



FAIR WORK
COMMISSION

17 April 2015

Mr Kevin Jolly
Secretary, West Australian Branch
United Firefighters Union of Australia

Sent by email: admin@ufuofwa.net.au

Dear Mr Jolly,

Re: Lodgement of Financial Statements and Accounts - United Firefighters Union of Australia, West Australian Branch - for year ended 31 December 2014 (FR2014/413)

I acknowledge receipt of the financial report of the United Firefighters Union of Australia, West Australian Branch. The documents were lodged with the Fair Work Commission on 27 March 2015. The report has been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note that the financial report for the year ending 31 December 2015 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you require further information on the financial reporting requirements of the Act or wish to discuss these, I invite you to contact me on [REDACTED] or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch



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

ABN: 31 367 577 278

PRESIDENT: Frank Martinelli

SECRETARY: Kevin Jolly

Fair Work Commission
Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Email: orgs@fwc.gov.au

Ref: 11/15

27 March 2015

Dear Sir/Madam,

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 2014 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

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 19 February 2015; and
- that the full report was presented to a general meeting of members of the reporting unit on 19 March 2015 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:

Date:


27 MARCH 2015.

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

ABN 31 367 577 278

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

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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 Branch 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 2014.

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. Frank Martinelli, President. (1 January 2014 - continuing)
2. Kevin Jolly, Secretary. (1 January 2014 - continuing)
3. Stephen Matthews, Vice President - Officer. (1 January 2014- continuing)
4. Wallace McNamara, Vice President - Firefighter. (1 January 2014 - continuing)
5. Lea Anderson, Assistant Secretary. (1 January 2014 - continuing)
6. Adam Steenson, Trustee - Ordinary. (1 January 2014 - continuing)
7. Neil Mackintosh, Committee Member. (1 January 2014 - continuing)
8. Brian Longman, Trustee - Officer. (1 January 2014 - continuing)
9. Brad Stockley, Trustee – Firefighter. (20 February 2014 - continuing)
10. Steve Rogers, Committee Member. (1 January 2014 - 8 October 2014)
11. Wayne Brown, Committee Member. (8 October 2014 - continuing)
12. John Marsh, Committee Member. (1 January 2014 - continuing)
13. Linton Mincherton, Committee Member. (1 January 2014 - continuing)
14. Cian Evans, Committee Member. (1 January 2014 - continuing)
15. Lexie Bowring, Committee Member (20 February 2014 - continuing)
16. Benjamin Borrett, Committee Member. (1 January 2014 - continuing)
17. Dean Fanderlinden, Committee Member. (1 January 2014 - continuing)
18. Ronan Gilmore, Committee Member. (1 January 2014 - continuing)
19. Christopher O'Keefe, Committee Member. (1 January 2014 - continuing)
20. Kerry Bailey, Committee Member. (13 November 2014 - continuing)

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

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.

Operating Results

The Union's profit for the year amounted to \$111,768 (2013: \$273,466).

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.

Significant Changes in the State of Affairs

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

After Balance Date Events

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

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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OPERATING REPORT

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.

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

Brian Longman, Trustee – Officer of the Committee, is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (ii) holds the position of Superannuation Fund Member-elect Trustee;

and does not hold the position because a criterion for being the trustee or director is that the officer or employee is an officer or employee of the Union.

No employee of the Union 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.

Membership of the Union

Number of members as at 31 December 2014: 1,160 (2013: 1,153).

Employees of the Union

At the end of the financial year the Union employed 4.4 FTEs.

Officers & employees who are directors of a company or a member of a board

Name of Officer	Name of Company/Board	Principal Activity	Position Due to Nomination
Frank Martinelli	Hot Gold Holdings	Building	No
Ben Borrett	Me Top Dog Pty Ltd	Retail Sales	No
John Marsh	The Gorgeous Garden Company	Landscaping	No
Wayne Brown	Ardela Holdings	Construction	No
Ronan Gilmore	Global Gilmore Pty Ltd	Construction	No

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 2014.

Other Information

There is no other information that the Union considers relevant.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

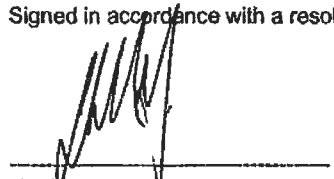
ABN 31 367 577 278

OPERATING REPORT

Auditor's Independent Declaration

A copy of the auditor's independence declaration is set out on page 5.

Signed in accordance with a resolution of the Committee of Members passed on the 18th day of February 2015

A handwritten signature in black ink, appearing to read 'Kevin Jolly', is written over a horizontal line.

Kevin Jolly

Secretary

Dated: 18th day of February 2015

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278


COMMITTEE OF MANAGEMENT STATEMENT

On the 18th day of February 2015 the Committee of Management of United Firefighters Union of Australia West Australian Branch ("Union") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2014:

The Branch Committee of Management of the United Firefighters Union of Australia West Australian Branch ("the Union") declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia ("General Manager");
3. the financial statements and notes give a true and fair view of the Union's financial performance, financial position and cash flows, and the changes in equity for the year then ended;
4. there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that 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")*;
 - 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.
6. further the Branch Committee of Management of the Union declares that the Union has not undertaken any recovery of wages activity during the financial year.

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



Kevin Jolly
Secretary

Dated: 18th day of February 2015



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS 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 2014, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2014 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

Martin Shone

Principal

Dated at Perth, Western Australia this 18th day of February 2015

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
Revenue			
Membership Subscription	3A,10	1,081,372	1,053,753
Capitation Fees	3B	-	-
Levies	3C	-	-
Interest Received	3D	19,425	36,101
Holiday Home Service Recovery Funds	3E	31,602	24,815
Grants or Donations	3F	-	-
Other Income		2,452	520
Total income		1,134,851	1,115,189
Expenses			
Employee Expenses	4A	516,389	445,381
Capitation Fees	4B	81,544	79,824
Affiliation Fees	4C	20,815	20,147
Administration Expenses	4D	181,332	183,645
Grants or Donations	4E	39,901	3,550
Depreciation and Write off	6	131,531	66,275
Finance Costs		-	38
Legal Costs	4F	4,901	-
Other Expenses	4G	46,670	42,863
		1,023,083	841,723
Net Profit Attributable to Members of the Union		111,768	273,466
Other Comprehensive Income		-	-
Total Comprehensive Income for The Year Attributable to Members of The Union		111,768	273,466

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 2014**

	Note	2014	2013
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5A	771,447	1,090,673
Trade and Other Receivables	5B	3,852	8,121
Inventories		15,424	10,845
Prepayments		30,338	17,988
TOTAL CURRENT ASSETS		821,061	1,127,627
NON-CURRENT ASSETS			
Land and Buildings	6	3,055,705	2,862,465
Building Improvements	6	1,042,295	650,720
Plant, Furniture and Fixtures	6	269,914	147,125
TOTAL NON-CURRENT ASSETS		4,367,914	3,660,310
TOTAL ASSETS		5,188,975	4,787,937
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7A	124,504	99,055
Employee Provisions	8A	102,503	42,316
TOTAL CURRENT LIABILITIES		227,007	141,371
NON-CURRENT LIABILITIES			
Employee Provisions	8A	16,174	34,932
TOTAL NON-CURRENT LIABILITIES		16,174	34,932
TOTAL LIABILITIES		243,181	176,303
NET ASSETS		4,945,794	4,611,634
EQUITY			
Asset Revaluation Reserves	6	853,639	631,247
Other Reserves	9A	144,000	120,000
Retained Earnings		3,948,155	3,860,387
TOTAL EQUITY		4,945,794	4,611,634

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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**STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Retained Earnings	Assets Revaluation Reserve	Other Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2013 (restated)	3,608,731	631,247	96,000	4,335,978
Profit for The Year	273,466	-	-	273,466
Adjustment for Change in Accounting Policy	2,190	-	-	2,190
	<u>275,656</u>	<u>-</u>	<u>-</u>	<u>275,656</u>
Transfer to Reserve	(24,000)	-	24,000	-
Balance at 31 December 2013	<u>3,860,387</u>	<u>631,247</u>	<u>120,000</u>	<u>4,611,634</u>
Profit For The Year	111,768	-	-	
Revaluation Increments for The Year - net	-	222,392	-	222,392
Transfer to Reservé	(24,000)	-	24,000	-
Balance at 31 December 2014	<u>3,948,155</u>	<u>853,639</u>	<u>144,000</u>	<u>4,945,794</u>

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from Members		1,085,641	1,046,622
Receipt from Investment Properties		31,602	24,815
Interest and Miscellaneous Income		19,866	36,621
Payment to Employees		(477,712)	(426,326)
Payment to Suppliers		(363,892)	(285,125)
Interest Paid		-	(38)
Effects of Change in Accounting Policy		-	2,190
Cash Generated from Operating Activities	12A	<u>295,505</u>	<u>398,759</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-Current Assets	6	(629,276)	(624,077)
Proceeds from Sale of non-Current Assets		14,545	-
Cash Used in Investing Activities		<u>(614,731)</u>	<u>(624,077)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Bank Borrowings		-	-
Cash Used in Financing Activities		<u>-</u>	<u>-</u>
(Decrease)/Increase in Cash and Cash Equivalents During the Year		(319,226)	(225,318)
Cash and Cash Equivalents at the Beginning of the Year		1,090,673	1,315,991
Cash and Cash Equivalents at the End of the Year	5A	<u>771,447</u>	<u>1,090,673</u>

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

No recovery of wages activities occurred in the reporting period.

The accompanying notes form part of these financial statements

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 1: Union Information

The financial report of United Firefighters Union of Australia West Australian Branch ("Union") for the year ended 31 December 2014 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 2014: 1,160 (2013: 1,153).

The financial statements were authorised for issue on 18th February 2015 by the members of the committee.

Note 2: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

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. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(b) Gains

Sale of Assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 2: Summary of Significant Accounting Policies (Continued)

(c) Capitation Fees and Levies

Capitation fees and levies are to be recognised on an accrual basis and record as a revenue and/or expense in the year to which it relates.

(d) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Union in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Union recognises an obligation to provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations as per the requirements of the relevant industrial conditions or obligations set out by Fair Work Commission.

(e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(f) Borrowing Costs

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

(g) Cash

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

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 2: Summary of Significant Accounting Policies (Continued)

(h) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) *Fair value through profit or loss*

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Union manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Union documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(ii) *Held-to-maturity investments*

Financial assets with fixed or determinable payments and fixed maturity dates that the Union has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 2: Summary of Significant Accounting Policies (Continued)

(i) Financial Assets (Continued)

(iii) *Available-for-sale*

The Union is aware of the accounting policies and standards that are required in the circumstances where listed shares and listed redeemable notes are held as investments by the Union but no such shares or notes are held by the Union.

(iv) *Loan and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(v) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

(vi) *Impairment of financial assets*

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Union past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 2: Summary of Significant Accounting Policies (Continued)

(i) Financial Assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(vii) *Derecognition of financial assets*

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(j) Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

(i) *Fair value through profit or loss*

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 2: Summary of Significant Accounting Policies (Continued)

(j) Financial Liabilities (Continued)

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(ii) *Other financial liabilities*

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(iii) *Derecognition of financial liabilities*

The Union derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(k) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(l) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(m) Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 2: Summary of Significant Accounting Policies (Continued)

(m) Land, Buildings, Plant and Equipment (Continued)

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

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

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

(n) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(o) Impairment for Non-Financial Assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(p) Taxation

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 2: Summary of Significant Accounting Policies (Continued)

(q) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(r) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company 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.

(s) Significant Accounting Judgements and Estimates

The directors 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

Impairment

Nil

Key judgments

Available-for-sale investments

Nil

(t) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

The Union has assessed the new and amended pronouncements applicable to future reporting periods and has determined that their effect on the Union is NIL.

(ta) Going Concern

The Union is not reliant on financial support of another reporting unit to continue on a going concern basis.

The Union provides no financial support to ensure another reporting unit can continue on a going concern basis.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 3: Income

No income was received during the reporting period for Capitation Fees, Levies, Grants or Donations or support from another reporting unit of the organisation.

Note 3A: Membership Subscription

	Note	2014	2013
		\$	\$
Membership subscription:		1,081,372	1,054,611
– Adjustment for accrual basis: start of year adjustment		-	(858)
– Adjustment for accrual basis: end of year adjustment		-	-
Balance (restated)		<u>1,081,372</u>	<u>1,053,753</u>

Note 3B: Capitation Fees

	<u>-</u>	<u>-</u>
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Note 3C: Levies

	<u>-</u>	<u>-</u>
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Note 3D: Interest

Deposits		19,425	36,101
		<u>19,425</u>	<u>36,101</u>

Note 3E: Holiday Home Service Recovery Funds

Properties:

– Melros		11,157	8,095
– Dunsborough		20,445	16,720
		<u>31,602</u>	<u>24,815</u>

Note 3F: Grants or Donations

	<u>-</u>	<u>-</u>
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Note 4: Expenses

During the reporting period no expenses were incurred as consideration for employers making payroll deductions of membership subscriptions, compulsory levies imposed, legal costs or penalties imposed on the Union under the RO Act with respect to its conduct.

Note 4A: Employee Expenses

Holders of office:

– Wages and salaries		277,105	269,271
– Superannuation		33,670	32,453
– Leave and other entitlements		35,269	18,957
– Separation and redundancies		-	-
– Other employee expenses		4,100	5,800
Subtotal employee expenses holders of office	(i)	<u>350,144</u>	<u>326,481</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 4A: Employee Expenses (Continued)

	2014	2013
	\$	\$
Employees other than office holders:		
– Wages and salaries	146,334	109,188
– Superannuation	13,752	10,085
– Leave and other entitlements	6,159	(373)
– Separation and redundancies	-	-
– Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>166,245</u>	<u>118,900</u>
Total employee expenses	<u>516,389</u>	<u>445,381</u>

- (i) This included employee Lea Anderson whose remuneration is related to her employment as Industrial Officer rather than her as Holder of Office (Assistance Secretary) which is an unpaid position.

Note 4B: Capitation Fees

United Firefighters Union of Australia	81,544	79,824
	<u>81,544</u>	<u>79,824</u>

Note 4C: Affiliation Fees

Unions WA (Trades & Labor Council of WA)	8,369	8,045
WA Labor	8,420	8,136
Australian Council of Trade Union	4,026	3,966
	<u>20,815</u>	<u>20,147</u>

Note 4D: Administration Expenses

Audit fees	14,570	14,215
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowance – meeting & conferences	13,700	15,270
Meetings of members, committees etc. & conferences held by UFUWA	12,944	8,419
Conference accommodation & travel (other)	15,739	26,338
Campaign expenses	-	-
Office property expenses	30,376	19,614
Office expenses	32,878	22,534
Information communication technology	30,973	32,509
Office redevelopment expenses	1,528	8,323
Investment property expenses	28,624	36,423
	<u>181,332</u>	<u>183,645</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 4E: Grants or Donations

	2014	2013
	\$	\$
Contributions – other (donations)	35,000	1,000
Donations	4,901	2,550
	<u>39,901</u>	<u>3,550</u>

Note 4F: Legal Costs

Other legal matters	4,901	-
	<u>4,901</u>	<u>-</u>

Note 4G: Other Expenses

Committee & delegate expenses (not include in item above)	21,134	10,328
Fringe benefit tax	7,362	9,522
Other	18,174	23,013
Penalties - via RO Act or RO Regulations	-	-
	<u>46,670</u>	<u>42,863</u>

Note 5: Current Assets

The Union has no fund or account operated in respect of compulsory levies or voluntary contributions, and therefore has no such monies invested in any assets.

The Union has no fund or account (other than the general fund) the operation of which is required by its rules or by the rules of the organisation, and therefore no transfers and/or withdrawal(s) from such an account.

Note 5A: Cash and Cash Equivalents

Cash at bank	771,147	674,228
Cash on hand	300	299
Undeposited funds	-	445
Short-term bank deposits	-	415,701
Total cash and cash equivalents	<u>771,447</u>	<u>1,090,673</u>

Note 5B: Trade and Other Receivables

Receivables from:

- Membership subscription - Transfield service	2,732	2,725
- UFU union dues	1,040	703
Total receivables	<u>3,772</u>	<u>3,428</u>
Less provision for doubtful debts	-	-
Total receivables - net	<u>3,772</u>	<u>3,428</u>

Other receivables:

- From United Firefighters Union of Australia - Reimbursement for conferences, travel & accommodation	-	3,703
- Holiday Home Service Recovery Funds receivables	80	990
Total other receivables	<u>80</u>	<u>4,693</u>
Total trade and other receivables	<u>3,852</u>	<u>8,121</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 6: Property, Plant and Equipment

	2014				2013			
	Cost \$	Revaluation Increment/ (Decrement) \$	Accumulated Depreciation \$	Net Book Value \$	Cost \$	Revaluation Increment \$	Accumulated Depreciation \$	Net Book Value \$
Land and Buildings								
Melros Place, Dawesville	165,154	331,152	(38,711)	457,595	165,154	206,230	(35,780)	335,604
104 Boronia Ridge, Walpole	55,369	48,797	(6,166)	98,000	55,369	138,341	(5,613)	188,097
6 Pelican Place, Dunsborough	412,846	218,988	(3,663)	628,171	412,846	286,676	(3,021)	696,501
21 View Street, North Perth	1,761,031	254,702	(143,794)	1,871,939	1,761,031	-	(118,768)	1,642,263
Total Land and Buildings	2,394,400	853,639	(192,334)	3,055,705	2,394,400	631,247	(163,182)	2,862,465
Building Improvements								
Melros Place, Dawesville	2,902	-	(497)	2,405	2,902	-	(424)	2,478
6 Pelican Place, Dunsborough	13,258	-	(1,429)	11,829	13,258	-	(1,097)	12,161
21 View Street, North Perth	1,058,668	-	(30,607)	1,028,061	644,529	-	(8,448)	636,081
Total Building Improvements	1,074,828	-	(32,533)	1,042,295	660,689	-	(9,969)	650,720
Plant, Furniture and Fixtures								
Melros Place, Dawesville	31,652	-	(12,852)	18,800	22,022	-	(14,603)	7,419
6 Pelican Place, Dunsborough	15,235	-	(4,541)	10,694	10,737	-	(2,635)	8,102
21 View Street, North Perth	222,093	-	(55,234)	166,859	118,106	-	(48,084)	70,022
Motor vehicles	90,706	-	(32,376)	58,330	83,407	-	(34,734)	48,673
Computer equipment	20,330	-	(6,905)	13,425	35,198	-	(24,183)	11,015
Office equipment < \$500	5,314	-	(3,508)	1,806	4,943	-	(3,049)	1,894
Total Furniture and Fixtures	385,330	-	(115,416)	269,914	274,413	-	(127,288)	147,125
Total Property, Plant & Equipment	3,854,558	853,639	(340,283)	4,367,914	3,329,502	631,247	(300,439)	3,660,310

<i>Movements during the year</i>	2014				2013			
	<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	2,862,465	650,720	147,125	3,660,310	2,891,615	71,503	139,390	3,102,508
Additions during the year	-	437,087	192,189	629,276	-	586,078	37,999	624,077
Revaluations	222,392	-	-	222,392	-	-	-	-
Disposals during the year - net	-	-	(12,533)	(12,533)	-	-	-	-
Written off during the year - net	-	(20,839)	(8,388)	(29,227)	-	-	(80)	(80)
Depreciation for the year	(29,152)	(24,673)	(48,479)	(102,304)	(29,150)	(6,861)	(30,184)	(66,195)
Balance at the end of the year	3,055,705	1,042,295	269,914	4,367,914	2,862,465	650,720	147,125	3,660,310

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 7: Current Liabilities

The Union has no payables or other financial liability to any other reporting unit of the organisation. The Union has no payables to employers as consideration for the employer making payroll deductions for membership subscriptions, or in respect of legal costs and other expenses related to litigation or other legal matters.

Note 7A: Trade and Other Payables

	Note	2014	2013
		\$	\$
Trade creditors and accruals		112,796	108,915
Payables to other reporting units		-	-
Total trade payables		112,796	108,915
Consideration to employers for payroll deductions		-	-
Legal costs		-	-
GST payable/(refundable)		11,708	(9,860)
Other creditors		-	-
Total other payables		11,708	(9,860)
Total trade and other payables		124,504	99,055

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

Note 8: Provisions

Note 8A: Employee Provisions

Office holders:

- Annual leave		60,098	37,214
- Long service leave		40,286	27,901
- Separation and redundancies		-	-
- Other employee provisions		-	-
Subtotal employee provisions – office holders	(a)	100,384	65,115

Employees other than office holders:

- Annual leave		5,949	5,102
- Long service leave		12,344	7,031
- Separation and redundancies		-	-
- Other employee provisions		-	-
Subtotal employee provisions – employees other than office holders		18,293	12,133
Total employee provisions		118,677	77,248

Current		102,503	42,316
Non current		16,174	34,932
Total employee provisions		118,677	77,248

(a) Refer to Note 4A(i) for the inclusion of Lea Anderson as Office Holder.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 9: Equity

Note 9A: Other Reserves

	Note	2014	2013
		\$	\$
Provision for Campaigns		72,000	60,000
Provision for Centennial year 2016		72,000	60,000
		<u>144,000</u>	<u>120,000</u>

Note 10: Consideration for Employers for Payroll Deductions

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

Note 11: Segment Information

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

Note 12: Cash Flow

Note 12A: Cash Flow Reconciliation

Reconciliation of profit to net cash from operating activities:

Net profit for the year		111,768	273,466
Adjustments for non-cash items:			
- Profit on disposal of non-current assets		(2,011)	-
- Written off of non-current assets	6	29,227	80
- Depreciation of non-current assets	6	102,304	66,195
- Effect of change in accounting policy		-	2,190
Changes in assets/liabilities			
- (Increase)/decrease in trade and other receivables		4,269	(7,131)
- (Increase)/decrease in inventories		(4,580)	1,030
- (Increase)/decrease in prepayments		(12,350)	4,389
- Increase/(decrease) in trade and other payables		25,449	39,957
- Increase/(decrease) in employee provisions		41,429	18,583
Net cash generated from operating activities		<u>295,505</u>	<u>398,759</u>

Note 12B: Cash Flow Information

Cash inflows

United Firefighters Union of Australia	2,799	6,290
Total cash inflows	<u>2,799</u>	<u>6,290</u>

Cash outflows

United Firefighters Union of Australia	94,127	92,168
Total cash outflows	<u>94,127</u>	<u>92,168</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 13: Commitments and contingencies

Capital commitments

As at 31 December 2014 the Union committed to a capital expenditure of \$Nil (2013: \$369,461).

Note 14: Related Party Disclosures

Note 14A: Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2014	2013
	\$	\$
Revenue received from the following:		
– Frank Martinelli		
Service Recovery Fund for Holiday Home (Melros) 1 week	335	320
Purchase of merchandise (Beanie)	-	14
– Brian Longman		
Service Recovery Fund for Holiday Home (Dunsborough) 1 week	460	-
– Adam Steenson		
Purchase of merchandise (3 t-shirts)	39	48
– Ronan Gilmore		
Purchase of merchandise (2 t-shirts)	-	32
– Les Holden		
Service Recovery Fund for Holiday Home (Melros) 1 week	400	-
– Brad Stockley		
Service Recovery Fund for Holiday Home (Melros) 3 nights	230	-
– Cian Evans		
Purchase of merchandise	32	-
	1,496	414
Expenditure to the following:		
– Ben Borrett (Me Top Dog Pty Ltd)		
Purchase of retail products	452	-
	452	-

Terms and conditions of transactions with related parties

In the case of Holiday Home use, the President applied for use of the Holiday Home, as all members of the Union may, as a benefit of Membership. The terms for use by the Union's members are equivalent between the members. Third parties who are not members of the Union are charged a premium of approximately 25% on top of the members' service recovery funds terms.

Other sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2014, the United Firefighters Union of Australia West Australian Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2013: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 14: Related Party Disclosures (Continued)

Note 14B: Key Management Personnel Remuneration for the Reporting Period

	Note	2014	2013
		\$	\$
Short-term employee benefits:			
- Salary (including annual leave taken)	4A	277,105	269,271
- Annual leave accrued	8	60,098	37,214
- Remuneration for attending meeting & conferences & travel allowance		17,800	21,070
- Committee honorariums		4,200	4,400
- Meeting expenses		-	3,252
Total short-term employee benefits		359,203	335,207
Post-employment benefits:			
- Superannuation	4A	33,670	32,453
Total post-employment benefits		33,670	32,453
Other long-term benefits:			
- Long service leave	8	40,286	27,901
Total long-term benefits		40,286	27,901

Note 14C: Remuneration Paid to the Employee (Other than Office Holders)

Short-term employee benefits:			
- Salary (including annual leave taken)	4A	146,334	109,188
- Annual leave accrued	8	5,949	5,102
Total short-term employee benefits		152,283	114,290
Post-employment benefits:			
- Superannuation	4A	13,752	10,085
Total post-employment benefits		13,752	10,085
Other long-term benefits:			
- Long service leave	8	12,344	7,031
Total long-term benefits		12,344	7,031

Note 15: Remuneration of Auditors

Value of the services provided			
- Financial statement audit services		8,378	8,990
- Other services & membership audit		7,600	6,552
Total remuneration of auditors		15,978	15,542

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 16: Events after the reporting period

There were no events that occurred after 31 December 2014, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

Note 17: Trust Account (Annual Dinner Funds)

Funds held at P & N Bank (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:

	1 January 2014	Amounts received	Amounts paid	31 December 2014
	\$	\$	\$	\$
Cash at bank	70,468	108,338	(69,422)	109,384

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.

Note 18: Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2014	2013
	\$	\$
Financial assets		
Cash and cash equivalents	771,447	1,090,673
Trade and other receivables	3,852	8,121
Total financial assets	775,299	1,098,794
Financial liabilities		
Trade and other payables	124,504	99,055
Total financial liabilities	124,504	99,055

The Committee's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for the operations. The Union does not have any derivative instruments at 31 December 2014.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Union is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 18: Financial Risk Management (Continued)

(i) Credit risk

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 users to pay the service recovery funds 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) service recovery funds 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 risk

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.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	124,504	99,055	-	-	-	-	124,504	99,055
Total expected outflows	124,504	99,055	-	-	-	-	124,504	99,055
Financial Assets — cash flows realisable								
Cash and cash equivalents	771,447	1,090,673	-	-	-	-	771,447	1,090,673
Trade and other receivables	3,852	8,121	-	-	-	-	3,852	8,121
Total anticipated inflows	775,299	1,098,794	-	-	-	-	775,299	1,098,794
Net (outflow)/inflow on financial instruments	650,795	999,739	-	-	-	-	650,795	999,739

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 18: Financial Risk Management (Continued)

(iii) Market risk

(a) Interest rate risk

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.

(b) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit	Equity
	\$	\$
Year ended 31 December 2014		
+/-1% in interest rates	7,617	7,617
Year ended 31 December 2013		
+/-1% in interest rates	9,627	9,627

No sensitivity analysis has been performed on foreign exchange risk as the Union has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 18: Financial Risk Management (Continued)

	Note	2014		2013	
		Carrying Value	Fair Value	Carrying Value	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	771,447	771,447	1,090,673	1,090,673
Trade and other receivables	(i)	3,852	3,852	8,121	8,121
Total financial assets		775,299	775,299	1,098,794	1,098,794
Financial liabilities					
Trade and other payables	(i)	124,504	124,504	99,055	99,055
Total financial liabilities		124,504	124,504	99,055	99,055

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.

Note 19: Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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).



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 2014 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) 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 2014 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) All the information and explanations that officers or employees of the Union were required to provide have been provided;
- (4) There was no deficiency, failure or shortcoming in any matter referred to in (1) to (3) above; and
- (5) Management's use of the going concern basis of accounting in the preparation of the Union's financial statements is appropriate.

Anderson Munro & Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

MARTIN SHONE

Principal & Registered Company Auditor

Dated at Perth, Western Australia this 18th day of February 2015



Anderson Munro & Wyllie

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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 2014. 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

MARTIN SHONE

Principal

Dated at Perth, Western Australia this 18th day of February 2015

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
Revenue		
Membership Subscription	1,081,372	1,053,753
Interest Received	19,425	36,101
Holiday Home Service Recovery Funds	31,602	24,815
Merchandise Sales	441	520
Profit on Sale of Fixed Assets	2,011	-
Total Income	1,134,851	1,115,189
Expenses		
Advertising	1,601	5,001
Affiliation and Membership Fees	102,359	99,971
Agents Commission	3,290	2,946
Ambulance	300	1,200
Audit Fees	14,570	14,215
Bank Fees	444	573
Business Reporting Costs	1,408	1,327
Computer Expenses	10,228	10,650
Committee and Delegate Expenses	28,494	17,660
Conferences, Travel and Accommodation	18,520	28,039
Contributions - Others	35,602	1,000
Depreciation and Write off	131,531	66,275
Donations	3,798	2,550
Electricity & Gas	9,189	9,863
Entertainment	614	1,441
Fringe Benefits Tax	7,362	9,522
Gardening and Cleaning	15,881	14,560
General and Sundry Expenses	3,235	4,024
Gifts	786	1,140
Member Meeting Expenses	2,833	928
Honorariums and Presentations	5,400	5,300
Increase in Leave Provision	41,429	18,583
Insurance	15,495	11,805
Interest	-	38
Legal Fees	4,901	-
	459,270	328,611

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

	2014	2013
	\$	\$
Motor Vehicle Expenses	8,291	6,042
Printing, Postage & Stationery	5,728	4,512
Purchases - Merchandise	377	452
Rates, Water & Land Tax	17,652	12,545
Redevelopment Costs	1,528	8,323
Repairs and Maintenance	13,215	12,858
Replacement Equipment	-	714
Seminar Expenses	2,318	232
Security Expenses	900	906
Staff Amenities	3,872	2,839
Standby	8,071	6,685
Subscriptions	2,976	1,658
Superannuation	47,422	42,538
Salaries	423,439	378,459
Telephone - Landline	9,758	8,768
Telephone - Mobile	9,787	13,091
Travel – Daily Allowance	5,500	10,000
Workers' Compensation	2,979	2,490
	<hr/>	<hr/>
	563,813	513,112
Total Expenses	<hr/> 1,023,083 <hr/>	<hr/> 841,723 <hr/>
Net Profit For The Year	<hr/> 111,768 <hr/>	<hr/> 273,466 <hr/>



13 January 2015

Mr Kevin Jolly
Secretary
United Firefighters' Union of Australia-West Australian Branch
Sent via email: kevinjolly@ufuofwa.net.au

Dear Mr Jolly,

**Re: Lodgement of Financial Report - [FR2014/413]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the West Australian Branch of the United Firefighters' Union of Australia (the reporting unit) ended on 31 December 2014.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2015 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website which includes a webinar presentation on the Reporting Guidelines.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Financial Reporting](#).

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).		
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.