

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

COMMITTEE OF MANAGEMENT'S CERTIFICATE

We **LEIGHTON DRURY**, 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 2016.
- (ii) In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 30 June 2016 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 2016 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 2016 and the Auditors' Report thereon.



.....
LEIGHTON DRURY
State Secretary



.....
DARIN SULLIVAN
President

24 November 2016

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

ACCOUNTING OFFICER'S CERTIFICATE

I, **LEIGHTON DRURY**, 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 2016, the number of members of the Union was 6,394.

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 2016.
- (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.



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LEIGHTON DRURY
State Secretary

24 November 2016

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
INCOME			
Contributions		2,568,115	2,482,200
Interest		115,874	135,556
Sundry Income		4,398	8,545
TOTAL INCOME		<u>2,688,387</u>	<u>2,626,301</u>
EXPENDITURE			
Depreciation			
Buildings		207,681	207,682
Computer Equipment		20,859	16,114
Motor Vehicles		9,182	13,039
Office Furniture and Equipment		39,049	38,885
		<u>276,771</u>	<u>275,720</u>
Employee Benefits Expense			
Accrued Annual Leave – Increase/(Decrease) in Provision		(150,188)	29,698
Fringe Benefits Tax		6,830	6,144
Long Service Leave – Increase/(Decrease) in Provision		(15,737)	2,799
Payroll Tax		32,458	40,034
Salaries and Allowances - Officials		102,461	138,407
Salaries and Allowances - Other staff		1,002,149	1,151,132
Superannuation		140,060	159,089
		<u>1,118,033</u>	<u>1,527,303</u>
Other Expenses			
Affiliation Fees		28,560	30,684
Awards, Transcripts and Publications		3,790	3,251
Bank Charges		1,011	1,008
Computer Expenses		8,821	4,381
Contributions Part time refunds		2,472	1,595
Donations and Presentations		6,760	11,980
General Office Expenses		7,375	6,671
Insurance		25,172	25,108
Meeting Expenses		25,675	23,192
Staff Travel & Accommodation Expenses		6,451	5,101
Member Mortality and Assistance Payments		12,000	23,000
Membership Medals, 25 yrs		69,818	-
Motor Vehicle Expenses		5,111	3,352
		<u>203,016</u>	<u>139,323</u>
Carried Forward			

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

	Note	2016 \$	2015 \$
Brought Forward		203,016	139,323
Office Expenses - Orange		897	20,858
Office Expenses - Temora		18,848	24,267
Stamp Duty		1,005	2,256
State Committee Allowances and Expenses		132,054	126,060
Postage		7,046	7,073
Printing and Stationery		13,643	10,266
Professional Services	5	130,151	124,625
Promotional Materials		19,745	20,384
Property Expenses	6	69,122	67,182
Telephone & External Communications		21,339	22,396
Training		1,249	503
Triennial Election Expenses		-	23,753
Loss on disposal of assets		-	9,093
		<u>618,115</u>	<u>598,039</u>
TOTAL EXPENDITURE		<u>2,012,919</u>	<u>2,401,062</u>
SURPLUS FOR YEAR		<u>675,468</u>	<u>225,239</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>675,468</u>	<u>225,239</u>
NET SURPLUS FOR YEAR – GENERAL FUND		<u>675,468</u>	<u>225,239</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 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents			
Cash at Bank - Working Fund		229,518	272,615
Cash on Hand		950	950
		<u>230,468</u>	<u>273,565</u>
Receivables			
Accrued Interest		-	7,639
Prepayments		9,240	11,307
Sundry Deposits		2,740	2,740
		<u>11,980</u>	<u>21,686</u>
Investments			
Members Equity Business Direct Savings Account		5,129,720	1,016
Members Equity Term Deposit		-	4,296,219
		<u>5,129,720</u>	<u>4,297,235</u>
TOTAL CURRENT ASSETS		<u>5,372,168</u>	<u>4,592,486</u>
NON CURRENT ASSETS			
Property, Plant and Equipment			
Property	4(a)	3,446,236	3,653,917
Computer Equipment	4(b)	15,590	36,449
Motor Vehicles	4(c)	39,969	49,151
Office Furniture and Equipment	4(d)	60,238	98,852
		<u>3,562,033</u>	<u>3,838,369</u>
TOTAL NON CURRENT ASSETS		<u>3,562,033</u>	<u>3,838,369</u>
TOTAL ASSETS		<u>8,934,201</u>	<u>8,430,855</u>

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016 (Cont'd)**

	2016	2015
	\$	\$
LIABILITIES		
CURRENT LIABILITIES		
Payables		
Sundry Creditors	<u>150,210</u>	<u>156,407</u>
	<u>150,210</u>	<u>156,407</u>
Employee Entitlements		
Employee Entitlements for Annual Leave	130,033	280,221
Employee Entitlements for Long Service Leave	<u>133,678</u>	<u>129,863</u>
	<u>263,711</u>	<u>410,084</u>
TOTAL CURRENT LIABILITIES	<u>413,921</u>	<u>566,491</u>
NON CURRENT LIABILITIES		
Employee Entitlements		
Employee Entitlements for Long Service Leave	<u>17,135</u>	<u>36,687</u>
TOTAL NON CURRENT LIABILITIES	<u>17,135</u>	<u>36,687</u>
TOTAL LIABILITIES	<u>431,056</u>	<u>603,178</u>
NET ASSETS	<u>8,503,145</u>	<u>7,827,677</u>
ACCUMULATED FUNDS	<u>8,503,145</u>	<u>7,827,677</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 2016**

	General Fund	Award Fighting Fund	Total Accumulated Funds
	\$	\$	\$
Balance at 30 June 2014	7,602,438	-	7,602,438
Surplus for the Year	225,239	-	225,239
Total Comprehensive Income for the Year	<u>225,239</u>	<u>-</u>	<u>225,239</u>
Balance at 30 June 2015	<u>7,827,677</u>	<u>-</u>	<u>7,827,677</u>
Surplus for the Year	675,468	-	675,468
Total Comprehensive Income for the Year	<u>675,468</u>	<u>-</u>	<u>675,468</u>
Balance at 30 June 2016	<u>8,503,145</u>	<u>-</u>	<u>8,503,145</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 2016**

	Note	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members		2,824,927	2,730,420
Payments to Suppliers and Employees		(2,162,240)	(2,310,123)
Interest Received		123,515	135,911
Other Receipts		3,621	8,546
		<u>3,621</u>	<u>8,546</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	7(b)	<u>789,823</u>	<u>564,754</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of Property, Plant and Equipment		-	25,455
Payments for Property, Plant and Equipment		(435)	(79,504)
Payment for Investments		(832,485)	(435,889)
		<u>(832,485)</u>	<u>(435,889)</u>
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(832,920)</u>	<u>(489,938)</u>
NET (DECREASE)/INCREASE IN CASH		(43,097)	74,816
Cash at Beginning of Year		<u>273,565</u>	<u>198,749</u>
CASH AT END OF YEAR	7(a)	<u>230,468</u>	<u>273,565</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 2016

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 from members are accounted for on a cash receipts basis. Interest is recognised on an accrual 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 2016 (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 profit or loss and other 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 profit or loss and other 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Employee Benefits (Cont'd)

The Union's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds (2015: government bonds) that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Union presents employee benefit obligations as current liabilities in the statement of financial position if the Union does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place

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) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at Fair Value Through Profit or Loss ('FVTPL')

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

- Held-To-Maturity ('HTM') investments
- Available-For-Sale ('AFS') financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Union's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

(i) 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.

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

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.

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

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long Service Leave

The liability for Long Service Leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	2016	2015
	\$	\$
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>(1,850,273)</u>	<u>(1,642,592)</u>
	<u>3,446,236</u>	<u>3,653,917</u>
(b) COMPUTER EQUIPMENT		
At Cost	168,120	168,120
Less Accumulated Depreciation	<u>(152,530)</u>	<u>(131,671)</u>
	<u>15,590</u>	<u>36,449</u>

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

4. PROPERTY PLANT AND EQUIPMENT (Cont'd)

(c) MOTOR VEHICLES		
At Cost	61,201	61,201
Less Accumulated Depreciation	(21,232)	(12,050)
	<u>39,969</u>	<u>49,151</u>
(d) OFFICE FURNITURE AND EQUIPMENT		
At Cost	454,613	454,178
Less Accumulated Depreciation	(394,375)	(355,326)
	<u>60,238</u>	<u>98,852</u>
TOTAL PROPERTY PLANT AND EQUIPMENT	<u>3,562,033</u>	<u>3,838,369</u>

	Land	Building	Computer Equipment	Motor Vehicles	Office Furniture and Equipment	Total
Gross carrying amount						
Balance 1 July 2015	1,113,475	4,183,034	168,120	61,201	454,178	5,980,008
Additions	-	-	-	-	435	435
Balance 30 June 2016	1,113,475	4,183,034	168,120	61,201	454,613	5,980,443
Depreciation						
Balance 1 July 2015	-	1,642,592	131,671	12,050	355,326	2,141,639
Depreciation	-	207,681	20,859	9,182	39,049	276,771
Balance 30 June 2016	-	1,850,273	152,530	21,232	394,375	2,418,410
Carrying amount 30 June 2016	1,113,475	2,332,761	15,590	39,969	60,238	3,562,033
Gross carrying amount						
Balance 1 July 2014	1,113,475	4,183,034	125,688	86,829	452,543	5,961,569
Additions	-	-	42,432	35,437	1,635	79,504
Disposals	-	-	-	(61,065)	-	(61,065)
Balance 30 June 2015	1,113,475	4,183,034	168,120	61,201	454,178	5,980,008
Depreciation						
Balance 1 July 2014	-	1,434,909	115,557	25,529	316,441	1,892,436
Disposals	-	-	-	(26,517)	-	(26,517)
Depreciation	-	207,683	16,114	13,038	38,885	275,720
Balance 30 June 2015	-	1,642,592	131,671	12,050	355,326	2,141,639
Carrying amount 30 June 2015	1,113,475	2,540,442	36,449	49,151	98,852	3,838,369

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

	2016	2015
	\$	\$
5. PROFESSIONAL SERVICES		
Audit	22,050	18,350
Legal	17,490	3,669
Media	30,719	35,021
Computers	10,640	24,365
Financial	49,252	-
Actuarial	-	43,220
	<u>130,151</u>	<u>124,625</u>

6. PROPERTY EXPENSES		
Electricity and Gas	17,346	16,068
Office Cleaning Expenses	32,802	32,445
Rates - Water	2,125	1,874
Rates - Municipal	11,234	10,952
Repairs and Maintenance	5,615	5,843
	<u>69,122</u>	<u>67,182</u>

	2016	2015
	\$	\$
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>229,518</u>	<u>272,615</u>
	<u>230,468</u>	<u>273,565</u>

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

- (b) Reconciliation of cash flow from operations
with operating result

Surplus	675,468	225,239
Non-Cash Flows in Net Surplus		
Depreciation	276,771	275,720
Loss on disposal of assets	-	9,093
Changes in Assets and Liabilities		
(Decrease)/Increase in Employee Entitlements	(165,925)	32,497
Decrease in Accrued Interest	7,639	358
Decrease/(Increase) in Prepayments	2,067	(1,259)
(Decrease)/Increase in Sundry Creditors	(6,197)	23,106
NET CASH PROVIDED BY OPERATING ACTIVITIES	789,823	564,754

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 (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:

	2016	2015
	\$	\$
Cash at Bank Working Fund	229,518	272,615
Members Equity Business Direct Savings Account	5,129,720	1,016
Members Equity Term Deposit	<u>-</u>	<u>4,296,219</u>
	<u>5,359,238</u>	<u>4,569,850</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 2016 (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 2016 it had \$5,359,238 (\$4,569,850– 2015) of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 June 2016 totalled \$150,210 (\$156,407– 2015).

(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 2016	Floating interest rate	Non interest bearing	Total
	\$	\$	\$
Financial Assets			
Cash and Cash Equivalents	229,518	950	230,468
Investments	5,129,720	-	5,129,720
Sundry Debtors	-	11,980	11,980
	<hr/>	<hr/>	<hr/>
	5,359,238	12,930	5,372,168
 Weighted average interest rate	 2.64%		
Financial Liabilities			
Payables	-	150,210	150,210
	<hr/>	<hr/>	<hr/>
	-	150,210	150,210
 Net Financial Assets/(Liabilities)	 <hr/> 5,359,238	 <hr/> (137,280)	 <hr/> 5,221,958

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

8. FINANCIAL RISK MANAGEMENT (Cont'd)

30 June 2015	Floating interest rate	Non interest bearing	Total
	\$	\$	\$
Financial Assets			
Cash and Cash Equivalents	272,615	950	273,565
Investments	4,297,235	-	4,297,235
Sundry Debtors	-	2,740	2,740
	<u>4,569,850</u>	<u>3,690</u>	<u>4,573,540</u>
Weighted average interest rate	2.77%		
Financial Liabilities			
Payables	-	156,407	156,407
	<u>-</u>	<u>156,407</u>	<u>156,407</u>
Net Financial Assets/(Liabilities)	<u>4,569,850</u>	<u>(152,717)</u>	<u>4,417,133</u>

Sensitivity Analysis

2016	Carrying Amount	+1% (100 Basis Points) Profit	-1% (100 Basis Points) Loss
	\$	\$	\$
Cash and Cash Equivalents	5,359,238	53,592	(53,592)

2015	Carrying Amount	+1% (100 Basis Points) Profit	-1% (100 Basis Points) Loss
	\$	\$	\$
Cash and Cash Equivalents	4,569,850	45,699	(45,699)

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 (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 \$15,619 (2015: \$24,221).
- (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. COMMITMENTS AND CONTINGENT LIABILITY

In October 2015 a general meeting of members of the Union resolved to provide financial support in the event the United Firefighters Union of Australia's NSW Branch is unable to meet a debt that is ordered by a court of competent jurisdiction to be paid as necessary to comply with the order.

On the 30th June 2016, the Union entered into a contract with InOne Projects for a fixed cost of \$357,000 (inc GST) to fitout the premises at 1-7 Belmore Street Surry Hills.

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

12. KEY MANAGEMENT PERSONNEL (OFFICERS) REUMNERATION FOR THE PERIOD

	2016	2015
	\$	\$
Short-term employee benefits		
Salary	102,461	138,407
Annual leave accrued	1,272	7,668
Total short-term employee benefits	103,733	146,075
Post-employment benefits:		
Superannuation	16,874	24,221
Total post-employment benefits	16,874	24,221
Other long-term benefits:		
Long-service leave accrued	331	10,737
Total other long-term benefits	331	10,737
Total	120,938	181,033

No termination payouts or bonuses were paid to officials during the period.

13. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

14. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Management controls the capital of the Union to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The Board and management ensure that the overall risk management strategy is in line with this objective. The Union's capital consists of financial liabilities, supported by financial assets. Management effectively manages the Union's capital by assessing the Union's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debt levels. There have been no changes to the strategy adopted by management to control capital of the Union since the previous year.

15. ADDITIONAL INFORMATION

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

1-7 Belmore Street
Surry Hills, NSW 2010

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400

F +61 2 9299 4445

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W www.grantthornton.com.au

Independent Auditor's Report To the Members of Fire Brigade Employees' Union of New South Wales

We have audited the accompanying financial report of Fire Brigade Employees' Union of New South Wales (the "Union"), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated funds 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 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.

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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 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, the financial report of Fire Brigade Employees' Union of New South Wales including the Committee of Management and the Accounting Officer:

- i presents fairly, in all material respects, the Union's financial position as at 30 June 2016 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1; and
- ii is prepared in accordance with Section 510 of the Industrial Relations Act 1991 (NSW) as applied by Section 282 (3) or the Industrial Relations Act 1996.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A L Spowart
Partner - Audit & Assurance

Sydney, 24 November 2016