

**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**

**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

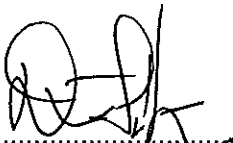
**COMMITTEE OF MANAGEMENT'S CERTIFICATE**

We **JIM CASEY**, and **DARIN SULLIVAN**, being two members of the Committee of Management of the New South Wales Fire Brigade Employees' Union, do state on behalf of the Committee, and in accordance with a resolution passed by the Committee that:

- (i) In the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the Union as at 30 June 2011.
- (ii) In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 30 June 2011 in accordance with the rules of the Union.
- (iii) To the knowledge of any member of the Committee of Management during the financial year ended 30 June 2011 there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under Section 512(2) of the Industrial Relations Act, 1991 as applied by sub-section 282(3) of the Industrial Relations Act, 1996), or copies of these records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the requirements of the Industrial Relations Act, 1996, the Regulations thereto, or the rules of the Union.
- (iv) The Union has complied with Sub-Sections 517(1) and (5) of the Industrial Relations Act, 1991 in relation to the financial accounts in respect of the year ended 30 June 2010 and the Auditors' Report thereon.



.....  
**JIM CASEY**  
State Secretary



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**DARIN SULLIVAN**  
President

27 October 2011

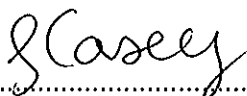
## NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION

### ACCOUNTING OFFICER'S CERTIFICATE

I, **JIM CASEY**, being the Officer responsible for keeping the accounting records of the New South Wales Fire Brigade Employees' Union, certify that as at 30 June 2011, the number of members of the Union was 6,308.

In my opinion:

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 30 June 2011.
- (ii) A record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Union.
- (iii) Approval for expenditure incurred by the Union was obtained in accordance with the rules of the Union.
- (iv) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- (v) All loans or other financial benefits granted to persons holding office in the Union were authorised in accordance with the rules of the Union.
- (vi) The register of members of the Union was maintained in accordance with the Industrial Relations Act, 1996.



.....  
**JIM CASEY**  
State Secretary

27 October 2011

**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>INCOME</b>			
Contributions		2,390,828	2,210,527
Interest		144,397	72,044
Sale of Union Merchandise		6,277	401
Sundry Income		501	766
<b>TOTAL INCOME</b>		<u>2,542,003</u>	<u>2,283,738</u>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Buildings		207,682	207,682
Computer Equipment		15,081	11,460
Motor Vehicles		14,083	14,084
Office Furniture and Equipment		49,190	50,137
		<u>286,036</u>	<u>283,363</u>
<b>Employee Benefits Expense</b>			
Accrued Annual Leave – Increase in Provision		14,306	14,505
Fringe Benefits Tax		2,102	2,102
Long Service Leave – Increase in Provision		28,604	23,835
Payroll Tax		33,833	16,805
Salaries and Allowances - Officials		126,506	117,187
- Other staff		922,228	619,309
- Temporary Staff		43,645	19,903
Superannuation		138,643	106,179
		<u>1,309,867</u>	<u>919,825</u>
<b>Other Expenses</b>			
Affiliation Fees		37,294	35,524
Awards, Transcripts and Publications		6,250	5,125
Bank Charges		938	944
Computer Expenses		1,662	1,787
Donations and Presentations		14,486	7,182
General Office Expenses		8,052	6,018
Insurance		22,836	20,842
Meeting Expenses		133,903	19,083
Staff Travel & Accommodation Expenses		11,801	14,092
Member Mortality and Assistance Payments		23,000	11,400
Motor Vehicle Expenses		2,499	2,203
Carried Forward		<u>262,721</u>	<u>124,200</u>

**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 30 JUNE 2011 (Cont'd)**

	Note	2011 \$	2010 \$
Brought Forward		262,721	124,200
NSW Branch, United Firefighters Union of Australia		-	46,268
Office Expenses - Orange		23,419	24,362
Office Expenses - Temora		20,775	19,682
Stamp Duty		988	1,137
State Committee Allowances and Expenses		101,460	81,986
Postage		15,774	11,648
President's Honorarium		-	2,200
Printing and Stationery		93,124	41,459
Professional Services	5	143,967	107,893
Promotional Materials		9,618	33,489
Property Expenses	6	63,580	44,990
Telephone		21,547	17,157
Training		10,573	1,682
		<u>767,546</u>	<u>558,153</u>
<b>TOTAL EXPENDITURE</b>		<u>2,363,449</u>	<u>1,761,341</u>
<b>SURPLUS FOR YEAR</b>		<u>178,554</u>	<u>522,397</u>

There is no "Other Comprehensive Income" in the current and prior year.

The accompanying notes form part of the financial report.

**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
<b>Cash &amp; Cash Equivalents</b>			
Cash at Bank - Working Fund		266,069	117,680
Cash on Hand		<u>950</u>	<u>950</u>
		<u>267,019</u>	<u>118,630</u>
<b>Receivables</b>			
Accrued Interest		6,279	5,425
Prepayments		11,842	7,766
Sundry Debtors		-	1,100
Sundry Deposits		<u>2,740</u>	<u>2,740</u>
		<u>20,861</u>	<u>17,031</u>
<b>Investments</b>			
Members Equity Business Direct Savings Account		586	716
Members Equity Term Deposit		<u>2,504,838</u>	<u>2,171,181</u>
		<u>2,505,424</u>	<u>2,171,897</u>
<b>TOTAL CURRENT ASSETS</b>		<u>2,793,304</u>	<u>2,307,558</u>
<b>NON CURRENT ASSETS</b>			
<b>Property, Plant and Equipment</b>			
Property	4(a)	4,484,646	4,692,328
Computer Equipment	4(b)	40,410	12,627
Motor Vehicles	4(c)	45,542	59,623
Office Furniture and Equipment	4(d)	<u>262,687</u>	<u>304,636</u>
		<u>4,833,285</u>	<u>5,069,214</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>4,833,285</u>	<u>5,069,214</u>
<b>TOTAL ASSETS</b>		<u>7,626,589</u>	<u>7,376,772</u>

**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011 (Cont'd)**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
<b>Payables</b>		
Sundry Creditors	<u>102,814</u>	<u>74,461</u>
	<u>102,814</u>	<u>74,461</u>
<b>Employee Entitlements</b>		
Employee Entitlements for Annual Leave	232,008	217,702
Employee Entitlements for Long Service Leave	<u>105,779</u>	<u>106,366</u>
	<u>337,787</u>	<u>324,068</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>440,601</u>	<u>398,529</u>
<b>NON CURRENT LIABILITIES</b>		
<b>Employee Entitlements</b>		
Employee Entitlements for Long Service Leave	<u>52,399</u>	<u>23,208</u>
<b>TOTAL NON CURRENT LIABILITIES</b>	<u>52,399</u>	<u>23,208</u>
<b>TOTAL LIABILITIES</b>	<u>493,000</u>	<u>421,737</u>
<b>NET ASSETS</b>	<u>7,133,589</u>	<u>6,955,035</u>
<b>ACCUMULATED FUNDS</b>	<u>7,133,589</u>	<u>6,955,035</u>

The accompanying notes form part of the financial report.

**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
FOR THE YEAR ENDED 30 JUNE 2011**

	<b>Accumulated Funds \$</b>
Balance at 30 June 2009	6,432,638
Surplus for the Year	<u>522,397</u>
Balance at 30 June 2010	6,955,035
Surplus for the Year	<u>178,554</u>
<b>Balance at 30 June 2011</b>	<b><u>7,133,589</u></b>

The accompanying notes form part of the financial report.



**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Members		2,390,828	2,210,527
Payments to Suppliers and Employees		(2,009,126)	(1,504,693)
Interest Received		143,543	66,619
Other Receipts		<u>6,778</u>	<u>1,167</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	7(b)	<u>532,023</u>	<u>773,620</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for Property, Plant and Equipment		(50,107)	(12,900)
Payment for Investments		<u>(333,527)</u>	<u>(1,136,462)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(383,634)</u>	<u>(1,149,362)</u>
<b>NET INCREASE / (DECREASE) IN CASH</b>		148,389	(375,742)
Cash at Beginning of Year		<u>118,630</u>	<u>494,372</u>
<b>CASH AT END OF YEAR</b>	7(a)	<u>267,019</u>	<u>118,630</u>

The accompanying notes form part of the financial report.

## **NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

### **NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the New South Wales Industrial Relations Act, 1996.

#### **BASIS OF PREPARATION**

The financial report is for the entity New South Wales Fire Brigade Employees Union, as an individual entity. The New South Wales Fire Brigade Employees Union is an organisation registered under the New South Wales Industrial Relations Act, 1996. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the financial statements.

##### **(a) Revenue**

Contributions are accounted for on a cash receipts basis. Otherwise, the concept of accruals accounting has been adopted in the preparation of the financial statements.

##### **(b) Income Tax**

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

##### **(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

## NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)

#### 1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### (c) Property, Plant and Equipment (Cont'd)

###### *Depreciation*

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the union commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Buildings	2.5% – 7.5%
Computers	25%
Office Furniture and Equipment	10% - 20%
Motor Vehicles	15%

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

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is derecognised.

##### (d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

##### (e) Goods and Services Tax

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

##### (f) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

## NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)

#### 1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### (f) Employee Benefits (Cont'd)

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

##### (g) Investments

All investments are stated at cost.

##### (h) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will have a financial impact on the financial report in future periods and which are not yet effective.

#### 2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Industrial Relations Act, 1991, (NSW) the attention of members is drawn to the provisions of sub-sections (1) and (2) of section 512 which read as follows:

- (1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
- (2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

#### 3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (a) Critical accounting estimates and assumptions

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)**

**3. ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)**

**(b) Critical judgments in applying the Union's accounting principles**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities other than the matter referred to in Note 11 Contingent Liability.

	2011 \$	2010 \$
<b>4. (a) PROPERTY</b>		
<b>1 to 7 BELMORE STREET</b>		
Land - At Cost	1,113,475	1,113,475
Building - At Cost	4,183,034	4,183,034
Less Accumulated Depreciation - Building	<u>(811,863)</u>	<u>(604,181)</u>
	<u>4,484,646</u>	<u>4,692,328</u>
<b>(b) COMPUTER EQUIPMENT</b>		
At Cost	124,825	81,961
Less Accumulated Depreciation	<u>(84,415)</u>	<u>(69,334)</u>
	<u>40,410</u>	<u>12,627</u>
<b>(c) MOTOR VEHICLES</b>		
At Cost	93,889	93,889
Less Accumulated Depreciation	<u>(48,347)</u>	<u>(34,266)</u>
	<u>45,542</u>	<u>59,623</u>
<b>(d) OFFICE FURNITURE AND EQUIPMENT</b>		
At Cost	451,498	444,257
Less Accumulated Depreciation	<u>(188,811)</u>	<u>(139,621)</u>
	<u>262,687</u>	<u>304,636</u>
<b>TOTAL PROPERTY PLANT AND EQUIPMENT</b>	<u>4,833,285</u>	<u>5,069,214</u>

**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)**

**4. PROPERTY PLANT AND EQUIPMENT (Cont'd)**

**MOVEMENTS IN CARRYING AMOUNTS**

	Land and Buildings	Computer Equipment	Motor Vehicles	Office Furniture and Equipment	Total
<b>Balance at 1 July 2010</b>	4,692,328	12,627	59,623	304,636	5,069,214
Additions	-	42,866	-	7,241	50,107
Disposals	-	-	-	-	-
Depreciation	(207,682)	(15,083)	(14,081)	(49,190)	(286,036)
<b>Balance at 30 June 2011</b>	<u>4,484,646</u>	<u>40,410</u>	<u>45,542</u>	<u>262,687</u>	<u>4,833,285</u>
				<b>2011</b>	<b>2010</b>
				\$	\$

**5. PROFESSIONAL SERVICES**

Audit Fees	16,250	16,000
Auditors Fees Other Services	-	1,250
Legal Fees	99,191	40,329
Consultants	28,526	50,314
	<u>143,967</u>	<u>107,893</u>

**6. PROPERTY EXPENSES**

Electricity and Gas	12,333	10,017
Office Cleaning Expenses	30,589	30,205
Rates - Water	1,261	1,167
- Municipal	10,345	10,077
Repairs and Maintenance	9,052	(6,476)
	<u>63,580</u>	<u>44,990</u>

NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)

	2011 \$	2010 \$
<b>7. (a) CASH FLOW INFORMATION</b>		
For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash at the end of the year is shown in the statement of financial position as:		
Cash on Hand	950	950
Cash at Bank - Working Fund	<u>266,069</u>	<u>117,680</u>
	<u>267,019</u>	<u>118,630</u>
<b>(b) Reconciliation of cash flow from operations with operating result</b>		
<b>Net Surplus</b>	178,554	522,397
<b>Non-Cash Flows in Net Surplus</b>		
Depreciation	286,036	283,363
<b>Changes in Assets and Liabilities</b>		
Increase in Employee Entitlements	42,910	38,340
Decrease/(Increase) in Debtors	1,100	(1,100)
(Increase) in Accrued Interest	(854)	(5,425)
(Increase) in Prepayments	(4,076)	(88)
Increase/(Decrease) in Sundry Creditors	28,353	(63,867)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>532,023</u>	<u>773,620</u>

## NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)

#### 8. FINANCIAL RISK MANAGEMENT

##### *(a) General objectives, policies and processes*

The union is exposed to risks that arise from its use of financial instruments. This note describes the union's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The union's financial instruments consist mainly of deposits with banks and payables. The main risks the union is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The committee of management has overall responsibility for the determination of the union's risk management objectives and policies and whilst retaining ultimate responsibility for them, the committee of management makes investment decisions after considering appropriate advice.

##### *(b) Credit Risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the union incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the union.

There is no concentration of credit risk with respect to current and non-current receivables.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2011	2010
	\$	\$
Cash at Bank Working Fund	266,069	117,680
Members Equity Business Direct Savings Account	586	716
Members Equity Term Deposit	<u>2,504,838</u>	<u>2,171,181</u>
	<u>2,771,493</u>	<u>2,289,577</u>

The cash and cash equivalents are held in high quality Australian financial institutions.



**NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)**

**8. FINANCIAL RISK MANAGEMENT (Cont'd)**

*(c) Liquidity Risk*

Liquidity risk is the risk that the union may encounter difficulties raising funds to meet commitments associated with financial liabilities.

The union is not significantly exposed to this risk, as at 30 June 2011 it had \$2,772,443 (\$2,290,527– 2010) of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 June 2011 totalled \$102,814 (\$74,461 – 2010).

*(d) Market Risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

*(e) Interest Rate Risk*

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

30 June 2011	Floating interest rate \$	Non interest bearing \$	Total \$
<b>Financial Assets</b>			
Cash	266,069	950	267,019
Investments	2,505,424	-	2,505,424
Sundry Debtors	-	2,740	2,740
	<u>2,771,493</u>	<u>3,690</u>	<u>2,775,183</u>
Weighted average interest rate	5.44%		
<b>Financial Liabilities</b>			
Payables	-	102,814	102,814
	<u>-</u>	<u>102,814</u>	<u>102,814</u>
<b>Net Financial Assets/(Liabilities)</b>	<u>2,771,493</u>	<u>(99,124)</u>	<u>2,672,369</u>

NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)

8. FINANCIAL RISK MANAGEMENT (Cont'd)

30 June 2010	Floating interest rate \$	Non interest bearing \$	Total \$
<b>Financial Assets</b>			
Cash	117,680	950	118,630
Investments	2,171,897	-	2,171,897
Sundry Deposits	-	3,840	3,840
	<u>2,289,577</u>	<u>4,790</u>	<u>2,294,367</u>
Weighted average interest rate	4.75%		
<b>Financial Liabilities</b>			
Payables	-	74,461	74,461
	<u>-</u>	<u>74,461</u>	<u>74,461</u>
<b>Net Financial Assets/(Liabilities)</b>	<u>2,289,577</u>	<u>(69,671)</u>	<u>2,219,906</u>

(e) *Interest Rate Risk*

**Sensitivity Analysis**

2011	Carrying Amount \$	+1% (100 Basis Points) Profit \$	-1% (100 Basis Points) Loss \$
Cash and cash equivalents	2,771,493	27,715	(27,715)
2010	Carrying Amount \$	+1% (100 Basis Points) Profit \$	-1% (100 Basis Points) Loss \$
Cash and cash equivalents	2,289,577	22,896	(22,896)

## NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)

#### 9. FINANCIAL RISK MANAGEMENT (Cont'd)

(f) *Other Price Risks*

The union does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(g) *Foreign Exchange Risk*

The union is not directly exposed to foreign exchange rate risk.

#### 9. SUPERANNUATION

All employees of the union are entitled to benefits from a superannuation plan on retirement, disability or death. The union participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. The union's liability is limited to paying the contributions to the plan.

#### 10. RELATED PARTIES

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the statement of comprehensive income under Salaries and Allowances - Officials.
- (b) The aggregate amount paid during the financial period to a superannuation plan in respect of elected full time officers was \$21,274 (2010: \$19,922).
- (c) There have been no other transactions between officers and the union other than those relating to their membership of the union and the reimbursement by the union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

#### 11. CONTINGENT LIABILITY

A claim has been brought against the Union by the United Firefighters' Union of Australia in respect of disputed branch levies, capitation fees and extra capitation fees. The amount claimed is approximately \$100,000. The claim is being vigorously defended by New South Wales Fire Brigade Employees' Union as it believes no amount is owing.

#### 12. ADDITIONAL INFORMATION

The registered office and principal place of business of the Union is:

1-7 Belmore Street  
Surry Hills, NSW 2011

## INDEPENDENT AUDITOR'S REPORT

To the members of the New South Wales Fire Brigade Employees' Union

We have audited the accompanying financial report of New South Wales Fire Brigade Employees' Union, which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and certificates by the committee of management and the accounting officer for the year then ended.

### *Committee of Management and the Secretary's Responsibility for the Financial Report*

The committee of management and the secretary of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Industrial Relations Act 1996. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

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 judgement, 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 of management and secretary, 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 the Australian professional accounting bodies and the Industrial Relations Act 1996.



## INDEPENDENT AUDITOR'S REPORT (Cont'd)

### *Auditor's Opinion*

In our opinion the financial report presents fairly, in all material respects, the financial position of New South Wales Fire Brigade Employees' Union as of 30 June 2011 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Accounting Interpretations) and the Industrial Relations Act 1996.

In our opinion:

- (i) There were kept by the Union in respect of the year under review, satisfactory records detailing the sources and nature of income of the Union (including income from members) and the nature and purposes of expenditure, and
- (ii) The attached financial report including the Certificates of the Committee of Management and the Accounting Officer is prepared in accordance with Section 510 of the Industrial Relations Act, 1991 (NSW), as applied by Section 282 (3) of the Industrial Relations Act, 1996.

BDO Audit (NSW-VIC) Pty Ltd

Jeff Abela

Director

Member of Institute of Chartered Accountants

And Holder of Current Public Practice Certificate

Registered Company Auditor

SYDNEY NSW 2000

27 October 2011