

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES
(FORMERLY NEW SOUTH WALES FIRE BRIGADE EMPLOYEES' UNION)

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES


COMMITTEE OF MANAGEMENT'S CERTIFICATE

We **JIM CASEY**, and **DARIN SULLIVAN**, being two members of the Committee of Management of the Fire Brigade Employees' Union of New South Wales, 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 2012.
- (ii) In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 30 June 2012 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 2012 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 2011 and the Auditors' Report thereon.



JIM CASEY
State Secretary



DARIN SULLIVAN
President

25 October 2012

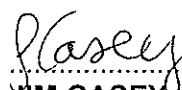
FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

ACCOUNTING OFFICER'S CERTIFICATE

I, **JIM CASEY**, being the Officer responsible for keeping the accounting records of the Fire Brigade Employees' Union of New South Wales, certify that as at 30 June 2012, the number of members of the Union was 6,228.

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 2012.
- (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

25 October 2012

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
INCOME			
Contributions		2,329,035	2,390,828
Interest		168,220	144,397
Sale of Union Merchandise		2,455	6,277
Sundry Income		3,374	501
TOTAL INCOME		<u>2,503,084</u>	<u>2,542,003</u>
EXPENDITURE			
Depreciation			
Buildings		207,682	207,682
Computer Equipment		9,046	15,081
Motor Vehicles		13,772	14,083
Office Furniture and Equipment		45,496	49,190
		<u>275,996</u>	<u>286,036</u>
Employee Benefits Expense			
Accrued Annual Leave –(Decrease)/Increase in Provision		(35,361)	14,306
Fringe Benefits Tax		3,156	2,102
Long Service Leave – Increase in Provision		55,902	28,604
Payroll Tax		37,701	33,833
Salaries and Allowances - Officials		129,892	126,506
- Other staff		1,015,237	922,228
- Temporary Staff		-	43,645
Superannuation		149,431	138,643
		<u>1,355,958</u>	<u>1,309,867</u>
Other Expenses			
Affiliation Fees		31,813	37,294
Awards, Transcripts and Publications		6,609	6,250
Bank Charges		820	938
Contributions, Part Time Refunds		1,958	-
Donations and Presentations		9,800	14,486
General Office Expenses		5,535	8,052
Insurance		22,472	22,836
Membership Medals, 25 Yrs (x1500)		73,370	-
Staff Travel & Accommodation Expenses		7,744	11,801
Member Mortality and Assistance Payments		17,000	23,000
Member Financial Relief Payments		4,487	-
Motor Vehicle Expenses		3,604	2,499
Carried Forward		<u>202,805</u>	<u>262,721</u>

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012 (Cont'd)

	Note	2012	2011
		\$	\$
Brought Forward		202,805	262,721
Office Expenses - Orange		26,358	23,419
Office Expenses - Temora		20,156	20,775
Stamp Duty		3,072	988
State Committee Allowances and Expenses		101,947	101,460
Postage		10,229	15,774
Printing and Stationery		36,947	93,124
Professional Services	5	65,707	143,967
Promotional Materials		37,296	9,618
Property Expenses	6	62,359	63,580
Telephone & External Communications		19,860	21,547
Training		2,122	10,573
Triennial Election Expenses		22,193	-
Loss on disposal of assets		2,418	-
		<u>613,471</u>	<u>767,546</u>
TOTAL EXPENDITURE		<u>2,245,425</u>	<u>2,363,449</u>
SURPLUS FOR YEAR		<u>257,659</u>	<u>178,554</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>257,659</u>	<u>178,554</u>
LESS NET TRANSFER TO AWARD FIGHTING FUND		<u>(105,413)</u>	<u>(105,600)</u>
NET SURPLUS FOR YEAR – GENERAL FUND		<u>152,246</u>	<u>72,954</u>

The accompanying notes form part of the financial report.

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents			
Cash at Bank - Working Fund		235,514	266,069
Cash on Hand		<u>950</u>	<u>950</u>
		<u>236,464</u>	<u>267,019</u>
Receivables			
Accrued Interest		7,802	6,279
Prepayments		12,528	11,842
Sundry Deposits		<u>2,740</u>	<u>2,740</u>
		<u>23,070</u>	<u>20,861</u>
Investments			
Members Equity Business Direct Savings Account		258	586
Members Equity Term Deposit		<u>3,071,843</u>	<u>2,504,838</u>
		<u>3,072,101</u>	<u>2,505,424</u>
TOTAL CURRENT ASSETS		<u>3,331,635</u>	<u>2,793,304</u>
NON CURRENT ASSETS			
Property, Plant and Equipment			
Property	4(a)	4,276,964	4,484,646
Computer Equipment	4(b)	32,227	40,410
Motor Vehicles	4(c)	71,171	45,542
Office Furniture and Equipment	4(d)	<u>217,191</u>	<u>262,687</u>
		<u>4,597,553</u>	<u>4,833,285</u>
TOTAL NON CURRENT ASSETS		<u>4,597,553</u>	<u>4,833,285</u>
TOTAL ASSETS		<u>7,929,188</u>	<u>7,626,589</u>

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012 (Cont'd)**

	2012	2011
	\$	\$
LIABILITIES		
CURRENT LIABILITIES		
Payables		
Sundry Creditors	<u>127,213</u>	<u>102,814</u>
	<u>127,213</u>	<u>102,814</u>
Employee Entitlements		
Employee Entitlements for Annual Leave	196,647	232,008
Employee Entitlements for Long Service Leave	<u>117,520</u>	<u>105,779</u>
	<u>314,167</u>	<u>337,787</u>
TOTAL CURRENT LIABILITIES	<u>441,380</u>	<u>440,601</u>
NON CURRENT LIABILITIES		
Employee Entitlements		
Employee Entitlements for Long Service Leave	<u>96,560</u>	<u>52,399</u>
TOTAL NON CURRENT LIABILITIES	<u>96,560</u>	<u>52,399</u>
TOTAL LIABILITIES	<u>537,940</u>	<u>493,000</u>
NET ASSETS	<u>7,391,248</u>	<u>7,133,589</u>
ACCUMULATED FUNDS	<u>7,391,248</u>	<u>7,133,589</u>

The accompanying notes form part of the financial report.

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEAR ENDED 30 JUNE 2012

	General Fund \$	Award Fighting Fund \$	Total Accumulated Funds \$
Balance at 30 June 2010	6,955,035	-	6,955,035
Surplus for the Year	72,954	-	72,954
Transfer to Award Fighting Fund	<u>105,600</u>	<u>105,600</u>	<u>105,600</u>
Total Comprehensive Income for the year	<u>72,954</u>	<u>105,600</u>	<u>178,554</u>
Balance at 30 June 2011	<u>7,027,989</u>	<u>105,600</u>	<u>7,133,589</u>
Surplus for the Year	152,246	-	152,246
Transfer to Award Fighting Fund	-	109,600	109,600
Less Financial Relief Payments	-	(4,487)	(4,487)
Total Comprehensive Income for the Year	<u>152,246</u>	<u>105,413</u>	<u>257,659</u>
Balance at 30 June 2012	<u>7,180,235</u>	<u>211,013</u>	<u>7,391,248</u>

The accompanying notes form part of the financial report.

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members		2,329,035	2,390,828
Payments to Suppliers and Employees		(1,922,758)	(2,009,126)
Interest Received		166,697	143,543
Other Receipts		<u>5,829</u>	<u>6,778</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	7(b)	<u>578,803</u>	<u>532,023</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Property, Plant and Equipment		15,456	-
Payment for Property, Plant and Equipment		(58,138)	(50,107)
Payment for Investments		<u>(566,676)</u>	<u>(333,527)</u>
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(609,358)</u>	<u>(383,634)</u>
NET (DECREASE) / INCREASE IN CASH		(30,555)	148,389
Cash at Beginning of Year		<u>267,019</u>	<u>118,630</u>
CASH AT END OF YEAR	7(a)	<u>236,464</u>	<u>267,019</u>

The accompanying notes form part of the financial report.

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

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 Fire Brigade Employees Union of New South Wales, as an individual entity. The Fire Brigade Employees Union of New South Wales 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.

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012 (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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012 (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.

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012 (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.

	2012	2011
	\$	\$
4. (a) PROPERTY		
1 to 7 BELMORE STREET		
Land - At Cost	1,113,475	1,113,475
Building - At Cost	4,183,034	4,183,034
Less Accumulated Depreciation - Building	<u>(1,019,545)</u>	<u>(811,863)</u>
	<u>4,276,964</u>	<u>4,484,646</u>
 (b) COMPUTER EQUIPMENT		
At Cost	125,687	124,825
Less Accumulated Depreciation	<u>(93,460)</u>	<u>(84,415)</u>
	<u>32,227</u>	<u>40,410</u>
 (c) MOTOR VEHICLES		
At Cost	94,876	93,889
Less Accumulated Depreciation	<u>(23,705)</u>	<u>(48,347)</u>
	<u>71,171</u>	<u>45,542</u>
 (d) OFFICE FURNITURE AND EQUIPMENT		
At Cost	451,498	451,498
Less Accumulated Depreciation	<u>(234,307)</u>	<u>(188,811)</u>
	<u>217,191</u>	<u>262,687</u>
 TOTAL PROPERTY PLANT AND EQUIPMENT	<u>4,597,553</u>	<u>4,833,285</u>

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012 (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
Balance at 1 July 2011	4,484,646	40,410	45,542	262,687	4,833,285
Additions	-	863	57,275	-	58,138
Disposals	-	-	(17,874)	-	(17,874)
Depreciation	(207,682)	(9,046)	(13,772)	(45,496)	(275,996)
Balance at 30 June 2012	<u>4,276,964</u>	<u>32,227</u>	<u>71,171</u>	<u>217,191</u>	<u>4,597,553</u>
				2012	2011
				\$	\$

5. PROFESSIONAL SERVICES

Audit Fees	16,250	16,250
Audit Fees - Other Accounting Services	4,000	-
Legal Fees	22,000	99,191
Consultants	23,457	28,526
	<u>65,707</u>	<u>143,967</u>

6. PROPERTY EXPENSES

Electricity and Gas	14,922	12,333
Office Cleaning Expenses	31,195	30,589
Rates - Water	1,347	1,261
- Municipal	10,772	10,345
Repairs and Maintenance	4,123	9,052
	<u>62,359</u>	<u>63,580</u>

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012 (Cont'd)

	2012 \$	2011 \$
7. (a) CASH FLOW INFORMATION		
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>235,514</u>	<u>266,069</u>
	<u>236,464</u>	<u>267,019</u>
(b) Reconciliation of cash flow from operations with operating result		
Surplus	257,659	178,554
Non-Cash Flows in Net Surplus		
Depreciation	275,996	286,036
Net Loss on disposal of assets	2,418	-
Changes in Assets and Liabilities		
Increase in Employee Entitlements	20,541	42,910
Decrease/(Increase) in Sundry debtors and deposits	-	1,100
(Increase) in Accrued Interest	(1,523)	(854)
(Increase) in Prepayments	(686)	(4,076)
Increase in Sundry Creditors	24,398	28,353
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>578,803</u>	<u>532,023</u>

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012 (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:

	2012	2011
	\$	\$
Cash at Bank Working Fund	235,514	266,069
Members Equity Business Direct Savings Account	258	586
Members Equity Term Deposit	<u>3,071,843</u>	<u>2,504,838</u>
	<u>3,307,615</u>	<u>2,771,493</u>

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

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012 (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 2012 it had \$3,308,565 (\$2,772,443 – 2011) of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 June 2012 totalled \$127,213 (\$102,814 – 2011).

(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 2012	Floating interest rate \$	Non interest bearing \$	Total \$
Financial Assets			
Cash	235,514	950	236,464
Investments	3,072,101	-	3,072,101
Sundry Debtors	-	2,740	2,740
	<u>3,307,615</u>	<u>3,690</u>	<u>3,311,305</u>
Weighted average interest rate	4.79%		
Financial Liabilities			
Payables	-	127,213	127,213
	<u>-</u>	<u>127,213</u>	<u>127,213</u>
Net Financial Assets/(Liabilities)	<u>3,307,615</u>	<u>(123,523)</u>	<u>3,184,092</u>

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012 (Cont'd)

8. FINANCIAL RISK MANAGEMENT (Cont'd)

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

(e) Interest Rate Risk

Sensitivity Analysis

2012	Carrying Amount \$	+1% (100 Basis Points) Profit \$	-1% (100 Basis Points) Loss \$
Cash and cash equivalents	3,307,615	33,076	(33,076)
2011	Carrying Amount \$	+1% (100 Basis Points) Profit \$	-1% (100 Basis Points) Loss \$
Cash and cash equivalents	2,771,493	27,715	(27,715)

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012 (Cont'd)

8. 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 \$22,314 (2011: \$21,274).
- (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 was 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 was approximately \$100,000 as at 30 June 2012. Subsequent to year end the claim has been withdrawn by the United Firefighters' Union of Australia.

12. ADDITIONAL INFORMATION

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

1-7 Belmore Street
Surry Hills, NSW 2011

Grant Thornton Audit Pty Ltd
ABN 91 130 913 594
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

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

We have audited the accompanying financial report of New South Wales Fire Brigade Employees' Union of New South Wales 'the Union', which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Committee of Management.

Responsibility of the Committee of Management for the financial report

The Committee of Management of the Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Industrial Relations Act 1996. This responsibility includes such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

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 which require us to 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 Union'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

Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

Liability limited by a scheme approved under Professional Standards Legislation

an opinion on the effectiveness of the Union'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, 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 applicable independence requirements of the Accounting Professional and Ethical Standards Board and the Industrial Relations Act 1996.

Auditor's Opinion

In our opinion,

- a the financial report of New South Wales Fire Brigade Employees' Union of New South Wales
 - i presents fairly, in all material respects, the financial position as at 30 June 2012 and of its performance and cash flows for the year then ended;
 - ii complies with Australian Accounting Standards and the Industrial Relations Act 1996;
 - iii they were kept by in respect of the year under review, satisfactory records detailing the sources and nature of income (including income from members) and the nature and purposes of expenditure; and
 - iv 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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Neville Sinclair
Director - Audit & Assurance

Sydney, 25 October 2012