	(26,819)	(45,456)
Depreciation		(52,212)	(23,367)
Employee benefits	3c	(337,633)	(238,352)
Legal fees		(39,201)	(29,059)
Other expenses		(252,225)	(217,621)
Share in net loss of Joint Venture Funds	3b	-	(14,201)
		<u>(841,261)</u>	<u>(625,914)</u>
Net profit / (loss) attributable to members of the Union		<u><u>1,169,909</u></u>	<u><u>(36,967)</u></u>

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	Note	2009	2008
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4a	57,846	39,188
Trade and other receivables	5	632,374	253,114
inventories		1,725	2,999
Prepayments		20,777	9,056
TOTAL CURRENT ASSETS		712,722	304,357
NON-CURRENT ASSETS			
Land and buildings	6	4,659,783	822,376
Building improvements	6	16,602	9,895
Plant, furniture and fixtures	6	142,448	123,507
TOTAL NON-CURRENT ASSETS		4,818,833	955,778
TOTAL ASSETS		5,531,555	1,260,135
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	79,434	298,984
Interest bearing liabilities	8	148,020	17,015
Provisions	9	18,219	18,249
TOTAL CURRENT LIABILITIES		245,673	334,248
NON-CURRENT LIABILITIES			
Interest bearing liabilities	8	1,687,718	128,188
Provisions	9	7,771	11,587
TOTAL NON-CURRENT LIABILITIES		1,695,489	139,775
TOTAL LIABILITIES		1,941,162	474,023
NET ASSETS		3,590,393	786,112
EQUITY			
Asset Revaluation Reserves	6	1,634,372	-
Other Reserves	10	24,000	-
Retained earnings		1,932,021	786,112
TOTAL EQUITY		3,590,393	786,112

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Retained Earnings \$	Assets Revaluation Reserve \$	Other Reserve \$	Total \$
Balance at 1 January 2008	823,079	-	-	823,079
(Loss) attributable to members	(36,967)	-	-	(36,967)
Balance at 31 December 2008	786,112	-	-	786,112
Profit attributable to members	1,169,909	-	-	1,169,909
Movement to Reserve	(24,000)	-	24,000	-
Revaluation increment	-	1,634,372	-	1,634,372
Balance at 31 December 2009	1,932,021	1,634,372	24,000	3,590,393

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from members		622,246	533,138
Receipt from investment properties		57,625	40,380
Interest and miscellaneous income		7,798	4,278
Payment to suppliers and employees		(656,260)	(499,781)
Interest paid		(5,479)	(13,540)
Payment to joint venture with WA Prison Officers Union		-	<u>(51,956)</u>
Cash generated by / (used in) operating activities	4(b)	<u>25,930</u>	<u>12,519</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of non-current assets		(1,602,883)	(58,898)
Sale of non-current assets		<u>243,962</u>	<u>8,636</u>
Cash generated by / (used in) investing activities		<u>(1,358,921)</u>	<u>(50,262)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt from interest-bearing loans		1,700,000	-
Repayment of bank borrowings		<u>(348,351)</u>	<u>(13,220)</u>
Cash generated by / (used in) financing activities		<u>1,351,649</u>	<u>(13,220)</u>
Increase / (decrease) in cash and cash equivalents during the year		18,658	(50,963)
Cash and cash equivalents at the beginning of the year		<u>39,188</u>	<u>90,151</u>
Cash and cash equivalents at the end of the year	4(a)	<u><u>57,846</u></u>	<u><u>39,188</u></u>

The accompanying notes form part of these financial statements

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO FINANCIAL STATEMENTS

NOTE 1: UNION INFORMATION

The financial report of United Firefighters Union of Australia West Australian Branch ("Union") for the year ended 31 December 2009 was authorised for issue in accordance with a resolution of the Committee of Management.

The financial statements cover the Union as an individual entity. The Union is registered and domiciled in Western Australia.

The Union is a trade union which represents the industrial interests of the career public sector and private industry firefighters, communications officers and fire safety officers employed within the state of Western Australia.

Number of members at 31 December 2009: 1056

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the *Industrial Relations Act 1979 (WA)* and *Workplace Relation Act 1996 (Commonwealth)*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements 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 these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Membership fees:

Membership fees are recognised on an accrual basis upon deduction of membership dues from each member's payroll.

Rental Income:

Operating lease income are recognised over the period of the lease on a straight line basis.

Interest:

Revenue is recognised as the interest accrues (using the effective interest method).

(c) Employee Benefits

Provision is made for the union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(d) Income Taxes

No income tax has been recognised as the Union is exempted from such taxes under the *Income Tax Assessment Act 1997*.

(e) Interest in Joint Venture

The Union's interest in its joint venture operations is recognised applying the proportional consolidation method. Accordingly the Union recognises its share in the income and expenses of the Joint Venture during the financial year, and also its share in each asset and liability of the Joint Venture at the reporting date.

Transactions and balances between the joint Venture and the Union are eliminated to the extent of Union's share in such transactions and balances.

(f) 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 borrowings in current liabilities in the statement of financial position.

(g) Trade and Other Receivables

Receivables are recognised and carried at original costs less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of full amount is no longer probable. Bad debts are written off when identified.

(h) Inventories

inventories are initially measured at costs, and subsequently carried at lower of their costs and net realisable value.

(i) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The assets are depreciated applying the diminishing value method at the following rates:

- Furniture and equipment: 4.5% to 50%
- Motor vehicles: 22.5%
- Buildings: 2.5%

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Interest bearing Liabilities

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue cost, and any discount or premium on settlement.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised and as well as through the amortisation process.

(l) Provisions

Provisions are recognised when the Union has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Leases

Leases of plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the union are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the union will obtain ownership of the asset or ownership over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis

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over the life of the lease term.

(n) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the union commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The union does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-

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current assets.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the union's intention to hold these investments to maturity.

They are subsequently measured at amortised cost using the effective interest rate method.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

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

Impairment

At the end of each reporting period, the union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(o) **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 Australian Taxation Office. In these circumstances the GST is

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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 statement of financial position are shown inclusive of GST.

(p) Adoption of New and Revised Accounting Standards

During the current year, the Union has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of United Firefighters Union of Australia West Australian Branch

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Union's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement — the statement of comprehensive income, or two statements — a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Union's financial statements now contain a statement of comprehensive income.

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3 REVENUE AND EXPENDITURE

	2009 \$	2008 \$
(a) Contribution to Joint Venture funds:		
- Joint Unions Administration Fund	(468)	37,456
- Joint Unions Buildings and Maintenance Fund	27,287	8,000
	<u>26,819</u>	<u>45,456</u>
(b) Share in net loss in Joint Venture funds:		
- Joint Unions Administration Fund	-	5,193
- Joint Unions Buildings and Maintenance Fund	-	9,008
	<u>-</u>	<u>14,201</u>
(c) Employee benefits expenses include:		
- Salary and wages	304,299	212,214
- Superannuation contribution	33,334	24,972
- Other benefits	-	1,166
	<u>337,633</u>	<u>238,352</u>

4 CASH AND CASH EQUIVALENTS

a) Cash in hand	57	100
Undeposited funds	2,900	1,043
Cash at bank	54,889	32,813
	<u>57,846</u>	<u>33,956</u>
<i>Share in Joint Unions cash and cash equivalents:</i>		
- Joint Unions Administration Fund	-	3,342
- Joint Unions Buildings and Maintenance Fund	-	1,890
	<u>-</u>	<u>5,232</u>
Total cash and cash equivalents	<u>57,846</u>	<u>39,188</u>

b) Reconciliation of operating cash flows to operating loss

Net profit / (loss) for the year	1,140,909	(36,967)
<i>Adjustments for:</i>		
(Profit) / Loss on disposal of non-current assets	(1,239,928)	(3,651)
Depreciation of non-current assets	52,212	12,702
<i>Increase / decrease in working capital items:</i>		
(Increase) / decrease in receivables	30,587	5,027
(Increase) / decrease in inventories	(742)	(113)
(Increase) / decrease in prepayments	(11,721)	20,422
Increase / (decrease) in payables	19,459	7,018
Increase / (decrease) in provisions	35,154	8,081
Cash generated by / (used in) operating activities	<u>25,930</u>	<u>12,519</u>

5 TRADE AND OTHER RECEIVABLES

Proceeds from sale of 23 Chick Place, Kalbarri	629,032	-
Deposit for acquisition of 21 View Street, North Perth	-	250,000
Other receivables	3,342	3,114
	<u>632,374</u>	<u>253,114</u>

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6 PROPERTY PLANT AND EQUIPMENT

	2009				2008			
	Cost \$	Revaluation Increment \$	Accumulated Depreciation \$	Net Book Value \$	Cost \$	Revaluation Increment \$	Accumulated Depreciation \$	Net Book Value \$
Land and Buildings								
23 Chick Place, Kalbarri	-	-	-	-	248,531	-	(17,555)	230,976
Melrose Place, Dawesville	57,704	206,230	(25,761)	347,973	57,704	-	(24,376)	413,328
53 Railway Pde, Mt. Lawley	31,825	694,678	(6,301)	820,000	31,825	-	(14,845)	269,782
14 Baramia Ridge, Vulpole	55,529	138,941	(3,711)	200,000	55,529	-	(3,237)	52,132
8 Pelican Place, Dunsborough	42,849	288,878	(3,855)	688,887	-	-	-	-
61 Railway Pde, Mt. Lawley	542,533	313,449	(13,227)	842,755	-	-	-	-
21 View Street, North Perth	178,109	-	(22,146)	173,885	-	-	-	-
Total land and buildings	3,121,211	1,634,372	(95,810)	4,659,783	663,228	-	(60,272)	592,957
Building Improvements								
Melrose Place, Dawesville	2,973	-	(140)	2,827	2,973	-	(74)	2,899
8 Pelican Place, Dunsborough	1,833	-	(200)	1,633	-	-	-	-
61 Railway Pde, Mt. Lawley	2,197	-	(55)	2,142	-	-	-	-
Total building improvements	7,003	-	(401)	6,602	2,973	-	(74)	2,899
Plant, furniture and fixtures								
23 Chick Place, Kalbarri	-	-	-	-	59,415	-	(17,535)	41,880
Melrose Place, Dawesville	20,205	-	(1,540)	18,665	20,205	-	(1,255)	19,410
53 Railway Pde, Mt. Lawley	1,557	-	(1,824)	(267)	3,959	-	(1,203)	2,756
61 Railway Pde, Mt. Lawley	-	-	-	-	19,539	-	(3,742)	15,797
21 View Street, North Perth	76,470	-	(7,289)	69,181	-	-	-	-
Motor vehicles	64,044	-	(13,712)	50,332	63,855	-	(11,791)	52,064
Computer equipments	28,319	-	(7,462)	20,857	24,793	-	(1,875)	22,918
Office equipments <\$500	2,850	-	(1,075)	1,775	2,650	-	(597)	2,053
Total furniture and fixtures	202,454	-	(16,006)	186,448	194,767	-	(34,088)	160,679
50% share in Joint Unions Buildings and Maintenance Fund								
6 Pelican Place, Dunsborough	-	-	-	-	64,055	-	(6,252)	57,803
9 Pelican Place, Dunsborough	-	-	-	-	87,379	-	(11,243)	76,136
61 Railway Pde, Mt. Lawley	-	-	-	-	34,386	-	(11,059)	23,327
53 Railway Pde, Mt. Lawley	-	-	-	-	91,987	-	(6,275)	85,712
Total Joint Venture share - land and buildings	-	-	-	-	279,248	-	(34,829)	244,419
Building improvements								
6 Pelican Place, Dunsborough	-	-	-	-	199	-	(180)	19
9 Pelican Place, Dunsborough	-	-	-	-	2,267	-	(2,237)	30
61 Railway Pde, Mt. Lawley	-	-	-	-	2,197	-	(185)	2,012
53 Railway Pde, Mt. Lawley	-	-	-	-	7,447	-	(650)	6,797
Total Joint Venture share - building improvements	-	-	-	-	10,110	-	(2,252)	7,858
50% share in Joint Unions Buildings and Maintenance Fund								
40.69% share in Joint Unions Administration Fund	-	-	-	-	21,699	-	(1,833)	19,866
Total Joint Venture share - Buildings and Maintenance Fund	-	-	-	-	100,090	-	(77,262)	22,828
Total Property, Plant & Equipment	3,740,668	1,634,372	(166,207)	4,808,833	1,244,987	-	(288,388)	1,556,599
Movements during the year								
	Land & Buildings \$	Building Improvements \$	Plant & Equipment \$	Total \$	Land & Buildings \$	Building Improvements \$	Plant & Equipment \$	Total \$
Balance at the beginning of the year	822,976	9,885	123,507	956,368	830,484	7,559	76,824	914,867
Additions during the year	2,613,031	6,914	11,483	2,731,428	-	2,974	58,898	2,793,299
Disposals during the year	(585,630)	(2,880)	(59,023)	(647,533)	-	-	(4,955)	(652,488)
Revaluations during the year	1,634,372	-	-	1,634,372	-	-	-	1,634,372
Depreciation for the year	(27,356)	(527)	(24,519)	(52,402)	(8,108)	(538)	(5,830)	(14,476)
Balance at the end of the year	4,659,783	15,602	142,448	4,817,833	822,376	9,895	123,507	955,778

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7 TRADE AND OTHER PAYABLES

	2009	2008
Trade creditors and accruals	\$	\$
GST payable	80,441	38,698
Payable to Firefighter Benefit Fund of WA Inc.	(1,007)	2,923
Share of Joint Unions:		250,000
- Joint Unions Administration Fund	-	
- Joint Unions Buildings and Maintenance Fund	-	3,909
	-	3,454
	<u>79,434</u>	<u>298,984</u>

Trade payables are unsecured and are generally traded on 30 - 90 days credit terms.

In 2008, The Firefighters Benefit Fund of WA Inc has advanced \$250,000 to the Union to finance the initial deposit for acquisition of investment property at 21 View Street, North Perth. The amount has been repaid along with the interest of \$5,479.45 on 17 February 2009.

8 INTEREST BEARING LIABILITIES

<i>Current portion</i>		
Secured bank loans	148,020	17,015
<i>Non-current portion</i>		
Secured bank loans	1,687,718	128,188

The bank loans have been secured against registered first mortgage over 59 Railway Parade, Mt Lawley, 61 Railway Parade, Mt. Lawley and 21 View Street, North Perth. The bank loans are on variable interest terms reset at each quarter. The interest rate at reporting date was 6.25% (2008: 6.74%).

9 PROVISIONS

<i>Current portion</i>		
Employee annual leave entitlements	18,219	18,249
<i>Non-current portion</i>		
Employee long service leave entitlements	7,771	11,587

10 OTHER RESERVES

Provision for Campaign year 2011	12,000	-
Provision for Centennial year 2016	12,000	-
	<u>24,000</u>	<u>-</u>

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11 JOINT VENTURE OPERATIONS

The Union has previously entered into two joint arrangements with the Western Australia Prison Officers Union ("WAPOU") namely:

- Joint Union Buildings and Maintenance Fund (Union's share 50%); and
- Joint Union Administration Fund (Union's share 40.89%).

The joint venture previously held interest in freehold interests in the following properties:

- 63 Railway Parade, Mt. Lawley;
- 9 Pelican Place, Dunsborough;
- 61 Railway Parade, Mt. Lawley; and
- 6 Pelican Place, Dunsborough.

The Union and WAPOU entered into a deed of partition on 24th February 2009 to dissolve existing joint venture arrangement. The abovemention properties of the joint venture operation were distributed among the Union and WAPOU as followed:

- 63 Railway Parade, Mt. Lawley - to WAPOU;
- 9 Pelican Place, Dunsborough - to WAPOU;
- 61 Railway Parade, Mt. Lawley - to the Union; and
- 6 Pelican Place, Dunsborough - to the Union.

As part of the settlement, WAPOU paid \$170,000 (GST exclusive) to the Union as consideration for the excess in property value; and also \$80,000 (GST exclusive) to compensate the Union for shifting of the office.

12 SEGMENT INFORMATION

The Union operates in one business and one geographic segments. Hence no separate segment information has been provided.

13 CONTINGENCIES AND COMMITMENTS

The Union had no material commitments or contingencies at the reporting date.

14 REMUNERATION TO AUDITORS

	2009	2008
	\$	\$
For audit services to Anderson Munro and Wyllie	6,500	-
For other services to Anderson Munro and Wyllie	3,500	-
For audit services to PKF Chartered Accountants	1,930	10,037
For other services to PKF Chartered Accountants	6,321	5,421
	<u>18,251</u>	<u>15,458</u>

15 EVENTS AFTER BALANCE SHEET DATE

Sale of 23 Chick Place, Kalbarri for \$630,000 was settled on 22 January 2010. The loan amount for the property borrowed from Police and Nurse Credit Society which was outstanding as at 31 December 2009 has been repaid along with the interest totalling to \$56,833.34.

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16. RELATED PARTY TRANSACTIONS

A. Members of the Committee of Management

1. Kevin Jolly, President.
2. David Bowers, Secretary. (January – 21 May)
3. Graeme Geer, Trustee – Officer. (January – 21 May)
4. Graeme Geer, Secretary. (21 May – December)
5. Brad Stringer, Vice President – Officer. (January – 21 May)
6. Brad Stringer, Committee Member. (21 May - December)
7. Rob Forster, Trustee – Ordinary. (January – 21 May)
8. Rob Forster, Vice President – Officer. (21 May – December)
9. Scott Gamble, Vice President – Firefighter. (January – 21 May)
10. Mark Payne, Committee Member. (January – 21 May)
11. Mark Payne, Vice President – Firefighter. (21 May – December)
12. Brian Longman, Assistant Secretary.
13. Leigh Bishop, Committee Member. (January – 21 May)
14. Rick Cook, Committee Member. (21 May - December)
15. Terry Griffiths, Committee Member. (January – 21 May)
16. Leslie Holden, Committee Member. (January – 21 May)
17. Jane Humphrys, Committee Member. (January – 21 May)
18. Chester Mackean, Committee Member. (21 May - December)
19. John Manocchio, Committee Member. (1 October - December)
20. Steve Matthews, Trustee – Ordinary. (1 October - December)
21. Neil MacKintosh, Committee Member.
22. Frank Martinelli, Committee Member. (January – 21 May)
23. Frank Martinelli, Trustee – Officer. (21 May - December)
24. Wal McNamara, Trustee – Firefighter. (1 October - December)

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25. Paul Paardekooper, Committee Member. (January – 21 May)

26. Russell Perring, Committee Member. (January – 21 May)

27. Steve Rogers, Committee Member.

28. Adam Steenson, Committee Member. (1 October - December)

29. Mike Teraci, Committee Member.

30. David Young, Trustee – Firefighter. (January – 21 May)

Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

B. Remuneration paid to the Members of Committee of Management

	2009			2008		
	Short term \$	Superannuation \$	Total \$	Short term \$	Superannuation \$	Total \$
David Bowers, Secretary	50,385	5,004	55,389	92,146	11,455	103,601
Graeme Geer, Secretary	63,127	8,049	71,176	-	-	-
Kevin Jolly, President	29,188	2,627	31,815	29,531	2,658	32,189
Remuneration for attending Committee Meetings	23,551	-	23,551	30,353	-	30,353
	166,251	15,680	181,931	152,030	14,113	166,143

17 FINANCIAL INSTRUMENTS DISCLOSURE

A. The financial instruments of the Union are:

	2009	2008
	\$	\$
Cash and cash equivalents	57,846	39,188
Trade and other receivables	632,374	253,114
Trade and other payables	(79,434)	(298,984)
Interest bearing liabilities	(1,835,738)	(145,203)

B. Fair value of the financial instruments:

1. The fair value of trade and other receivables, and trade and other payables are reasonable approximation of their carrying amounts on account of their short maturity cycle.

2. The fair value of cash and cash equivalents are reasonable approximation of their carrying amounts as the funds are held in cash or in demand deposits, which have negligible risk of uncertainty.

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3. The fair value of the interest bearing liabilities closely approximate their fair values, as the interest rates on these borrowings are aligned to the market interest rates on a quarterly basis.

C. Risk management strategies:

The financial instruments expose the Union to the following risks: (i) Credit risks; (ii) Liquidity risks, and (iii) Interest rate risks.

(i) Credit risks

The Union is exposed to credit risk on account of (a) default by individual members to pay their maximum membership fee; and (b) default by tenants to pay for the lease charges.

The Union's maximum exposure to credit risk is the carrying amount of trade and other receivable at reporting date.

The credit risk is managed by ensuring that (a) membership dues are deducted by the employers as part of the payroll processing; and (b) rental dues are invoiced in advance prior to occupancy.

The Union does not monitor the credit risks in relation to cash and cash equivalent, which are transacted through creditworthy financial institutions. The management believes that these institutions are being subject to strict prudential norms imposed by Legislation, Reserve Bank and other regulatory authorities.

(ii) Liquidity risks

Liquidity risk is the risk that the Union will encounter difficulties in meeting the contractual obligations of its financial liabilities (principally due to shortage of funds).

Liquidity risk is kept continually under review and managed to ensure that cleared funds are held to meet the obligations on the respective due dates.

Liquidity risk is managed through:

- (a) Monitoring short term forecasted in-flows and the committed cash outflows of financial liabilities;
- (b) Monitoring the unused withdrawal facilities with banks.

Maturity analysis of contractual undiscounted cash-flows on financial liabilities at reporting date:

	Up to 6 months	6 - 12 months	1 - 3 years	> 3 Years	Total
2009					
Trade and other payables	(68,443)	-	-	-	(68,443)
Interest bearing liabilities	(74,010)	(74,010)	(446,060)	(1,241,658)	(1,835,738)
	(142,453)	(74,010)	(446,060)	(1,241,658)	(1,904,181)
2008					
Trade and other payables	(298,984)	-	-	-	(298,984)
Interest bearing liabilities	(13,260)	(13,260)	(53,040)	(105,912)	(185,472)
	(312,244)	(13,260)	(53,040)	(105,912)	(484,456)

(iii) Interest rate risks:

Interest rate risk is the risk that the fair values and cash-flows of Union's financial instruments will be affected by changes in the market interest rates.

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The management of the Union believes that the risk of interest rate movement would not have material impact on Union's operations.

Sensitivity of Union's financial instruments to changes in market interest rates:

Carrying amount	Interest rate risk			
	+ 25 basis points		- 25 basis points	
	<u>Profit</u>	<u>Equity</u>	<u>Profit</u>	<u>Equity</u>
	\$	\$	\$	\$
2009				
Cash & cash equivalents	57,846	145	145	(145)
Interest bearing liabilities	(1,835,738)	(4,589)	(4,589)	4,589
Total increase / (decrease)		(4,444)	(4,444)	4,444
2008				
Cash & cash equivalents	39,188	98	98	(98)
Interest bearing liabilities	(145,203)	(363)	(363)	363
Total increase / (decrease)		(265)	(265)	265

A 25 basis point movement is considered as an appropriate measure for sensitivity as the market interest rates have settled down, and management's assessment of the publicly available economic information.



Anderson Munro & Wyllie

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

Report on the Financial Report

We have audited the accompanying financial report of United Firefighters Union of Australia West Australian Branch which comprises the statement of financial position as at 31 December 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), *Industrial Relations Act 1979 (WA)* and *Fair Work Act 2009 (Commonwealth)*. 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. In Note 2(b), the Committee of Management also state, in accordance with Accounting standard AASB 101 Presentation of Financial Statements, that compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

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



Auditor's Opinion

In our opinion:

The financial report of United Firefighters Union of Australia West Australian Branch is in accordance with the *Industrial Relations Act 1979 (WA)* and *Fair Work Act 2009 (Commonwealth)*, including:

- i. giving a true and fair view of the union's financial position as at 31 December 2009 and of its performance and its cash flows for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations).

Anderson Munro & Wyllie
ANDERSON MUNRO & WYLLIE

Chartered Accountants

Address: Unit 8, 7 Hector Street, Osborne Park, Western Australia

BILLY-JOE THOMAS

Director

Dated at Perth, Western Australia this **14** th day of April 2010



Anderson Munro & Wyllie

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Website: www.amwaudit.com.au

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AUDITORS' DISCLAIMER

The additional financial report data presented on page 28 to 30 is in accordance with the books and records which have been subjected to the auditing procedures applied in our statutory audit for the year ended 31 December 2009. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy of reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than United Firefighters Union of Australia West Australian Branch), in respect of such data, including any errors or omissions therein however caused.

Anderson Munro & Wyllie
ANDERSON MUNRO & WYLLIE

Chartered Accountants

Billy - Joe Thomas

Director

Dated at Perth, Western Australia on this 4th day of April 2010.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH**ABN 31 367 577 278****DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
INCOME		
Share of net surplus - Joint Unions		
- Joint Unions Building & Maintenance Fund	-	(9,008)
- Joint Unions Administration Fund	-	(5,193)
Interest received	1,760	546
Members dues and subscriptions	622,246	533,138
Rental income	57,625	40,380
Merchandise sales	519	441
Sundry Income	5,549	10,791
Profit on sale of fixed assets	1,243,471	3,651
Compensation income from WAPOU	80,000	-
Total Income	2,011,170	574,746
EXPENDITURE		
Advertising	4,847	-
Accommodation and Travel	6,605	-
Affiliation and membership fees	34,820	44,318
Agents commission	5,485	14,263
Ambulance	1,791	1,664
Audit fees	17,649	10,038
Accounting fees	6,492	5,448
ATO GIC & Penalties	-	325
Bank fees	796	743
Borrowing costs	7,825	-
Computer expenses	7,355	12,046
Committee and delegate expenses	23,551	47,797
Contributions - Administration Fund	(468)	37,456

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH**ABN 31 367 577 278****DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009
(CONTINUED)**

Contributions - Building & Maintenance Fund	27,287	8,000
Contributions - Others	5,000	1,060
Depreciation	52,212	23,367
Donations	6,245	455
Electricity & Gas	7,399	5,145
Entertainment	802	-
Freight	59	362
Fringe benefits tax	10,479	13,731
Gardening and cleaning	11,054	1,586
General expenses	2,263	8,956
Hire	1,325	2,423
Honorariums and presentations	6,825	2,250
Hospital television hire	-	300
Increase in leave provision	(3,846)	11,394
Insurance	10,559	8,274
Interest	98,351	13,540
Legal fees	39,201	29,059
Loss on sale of assets	3,543	-
Motor vehicle expenses	9,791	10,133
Printing, postage & stationery	10,867	2,985
Purchases - merchandise	2,022	435
Rates, water & land tax	29,307	12,735
Relocation expenses	2,776	-
Repairs and maintenance	18,568	3,161
Replacement equipment	2,095	2,801
Seminar expenses	1,200	-
Shrinkage	-	114
Staff amenities	1,492	511

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

**DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009
(CONTINUED)**

Standby	12,346	20,036
Subscriptions	3,192	1,773
Superannuation	33,333	24,972
Salaries	304,299	212,214
Telephone - Landline	7,009	8,775
Telephone - Mobile	6,165	6,382
Workers' compensation	1,292	655
Total Expenditure	841,261	611,683
Net income/(loss) for the year	1,189,909	(36,937)

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03 MAY 2010

BY: _____



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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30th April 2010

The Secretary
United Firefighters Union Australia
West Australian Branch
21 View Street
North Perth WA

Dear Graeme,

MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

We advise that we have recently completed the audit of United Firefighters Union Australia West Australian Branch for the year ended 31 December 2009.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. While our procedures are designed to identify any material weaknesses and detect misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have the following matters to report to you arising from our audit.

Incorrect GST Treatment

We noted during our audit that that an invoice from Meelup Contracting Group for \$9,914 (including GST) relating to improvements to property: 6 Pelican Place Dunsborough was entered into MYOB incorrectly as the GST on the amount was included in the account. This resulted in the account being overstated by \$901, and GST payable being understated by that amount. No adjustment was posted subsequent to completion of our audit as the sum of the net impacts on financial statements and Business Activity Statements (BAS) was immaterial.

We recommend that care to be taken in future to ensure that any GST received and GST paid is properly accounted for and recorded in BAS. Please amend your next BAS accordingly to take this amount into account.

We would also take this opportunity to thank the staff, especially Mary Ellen, for the assistance provided during the course of the audit.

Should you have any queries or would like to discuss any of the above further, please feel free to contact me.

Yours faithfully

ANDERSON MUNRO & WYLLIE

BILLY-JOE THOMAS
Director