



FAIR WORK
AUSTRALIA

21 May 2012

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

Dear Mr Geer,

Financial Report for the United Firefighters' Union of Australia - West Australian Branch for the year ended 31 December 2011 - FR2011/2875

We acknowledge receipt of the financial report for the United Firefighters' Union of Australia - West Australian Branch for the year ended 31 December 2011. The report was lodged with Fair Work Australia on 7 May 2012.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Operating Report

Section 254(2) of the *Fair Work (Registered Organisations) Act 2009* ('Act') requires that the operating report give details of any significant changes in the reporting unit's financial affairs during the year.

The operating report stipulates that there were no 'significant events after the balance date to be reported.' A more appropriate statement would read as follows:

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

Section 254(2) of the Act also provides that the operating report give details of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Please ensure in future years that the appropriate statements are provided expressly satisfying the above stated requirements of section 254(2) of the Act.

Disclaimer

The report provided a detailed income and expenditure statement under a disclaimer.

Item 11 of the reporting guidelines provide that the following must be included in either the profit and loss statements or the notes to the financial statements:

Expenses incurred in connection with meetings of members of the reporting unit and any conference or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible.

It appears that the above stated expenses have been provided for the in the detailed income and expenditure statement but have not been disclosed in the profit and loss statement or notes as required. In future years please ensure that all required information forms the relevant part of the general purpose financial report and is not solely covered under a disclaimer.

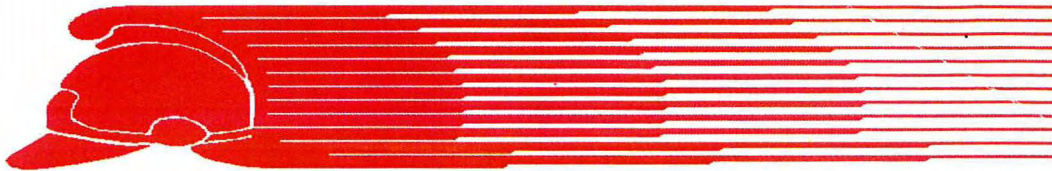
If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7988.

Yours sincerely,



Libby Kirby
Organisations, Research and Advice
Fair Work Australia
Tel: 03 8661 7988

Email: elizabeth.kirby@fwa.gov.au



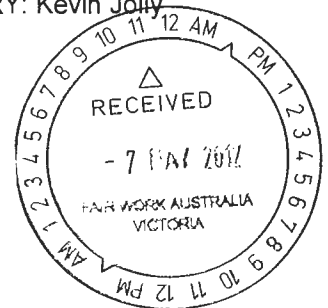
UNITED FIREFIGHTERS UNION OF AUSTRALIA
WEST AUSTRALIAN BRANCH

ABN: 31 367 577 278

PRESIDENT: Frank Martinelli

SECRETARY: Kevin Jolly

Fair Work Australia
Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001



2 May 2012

Ref: 39/12

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 2011 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

Kevin Jolly
Secretary

enc.

Designated Officer's Certificate or other Authorised Officer

s288 Fair Work (Registered Organisations) Act 2009

I, Kevin Jolly, 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 section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 23 March 2012; and
- that the full report was presented to a general meeting of members of the reporting unit on 26 April 2012 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:



Date:

2/5/12



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

ABN 31 367 577 278

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

Unit 8 / 7 Hector Street, Osborne Park WA 6017

PO Box 1357, Osborne Park WA 6916

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CONTENTS

OPERATING REPORT	1
COMMITTEE OF MANAGEMENT STATEMENT	3
AUDITOR INDEPENDENCE DECLARATION TO THE DIRECTORS OF UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH.....	4
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011	5
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011	6
STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011	7
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011	8
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011.....	9
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH	30
AUDITORS' DISCLAIMER.....	32
DETAILED INCOME AND EXPENDITURE STATEMENT	33

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* ("Act") the Committee of Management ("the Committee") present their operating report on the United Firefighters Union of Australia West Australian Branch (the "Union") for the financial year 31 December 2011.

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 Jolly, President.
2. Graeme Geer, Secretary.
3. Brad Stringer, Committee Member.
4. Rob Forster, Vice President – Officer.
5. Mark Payne, Vice President – Firefighter.
6. Brian Longman, Assistant Secretary.
7. Rick Cook, Committee Member. (Resigned February 2011)
8. Chester Mackean, Committee Member.
9. John Manocchio, Committee Member. (Resigned May 2011)
10. Steve Matthews, Trustee – Ordinary.
11. John Chatfield, Committee Member.
12. Daryl Clohessy, Committee Member.
13. Danny Mosconi, Committee Member. (Resigned November 2011)
14. Neil MacKintosh, Committee Member.
15. Frank Martinelli, Trustee – Officer.
16. Wal McNamara, Trustee – Firefighter.
17. Steve Rogers, Committee Member.
18. Adam Steenson, Committee Member.
19. Mike Teraci, Committee Member.
20. John Marsh, Committee Member. (Commenced April 2011)
21. Greg Penney, Committee Member. (Commenced May 2011 - Resigned November 2011)
22. Linton Mincherton, Committee Member. (Commenced November 2011)
23. Cian Evans, Committee Member. (Commenced November 2011)

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.

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.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

Operating Results

The Union's profit for the year amounted to \$220,776 (2010: \$281,171).

Review of Operations

A review of the operations of the Union during the financial year found that there were no significant changes in nature to these principal activities during the financial year.

After Balance Date Events

There are no significant events after balance date to be reported.

Employees of the Union

At the end of the financial year the Union employed 3.4 FTEs.

Membership of the Union

Number of members as at 31 December 2011: 1116 (2010: 1093).

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.

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.

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 Union 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.

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial year ended 31 December 2011.


Other Information

There is no other information that the Union considers relevant.

Auditor's Independent Declaration

A copy of the auditor's independence declaration is set out on page 4.

Signed in accordance with a resolution of the Committee of Members passed on the 22nd day of March 2012



Kevin Jolly

Secretary

Dated: 22 March 2012

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management of United Firefighters Union of Australia West Australian Branch ("Union") declares that the attached general purpose financial statements and notes in its opinion:

1. Comply with the Australian Accounting Standards and other mandatory professional reporting requirements;
2. Comply with the reporting guidelines of the General Manager of Fair Work Australia ("General Manager");
3. Give a true and fair view of the Union's financial position at 31 December 2011, 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 debts as and when they become due and payable; and
5. During the 2011 financial year, and since the end of the year:
 - a. Meetings of the Committee of Management were held in accordance with the rules of the Union;
 - b. The financial affairs of the Union have been managed in accordance with the rules of the Union;
 - c. The financial records of the Union have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* ("Act") and *Fair Work (Registered Organisations) Regulations 2009* ("Regulations"), *Industrial Relations Act 1979 (WA)* ("IR Act") and *Industrial Relations Commission Regulations 2005 (WA)* ("IRC Regulations");
 - d. The Union is a sole reporting unit, therefore the financial records of the Union have been kept in a consistent manner specifically relating to the Union;
 - e. No information was sought by any member of the Union or the General Manager of Fair Work Australia duly made under section 272 of the Act; and
 - f. No orders have been made by the Commissioner under section 273 of the Act during the year.

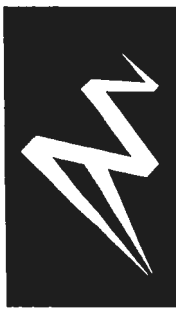
Further the Committee of Management of the Union declares that the Union has not undertaken any recovery of wages activity during the financial year.

Signed in accordance with a resolution of the Committee of Members passed on the 22nd day of March 2012



Kevin Jolly
A/g Secretary

Dated: 22 March 2012



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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Liability limited by a scheme approved under Professional Standards Legislation

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH**

As auditor for the audit of United Firefighters Union of Australia West Australian Branch for the year ended 31 December 2011, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2011 there has been:

- i. No contraventions of any applicable code of professional conduct in relation to the audit.

Anderson Munro & Wyllie
ANDERSON MUNRO & WYLLIE

Chartered Accountants

Billy - Joe Thomas

Director

Dated at Perth, Western Australia this 22nd day of March 2012

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
Continuing operations			
<i>Revenue:</i>			
Members subscriptions	11	925,944	800,005
Rental income		26,964	36,395
Other income		54,909	306,483
		<u>1,007,817</u>	<u>1,142,883</u>
<i>Expenditure:</i>			
Capitation fees - paid to United Firefighters Union of Australia		(73,621)	(46,412)
Affiliation fees		(5,296)	(9,944)
Levy - ACTU Industrial Relations Levy (via UFUA)		(1,759)	(1,057)
Finance costs		(388)	(72,638)
Grants & Donations		(33,274)	(4,227)
Depreciation		(38,454)	(61,294)
Employee benefits	3	(345,988)	(341,961)
Legal fees		(39,984)	(61,422)
Other expenses		(248,277)	(262,757)
		<u>(787,041)</u>	<u>(861,712)</u>
Net profit attributable to members of the Union		<u>220,776</u>	<u>281,171</u>
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of the Union		<u>220,776</u>	<u>281,171</u>

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	2011	2010
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4(a)	1,068,074	1,391,877
Trade and other receivables	5	1,119	6,294
Inventories		12,962	16,480
Prepayments		25,536	15,916
TOTAL CURRENT ASSETS		1,107,691	1,430,567
NON-CURRENT ASSETS			
Land and buildings	6	2,919,962	2,933,052
Building improvements	6	44,650	37,772
Plant, furniture and fixtures	6	124,899	106,657
TOTAL NON-CURRENT ASSETS		3,089,511	3,077,481
TOTAL ASSETS		4,197,202	4,508,048
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	50,215	47,580
Interest bearing liabilities	8	-	543,821
Provisions	9	30,994	29,682
TOTAL CURRENT LIABILITIES		81,209	621,083
NON-CURRENT LIABILITIES			
Provisions	9	23,653	15,401
TOTAL NON-CURRENT LIABILITIES		23,653	15,401
TOTAL LIABILITIES		104,862	636,484
NET ASSETS		4,092,340	3,871,564
EQUITY			
Asset Revaluation Reserves		631,247	631,247
Other Reserves	10	72,000	48,000
Retained earnings		3,389,093	3,192,317
TOTAL EQUITY		4,092,340	3,871,564

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

	Retained Earnings	Assets Revaluation Reserve	Other Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2010	1,932,021	1,634,372	24,000	3,590,393
Profit attributable to members	281,171	-	-	281,171
Movement to Reserve	(24,000)	-	24,000	-
Transfer to Retained Earnings	1,003,125	(1,003,125)	-	-
Balance at 31 December 2010	3,192,317	631,247	48,000	3,871,564
Profit attributable to members	220,776	-	-	220,776
Movement to Reserve	(24,000)	-	24,000	-
Balance at 31 December 2011	3,389,093	631,247	72,000	4,092,340

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from members		925,944	800,005
Receipt from investment properties		26,964	665,427
Interest and miscellaneous income		54,771	68,329
Payment to suppliers and employees		(742,102)	(750,435)
Interest paid		<u>(388)</u>	<u>(72,638)</u>
Cash generated from operating activities	4(b)	<u>265,189</u>	<u>710,688</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets		(63,353)	(30,174)
Proceeds from sale of non-current assets		<u>18,182</u>	<u>1,945,433</u>
Cash (used in) / generated from investing activities		<u>(45,171)</u>	<u>1,915,259</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank borrowings		<u>(543,821)</u>	<u>(1,291,916)</u>
Cash used in financing activities		<u>(543,821)</u>	<u>(1,291,916)</u>
(Decrease) / increase in cash and cash equivalents during the year		(323,803)	1,334,031
Cash and cash equivalents at the beginning of the year		<u>1,391,877</u>	<u>57,846</u>
Cash and cash equivalents at the end of the year	4(a)	<u><u>1,068,074</u></u>	<u><u>1,391,877</u></u>

The accompanying notes form part of these financial statements

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: UNION INFORMATION

The financial report of United Firefighters Union of Australia West Australian Branch ("Union") for the year ended 31 December 2011 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 2011: 1116 (2010: 1093).

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, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the *Industrial Relations Act 1979 (WA)* and *Fair Work (Registered Organisations) Act 2009 (Commonwealth)*. In accordance with generally accepted accounting principles for organisations having members, membership contributions are brought to account on a cash receipts basis.

The financial statements cover the United Firefighters Union of Australia West Australian Branch ("Union") as an individual entity. The Union is a trade union which is incorporated and domiciled in Australia.

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 Union and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(b) Revenue (continued)

Membership fees:

Membership fees are recognised on a cash basis upon receipts of membership dues from each employer.

Rental income:

Rent receipts are recognised at start of each rental period.

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 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 cash flows.

(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) 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.

(f) 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.

(g) Inventories

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(h) **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 any impairment in value.

Plant and equipment

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

The carrying values of plant and equipment are reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Union includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

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

Class of Fixed Asset	Depreciation Rate
Furniture and equipment	4.5% to 50%
Motor vehicles	25%
Buildings and improvements	2.5%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(i) **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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(j) 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 though the amortisation process.

(k) Provisions

Provisions are recognised when the Union has a present obligation (legal or constructive) as a result of a 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 the end of the reporting period.

(l) 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 over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(m) Financial instruments

Initial recognition and measurement

Financial instruments, incorporating 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. Transaction costs relating to instruments classified at fair value through the statement of comprehensive income are expensed to the statement of comprehensive income 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(m) Financial instruments (continued)

(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-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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(m) Financial instruments (continued)

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.

(n) 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 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.

(o) Impairment of Assets

At the end of each reporting period, the Union reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(p) Comparative Figures

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

Where the Union has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(q) Critical Accounting Estimates and Judgments

The members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key estimates

(i) Impairment

The Union assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgments

(i) Provision for impairment of receivables.

NIL

(r) 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.

(s) 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 and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union is as follows:

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Union has not yet determined any potential impact on the financial statements.

The key 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;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(s) New Accounting Standards for Application in Future Periods (continued)

- 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;
- requiring financial assets to be reclassified 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 the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

- 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 Union.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Union is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

AASB 2010-2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(s) **New Accounting Standards for Application in Future Periods (continued)**

- 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 IFRSs 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. The amendments are not expected to impact the Union.

- 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.

This Standard is not expected to impact the Union.

- AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Union.

- AASB 2010–5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(s) New Accounting Standards for Application in Future Periods (continued)

- AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Union.

- AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Union has not yet determined any potential impact on the financial statements from adopting AASB 9.

- AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Union.

- AASB 2010–9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(s) **New Accounting Standards for Application in Future Periods (continued)**

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Union.

- AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7.]

This Standard is not expected to impact the Union.

The Union does not anticipate early adoption of any of the above Australian Accounting Standards.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

3. Expenditure

	2011 \$	2010 \$
Employee benefits expenses include:		
- Salary and wages	310,268	307,161
- Superannuation contribution	35,720	34,800
	<u>345,988</u>	<u>341,961</u>

4. Cash and cash equivalents

	2011 \$	2010 \$
a) Cash in hand	300	200
Undeposited funds	1,790	247
Cash at bank	397,293	218,367
Short-term bank deposits	668,691	1,173,063
Total cash and cash equivalents	<u>1,068,074</u>	<u>1,391,877</u>

b) Reconciliation of operating cash flows from operating activities

Net profit for the year	220,776	281,171
<i>Adjustments for:</i>		
Profit on disposal of non-current assets	(5,313)	(235,202)
Depreciation of non-current assets	38,454	61,294
<i>Increase / decrease in working capital items:</i>		
(Increase) / decrease in receivables	5,175	626,080
(Increase) / decrease in inventories	3,518	(14,755)
(Increase) / decrease in prepayments	(9,620)	4,861
Increase / (decrease) in payables	2,635	(31,854)
Increase / (decrease) in provisions	9,564	19,093
Net cash generated from operating activities	<u>265,189</u>	<u>710,688</u>

5. Trade and other receivables

	2011 \$	2010 \$
Accounts receivable	1,119	6,294
	<u>1,119</u>	<u>6,294</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

6. Property, plant and equipment

	2011				2010			
	Cost \$	Revaluation Increment \$	Accumulated Depreciation \$	Net Book Value \$	Cost \$	Revaluation Increment \$	Accumulated Depreciation \$	Net Book Value \$
Land and Buildings								
Meiros Place, Dawesville	167,704	206,230	(31,352)	342,582	167,704	206,230	(29,086)	344,848
59 Railway Pde, Mt. Lawley	-	-	-	-	-	-	(790)	(790)
104 Boronia Ridge, Walpole	55,369	138,341	(4,620)	189,090	55,369	138,341	(4,171)	189,539
6 Pelican Place, Dunsborough	412,846	286,676	(1,785)	697,737	412,846	286,676	(14,282)	685,240
61 Railway Pde, Mt. Lawley	-	-	-	-	-	-	(198)	(198)
21 View Street, North Perth	1,761,031	-	(70,478)	1,690,553	1,761,031	-	(46,618)	1,714,413
<i>Total land and buildings</i>	2,396,950	631,247	(108,235)	2,919,962	2,396,950	631,247	(95,145)	2,933,052
Building improvements								
Meiros Place, Dawesville	2,902	-	(286)	2,616	2,973	-	(217)	2,756
6 Pelican Place, Dunsborough	11,542	-	(775)	10,767	11,833	-	(491)	11,342
61 Railway Pde, Mt. Lawley	-	-	-	-	-	-	(30)	(30)
21 View Street, North Perth	32,404	-	(1,137)	31,267	24,167	-	(463)	23,704
<i>Total building improvements</i>	46,848	-	(2,198)	44,650	38,973	-	(1,201)	37,772
Plant, furniture and fixtures								
Meiros Place, Dawesville	27,566	-	(20,192)	7,374	21,479	-	(18,966)	2,513
6 Pelican Place, Dunsborough	3,919	-	(202)	3,717	-	-	-	-
59 Railway Pde, Mt. Lawley	1,478	-	(279)	1,199	1,478	-	(602)	876
21 View Street, North Perth	80,071	-	(33,951)	46,120	77,525	-	(26,218)	51,307
Motor vehicles	75,852	-	(21,046)	54,806	64,044	-	(26,298)	37,746
Computer equipments	28,695	-	(18,950)	9,745	28,695	-	(16,121)	12,574
Office equipments < \$500	3,849	-	(1,911)	1,938	3,160	-	(1,519)	1,641
<i>Total furniture and fixtures</i>	221,430	-	(96,531)	124,899	196,381	-	(89,724)	106,657
Total Property, Plant & Equipment	2,665,228	631,247	(206,964)	3,089,511	2,632,304	631,247	(186,070)	3,077,481

<i>Movements during the year</i>	2011				2010			
	<i>Land & Buildings</i> \$	<i>Building Improvements</i> \$	<i>Plant & Equipment</i> \$	<i>Total</i> \$	<i>Land & Buildings</i> \$	<i>Building Improvements</i> \$	<i>Plant & Equipment</i> \$	<i>Total</i> \$
Balance at the beginning of the year	2,933,052	37,772	106,657	3,077,481	4,659,783	16,602	142,448	4,818,833
Additions during the year	-	8,700	54,653	63,353	-	24,167	6,007	30,174
Disposals during the year	-	-	(12,869)	(12,869)	(1,697,858)	(2,142)	(10,232)	(1,710,232)
Revaluations during the year	-	-	-	-	-	-	-	-
Depreciation for the year	(13,090)	(1,822)	(23,542)	(38,454)	(28,873)	(855)	(31,566)	(61,294)
Balance at the end of the year	2,919,962	44,650	124,899	3,089,511	2,933,052	37,772	106,657	3,077,481

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

7. Trade and other payables

	2011 \$	2010 \$
Trade creditors and accruals	33,592	33,079
GST payable / (receivable)	16,623	14,501
	<u>50,215</u>	<u>47,580</u>

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

8. Interest bearing liabilities

	2011 \$	2010 \$
<i>Current portion</i>		
Secured bank loans	-	543,821
		<u>543,821</u>

9. Provisions

	2011 \$	2010 \$
<i>Current portion</i>		
Employee annual leave entitlements - Office Holders	13,862	17,017
Employee annual leave entitlements - Non-Office Holders	17,132	12,665
Employee annual leave entitlements	<u>30,994</u>	<u>29,682</u>
<i>Non-current portion</i>		
Employee long service leave entitlements - Office Holders	10,116	6,058
Employee long service leave entitlements - Non-Office Holders	13,537	9,343
Employee long service leave entitlements	<u>23,653</u>	<u>15,401</u>

10. Other reserves

	2011 \$	2010 \$
Provision for Campaign year 2014	36,000	24,000
Provision for Centennial year 2016	36,000	24,000
	<u>72,000</u>	<u>48,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

11. Consideration for employers for payroll deductions

There are no expenses incurred as consideration for employers making payroll deductions of membership subscriptions.

12. Segment information

The Union operates in one business and one geographic segment. 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

	2011 \$	2010 \$
For audit services to Anderson Munro and Wyllie	9,023	8,500
For non-audit services to Anderson Munro and Wyllie	1,050	5,010
	<u>10,073</u>	<u>13,510</u>

15. Events after Balance Sheet date

There have been no matters or circumstances that have arisen subsequent to reporting date that have significantly affected, or may significantly affect the Union operations in future financial years, the results of those operations in future financial years and the Union state of affairs in future financial years.

16. Related party transactions

A. Members of the Committee of Management

1. Kevin Jolly, President.
2. Graeme Geer, Secretary.
3. Brad Stringer, Committee Member.
4. Rob Forster, Vice President – Officer.
5. Mark Payne, Vice President – Firefighter.
6. Brian Longman, Assistant Secretary.
7. Rick Cook, Committee Member. (Resigned February 2011)
8. Chester Mackean, Committee Member.
9. John Manocchio, Committee Member. (Resigned May 2011)
10. Steve Matthews, Trustee – Ordinary.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

16. Related party transactions (continued)

A. Members of the Committee of Management

- 11. John Chatfield, Committee Member.
- 12. Daryl Clohessy, Committee Member.
- 13. Danny Mosconi, Committee Member. (Resigned November 2011)
- 14. Neil MacKintosh, Committee Member.
- 15. Frank Martinelli, Trustee – Officer.
- 16. Wal McNamara, Trustee – Firefighter.
- 17. Steve Rogers, Committee Member.
- 18. Adam Steenson, Committee Member.
- 19. Mike Teraci, Committee Member.
- 20. John Marsh, Committee Member. (Commenced April 2011)
- 21. Greg Penney, Committee Member. (Commenced May 2011 - Resigned November 2011)
- 22. Linton Mincherton, Committee Member. (Commenced November 2011)
- 23. Cian Evans, Committee Member. (Commenced November 2011)

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

	2011			2010		
	Short term \$	Superannuation \$	Total \$	Short term \$	Superannuation \$	Total \$
Graeme Geer, Secretary	108,831	13,876	122,707	104,860	13,370	118,230
Kevin Jolly, President	43,539	3,918	47,457	45,176	4,066	49,242
Mark Payne, Vice President F/F	-	-	-	2,033	167	2,200
Remuneration for attending meeting & conferences	13,438	-	13,438	10,856	-	10,856
Committee Honarariums	2,300	-	2,300	2,033	-	2,033
Meeting Expenses	6,610	-	6,610	20,276	-	20,276
	174,718	17,794	192,512	185,234	17,603	202,837

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

16. Related party transactions (continued)

C. Remuneration paid to the Employees (Other than Office Holders)

	2011			2010		
	Short term \$	Superannuation \$	Total \$	Short term \$	Superannuation \$	Total \$
Employees (Other than Office Holders)	159,967	17,926	177,893	152,361	17,197	169,558

17. Trust Account (Annual Dinner Funds)

Funds held at Police & Nurse Credit Society Limited (Account no. 0330-5766) as at balance sheet date over which the Union has no control and which are not included in the financial statements is as follow:

	Balance 1 January 2011 \$	Amounts received \$	Amounts paid \$	Balance 31 December 2011 \$
Cash at bank	43,523	56,842	72,850	27,515

The 'Annual Dinner Funds' Account is a social club. Members of the Union elect to join and the funds are used solely for social functions for members and are not part of the Union's business.

18. Financial instruments disclosure

A. The financial instruments of the Union are:

	2011 \$	2010 \$
Cash and cash equivalents	1,068,074	1,391,877
Trade and other receivables	1,119	6,294
Trade and other payables	(50,215)	(47,580)
Interest bearing liabilities	-	(543,821)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

18. Financial instruments disclosure (continued)

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.
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 rent 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

18. Financial instruments disclosure (continued)

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
2011					
Trade and other payables	(33,592)	-	-	-	(33,592)
Interest bearing liabilities	-	-	-	-	-
	(33,592)	-	-	-	(33,592)
2010					
Trade and other payables	(33,079)	-	-	-	(33,079)
Interest bearing liabilities	(543,821)	-	-	-	(543,821)
	(576,900)	-	-	-	(576,900)

(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.

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		
	Profit	Equity	Profit	Equity	
	\$	\$	\$	\$	
2011					
Cash & cash equivalents	1,068,074	2,670	2,670	(2,670)	(2,670)
Interest bearing liabilities	-	-	-	-	-
Total increase / (decrease)		2,670	2,670	(2,670)	(2,670)
2010					
Cash & cash equivalents	1,391,877	3,479	3,479	(3,479)	(3,479)
Interest bearing liabilities	(543,821)	(1,359)	(1,359)	1,359	1,359
Total (decrease) / increase		2,120	2,120	(2,120)	(2,120)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

19. 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 following provision of subsections (1), (2), and (3) of section 272 - Information to be provided to members or General Manager, which reads 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).



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 2011 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 my opinion:

- (1) The general purpose financial report of the United Firefighters Union of Australia West Australian Branch is in accordance with:
 - a. the *Fair Work (Registered Organisations) Act 2009 (Commonwealth)*, including:
 - (i) presenting fairly of the Union's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
 - (ii) complying with applicable Australian Accounting Standards (including Australian Accounting Interpretations); and
 - b. the financial statements also complies with International Financial Reporting Standards as disclosed in Note 2.
- (2) The Union has kept satisfactory accounting records for the financial year including records of:
 - a. the sources and nature of the Union's income, including membership subscriptions and other income from members; and
 - b. the nature of and reasons for the Union's expenditure.
- (3) No person has contravened or failed to comply with s 74 - *Duties of officers of organisations* of the *Industrial Relations Act 1979 (WA)*.
- (4) All the information and explanations that officers or employees of the Union were required to provide have been provided.
- (5) There was no deficiency, failure or shortcoming in any matter referred to in (1) to (4) above.


ANDERSON MUNRO & WYLLIE

Chartered Accountants

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



BILLY-JOE THOMAS

Director & Registered Company Auditor

Dated at Perth, Western Australia this 22nd day of March 2012



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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AUDITORS' DISCLAIMER

The additional financial report data presented on page 33 to 34 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 2011. 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 this 22nd day of March 2012

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
INCOME		
Interest received	41,244	55,943
Members dues and subscriptions	925,944	800,005
Rental income	26,964	36,395
Merchandise sales	3,619	3,015
Sundry Income	4,733	12,323
Profit on sale of fixed assets	5,313	235,202
Total Income	1,007,817	1,142,883
EXPENDITURE		
Advertising	158	504
Accommodation and Travel	22,890	11,561
Affiliation and membership fees	80,676	57,413
Agents commission	2,767	4,153
Ambulance	600	1,698
Audit fees	9,023	14,541
Accounting fees	-	2,360
Bad debts	-	50
Bank fees	653	1,645
Computer expenses	5,050	8,005
Committee and delegate expenses	20,435	20,627
Contributions - Others	23,203	227
Depreciation	38,454	61,294
Donations	10,071	4,000
Electricity & Gas	6,969	8,652
Entertainment	1,465	7,062
Fringe benefits tax	9,574	4,310
Gardening and cleaning	12,469	14,016
General expenses	27,484	8,088
Gifts	2,263	64
Hire	1,231	3,522

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011
(CONTINUED)

	2011	2010
	\$	\$
Honorariums and presentations	3,500	3,633
Increase in leave provision	9,564	19,093
Insurance	11,960	12,028
Interest	388	72,638
Legal fees	39,984	61,422
Motor vehicle expenses	9,815	8,341
Printing, postage & stationery	20,285	21,926
Purchases - merchandise	3,309	3,250
Rates, water & land tax	10,830	33,379
Relocation expenses	-	3,674
Repairs and maintenance	13,795	8,686
Replacement equipment	1,767	434
Seminar expenses	1,310	-
Staff amenities	4,912	1,521
Standby	13,778	16,937
Subscriptions	1,511	1,523
Superannuation	35,720	34,800
Salaries	310,268	307,161
Telephone - Landline	9,734	8,341
Telephone - Mobile	7,114	6,909
Workers' compensation	2,062	2,224
Total Expenditure	787,041	861,712
Net Income For The Year	220,776	281,171