

# **Fire Brigade Employees' Union of New South Wales**

ABN: 24 083 512 218

## **Financial Statements**

For the Year Ended 30 June 2018

# Fire Brigade Employees' Union of New South Wales

ABN: 24 083 512 218

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## Contents

For the Year Ended 30 June 2018

	Page
<b>Financial Statements</b>	
State Committee of Management's Certificate	1
Certificate by Accounting Officer	2
Statement of Profit or Loss and Other Comprehensive Income	3
Balance Sheet	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Independent Audit Report	19

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## State Committee of Management's Certificate

We, the undersigned, being two members of the State Committee of Management of the Fire Brigade Employees' Union of New South Wales ("the Union"), hereby certify in respect of the financial year ended 30 June 2018, that:

- i) In the opinion of the State Committee of Management, the attached financial statements show a true and fair view of the financial affairs of the Union as at 30 June 2018; and
- ii) In the opinion of the State Committee of Management, meetings of the State Committee of Management were held during the year ended 30 June 2018 in accordance with the Rules of the Union; and
- iii) To the knowledge of any member of the State Committee of Management, 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 subsection 512(2) of the Industrial Relations Act 1991 (NSW), as applied by subsection 282(3) of the Industrial Relations Act 1996 (NSW)] or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the Industrial Relations Act 1996 (NSW), the Regulations thereto, or the Rules of the Union as the case may be; and
- iv) In relation to the report prepared in accordance with section 514 of the 1991 Act, as applied by section 282(3) of the Industrial Relations Act 1996 (NSW), by the auditor of the organisation in respect of the financial year immediately preceding the financial year to which the accounts relate [i.e the second most recently concluded financial year] and in relation to any accounts and statements prepared in accordance with section 510(1) of the 1991 Act to which that report relates, the organisation has complied with section 517(1) of the 1991 Act and whichever of subsections (5) and (6) of that section of that Act is applicable.

This certificate is in accordance with a resolution passed by the State Committee of Management of the Union in relation to the matters to be stated in the certificate and is signed on behalf of the State Committee of Management by the undersigned:

  
.....  
Leighton Drury  
State Secretary

  
.....  
Mick Nairn  
President

Dated: 24 October 2018

## Certificate by Accounting Officer

I, Leighton Drury, the Officer responsible for keeping the accounting records of the Fire Brigade Employees' Union of New South Wales ("the Union"), hereby certify to the best of my knowledge and belief that there were 6,362 persons that were full members of the Union as at the end of the financial year ended 30 June 2018, and in my opinion;

- i) The attached financial statements show a true and fair view of the financial affairs of the Union as at 30 June 2018; and
- ii) A record has been kept of all monies paid by, or collected from members of the Union, and all monies so paid or collected have been credited to the bank account or accounts to which those monies are to be credited, in accordance with the Rules of the Union; and
- iii) Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Union; and
- iv) No payment was made out of a fund referred to in clause 57(b)(xiii) or (xv) of the Industrial Relations Regulation 1992 for a purpose other than the purpose for which the fund was operated and only when approved in accordance with the Rules of the Union; and
- v) Any loans or financial benefits granted to persons holding office in the Union were authorised in accordance with the Rules of the Union; and
- vi) The register of members of the Union was maintained in accordance with the Industrial Relations Act 1996 [NSW].

  
.....  
Leighton Drury  
State Secretary

Dated: 24 October 2018

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	2018	2017
	\$	\$
<b>Revenue</b>		
Membership Fees	2,822,201	2,669,965
Rental income	217,339	173,709
Interest and investment income	203,617	186,323
Sundry income	7,940	2,363
	<u>3,251,097</u>	<u>3,032,360</u>
<b>Expenses</b>		
Affiliation fees	(26,387)	(27,088)
Depreciation and amortisation expense	(133,711)	(164,196)
Employee benefits expense	(1,096,537)	(1,335,226)
Insurance	(21,393)	(20,020)
Legal expenses	(32,013)	-
Loss on disposal of assets	(15,778)	(12,938)
Meetings conferences and expenses	(20,034)	(11,458)
Other expenses	(172,773)	(193,498)
Property expenses	(53,888)	(89,464)
State Committee allowances and expenses	(147,914)	(135,729)
Triennial election expenses	(30,170)	-
	<u>(1,750,598)</u>	<u>(1,989,617)</u>
<b>Result for the year</b>	<u>1,500,499</u>	<u>1,042,743</u>
<b>Other comprehensive income</b>		
Net unrealised gain on revaluation of long term investments held at fair value and net of realised gain on disposal of investments	225,641	35,582
<b>Other comprehensive income for the year</b>	<u>225,641</u>	<u>35,582</u>
<b>Total comprehensive income for the year</b>	<u><u>1,726,140</u></u>	<u><u>1,078,325</u></u>

The accompanying notes form part of these financial statements.

## Fire Brigade Employees' Union of New South Wales

ABN: 24 083 512 218

### Balance Sheet

As at 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	743,257	267,229
Financial Assets	5	1,050,000	3,200,000
Other assets	6	104,288	28,927
<b>TOTAL CURRENT ASSETS</b>		<b>1,897,545</b>	<b>3,496,156</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	5	6,159,016	2,736,897
Property, plant and equipment	7	4,647,590	4,761,875
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,806,606</b>	<b>7,498,772</b>
<b>TOTAL ASSETS</b>		<b>12,704,151</b>	<b>10,994,928</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	135,469	139,511
Employee benefits	9	486,884	499,759
<b>TOTAL CURRENT LIABILITIES</b>		<b>622,353</b>	<b>639,270</b>
<b>NON-CURRENT LIABILITIES</b>			
		-	-
<b>TOTAL LIABILITIES</b>		<b>622,353</b>	<b>639,270</b>
<b>NET ASSETS</b>		<b>12,081,798</b>	<b>10,355,658</b>
<b>EQUITY</b>			
Reserves	10	261,223	35,582
General fund		11,820,575	10,320,076
<b>TOTAL EQUITY</b>		<b>12,081,798</b>	<b>10,355,658</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 30 June 2018

		Financial Asset at FVOCI Reserve	
Note	General Fund \$	\$	Total \$
Balance at 1 July 2017	10,320,076	35,582	10,355,658
Result for the year	1,500,499	-	1,500,499
Other comprehensive income	-	225,641	225,641
Balance at 30 June 2018	11,820,575	261,223	12,081,798
Balance at 1 July 2016	9,277,333	-	9,277,333
Result for the year	1,042,743	-	1,042,743
Other comprehensive income for the year	-	35,582	35,582
Balance at 30 June 2017	10,320,076	35,582	10,355,658

The accompanying notes form part of these financial statements.



## Statement of Cash Flows

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from members		3,019,875	2,936,962
Other receipts		261,032	56,364
Payments to suppliers and employees		(1,929,231)	(2,019,715)
Net cash provided by/(used in) operating activities		<u>1,351,676</u>	<u>973,611</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of property, plant and equipment		-	9,754
Payments for property, plant and equipment		(32,787)	(462,647)
Proceeds from investment term deposits		2,150,000	1,779,016
Net payment for investments		(3,196,478)	(2,600,000)
Interest, dividends and distributions received		203,617	186,323
Net cash provided by/(used in) investing activities		<u>(875,648)</u>	<u>(1,087,554)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		-	-
Net increase/(decrease) in cash and cash equivalents held		476,028	(113,943)
Cash and cash equivalents at beginning of year		267,229	381,172
Cash and cash equivalents at end of financial year	4	<u>743,257</u>	<u>267,229</u>

The accompanying notes form part of these financial statements.



## Notes to the Financial Statements

### For the Year Ended 30 June 2018

The financial report covers the Fire Brigade Employees' Union of New South Wales as an individual entity. The Fire Brigade Employees Union is a not-for-profit organisation of employees registered under the Industrial Relations Act 1996 [NSW] ("the Act"). In accordance with the Act, the Union is a body corporate with perpetual succession.

The functional and presentation currency of the Fire Brigade Employees' Union of New South Wales is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Industrial Relations Act 1996 [NSW]. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated

#### 2 Summary of Significant Accounting Policies

##### (a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Union and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

##### Interest revenue

Interest is recognised using the effective interest method.

##### Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

Distributions from managed funds are recognised as income when declared and are then reinvested or received as cash distributions.

##### Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies (continued)

#### (a) Revenue and other income (continued)

##### Membership Income

Revenue from the provision of membership subscriptions is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

#### (b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (c) Property, plant and equipment

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

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Union, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% - 7.5%
Office furniture and equipment	10% - 20%
Computer Equipment	25%
Motor Vehicles	15%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (d) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies (continued)

#### (e) Financial instruments

From 1 July 2016, the Union classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Union has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

Subsequent measurement of debt instruments depends on the Union's business model for managing the asset and the cash flow characteristics of the asset. All the Union's debt instruments are classified as Amortised cost, whereby all assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. These are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Union subsequently measures all equity instruments at fair value. Where the Union's State Committee of Management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit or loss and other comprehensive income as applicable.

#### *Impairment*

The Union assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been significant increase in credit risk.

For trade receivables, the Union applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies (continued)

#### (f) Impairment of non-financial assets

At the end of each reporting period the Union determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### (g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (h) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (i) Income Tax

No provision for income tax is necessary, as the Union (being a registered Industrial Trade Union) is exempt from tax under s.50(15) of the Income Tax Assessment Act 1997.

#### (j) Adoption of new and revised accounting standards

The Union has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Union.

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - impairment of property, plant and equipment

The Union assesses impairment at the end of each reporting period by evaluating conditions specific to the Union that may be indicative of impairment triggers.

#### Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### 4 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	950	950
Cash at bank	742,307	266,279
	<u>743,257</u>	<u>267,229</u>

### 5 Other Financial Assets

CURRENT		
Amortised Cost - Term Deposits	1,050,000	3,200,000
NON-CURRENT		
Fair Value through Other Comprehensive Income - Listed investments	6,159,016	2,736,897

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 6 Other Assets

	2018	2017
	\$	\$
Prepayments	9,240	9,241
Accrued income	94,926	16,824
Sundry Assets	122	2,862
	<u>104,288</u>	<u>28,927</u>

### 7 Property, plant and equipment

Land and buildings		
Land- At cost	1,113,475	1,113,475
Buidling- At Cost	4,602,507	4,602,507
Accumulated depreciation	(1,154,985)	(1,039,923)
	<u>4,560,997</u>	<u>4,676,059</u>
Motor vehicles		
At cost	59,784	61,267
Accumulated depreciation	(6,773)	(13,540)
	<u>53,011</u>	<u>47,727</u>
Office equipment		
At cost	135,836	507,001
Capital works in progress	6,579	-
Accumulated depreciation	(108,833)	(468,912)
	<u>33,582</u>	<u>38,089</u>
<b>Total property, plant and equipment</b>	<u><u>4,647,590</u></u>	<u><u>4,761,875</u></u>

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 7 Property, plant and equipment (continued)

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and buildings (Restated) \$	Motor Vehicles \$	Office Equipment \$	Total \$
<b>Year ended 30 June 2018</b>				
Balance at the beginning of year	4,676,059	47,727	38,089	4,761,875
Additions	-	33,951	10,713	44,664
Disposals	-	(24,820)	(418)	(25,238)
Depreciation	(115,062)	(3,847)	(14,802)	(133,711)
<b>Balance at the end of the year</b>	<b>4,560,997</b>	<b>53,011</b>	<b>33,582</b>	<b>4,647,590</b>

### 8 Trade and Other Payables

	2018 \$	2017 \$
Trade payables	135,469	139,511

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 9 Employee Benefits

Provision for long service leave	337,936	320,448
Provision for annual leave	148,948	179,311
	<b>486,884</b>	<b>499,759</b>

### 10 Reserves

#### Financial assets at Fair Value through Other Comprehensive Income

The Union has elected to recognise changes in the fair value of certain investments in listed shares in other comprehensive income. These changes are accumulated within the Financial assets at FVOCI reserve within equity. The Union transfers amounts from this reserve to retained earnings when the relevant investments are derecognised.



## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 11 Financial Risk Management

The Union is exposed to a variety of financial risks through its use of financial instruments.

The Union's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Union is exposed to are described below:

#### Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk and price risk

#### Financial instruments used

The principal categories of financial instrument used by the Union are:

- Trade receivables
- Cash at bank
- Investments in listed shares
- Trade and other payables

#### Summary Table

	2018	2017
	\$	\$
Financial assets at amortised cost	1,793,257	3,467,229
Financial assets at fair value through other comprehensive income	6,159,016	2,736,897
Financial liabilities at amortised cost	(135,469)	(139,511)
	<u>7,816,804</u>	<u>6,064,615</u>

#### Liquidity risk

Liquidity risk arises from the Union's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Union will encounter difficulty in meeting its financial obligations as they fall due.

The Union's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Union maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 12 Key Management Personnel Remuneration

The totals of remuneration paid to the State Secretary of the Fire Brigade Employees' Union of New South Wales during the year are as follows:

	2018	2017
	\$	\$
Short-term employee benefits	154,199	149,901
Long-term benefits	8,961	-
Post-employment benefits	15,140	15,330
Termination benefits	-	31,496
	<u>178,300</u>	<u>196,727</u>

### 13 Commitments And Contingencies

In 2015, the State Committee of Management and a general meeting of the members of the Fire Brigade Employees' 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.

Other than the above mentioned commitment, in the opinion of State Committee of Management, the Union did not have any contingencies at 30 June 2018 (30 June 2017: None).

## Notes to the Financial Statements

### For the Year Ended 30 June 2018

#### 14 Related Parties

The Union's main related parties are as follows:

- (i) Key management personnel - refer to Note 12.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

- (ii) United Firefighters Union of Australia - NSW Branch (UFUA NSW)

The Union has made an offer of financial support as referred to at note 13.

#### (a) Members of State Committee of Management

Persons holding positions within the Union and as members of the State Committee of Management during the year:

Mr Leighton Drury (State Secretary)	1 July 2017 to 30 June 2018
Mr Darin Sullivan (President)	1 July 2017 to 29 April 2018
Mr John Henry (Senior Vice President)	1 July 2017 to 29 April 2018
Mr Jim Casey (Junior Vice President)	1 July 2017 to 29 April 2018
Mr Mick Nairn (President)	30 April 2018 to 30 June 2018
Mr Trevor Ross (Senior Vice President)	30 April 2018 to 30 June 2018
Mr Sandy Linton (Junior Vice President)	30 April 2018 to 30 June 2018
Mr Jason Morgan	1 July 2017 to 30 June 2018
Mr Tim Anderson	1 July 2017 to 30 June 2018
Ms Marty Dixon	1 July 2017 to 30 June 2018
Mr Brett Farmer	1 July 2017 to 30 June 2018
Mr Phillip Gardner	1 July 2017 to 30 June 2018
Mr Andrew Haas	1 July 2017 to 30 June 2018
Mr Jeff Sundstorm	1 July 2017 to 14 December 2017
Mr Michael Morris	1 July 2017 to 21 March 2018
Mr Mick Nairn	1 July 2017 to 21 March 2018
Mr James Cassel	1 July 2017 to 21 March 2018
Mr Darin Sullivan	1 July 2017 to 29 April 2018
Mr John Henry	1 July 2017 to 29 April 2018
Mr Jim Casey	1 July 2017 to 29 April 2018
Mr Wes Smith	1 July 2017 to 29 April 2018
Mr Brendan Rea	1 July 2017 to 29 April 2018
Mr Rodney Chetwynd	22 March 2018 to 30 June 2018
Mr Harry Fisher	22 March 2018 to 30 June 2018
Mr Kamarah Pooley	22 March 2018 to 30 June 2018
Mr Adam Sciannimanica	22 March 2018 to 30 June 2018
Mr Robert Callow	30 April 2018 to 30 June 2018
Mr Wassell	30 April 2018 to 30 June 2018
Mr Mick Stone	15 December 2017 to 30 June 2018

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 15 Events Occurring After the Reporting Date

The financial report was authorised for issue on 24 October 2018 by the Executive.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

### 16 Correction of prior period error

During the current year misstatements were identified in the opening balances for a component of a building's accumulated depreciation due to an error of using 7.5% depreciation rate instead of 2.5%. The above error has been corrected by restating each of the affected financial statement line items for the prior period as follows:

	Previously stated \$	30 June 2017 Adjustments \$	Restated \$	Previously stated \$	1 July 2016 Adjustments \$	Restated \$
<b>Statement of Profit or Loss and Other Comprehensive Income</b>						
Depreciation and amortisation expenses	267,303	(103,107)	164,196			
Result for the year	939,636	103,107	1,042,743			
Total comprehensive income	975,218	103,107	1,078,325			
<b>Balance Sheet</b>						
Accumulated depreciation on Building	2,065,658	1,025,735	3,091,939	1,850,273	922,628	2,772,901
Total Non Current Assets	6,473,037	1,025,735	7,498,772	3,562,033	922,628	4,484,661
Total Assets	9,969,193	1,025,735	10,994,928	9,834,201	922,628	9,856,829
Retained earnings - Closing balance	9,294,341	1,025,735	10,320,076	8,354,705	922,628	9,277,333
Total Equity - Closing balance	9,329,923	1,025,735	10,355,658	8,354,705	922,628	9,277,333

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## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 17 Additional disclosure required Under the Industrial Relations Act

	2018	2017
	\$	\$
<b>Total remuneration paid:</b>		
Remuneration of officers	305,121	324,015
Remuneration of employees	824,024	1,016,305
	<u>1,129,145</u>	<u>1,340,320</u>
<b>Amounts set aside for retirement benefits</b>		
Remuneration of officers	14,431	15,330
Remuneration of employees	80,402	87,262
	<u>94,833</u>	<u>102,592</u>
Grants or donations received	-	-
Grants or donations paid	-	-
Interest expense	-	-
Penalties imposed under the Industrial Regulations Legislation	-	-
Government/Municipal/Public Investment Assets held at balance date	-	-



## Independent Audit Report to the members of the Fire Brigade Employees' Union of New South Wales

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of the Fire Brigade Employees' Union of New South Wales (the Union), which comprises the balance sheet as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the State Committee of Management's declaration.

We report that we have inspected and audited the accounting records of the Fire Brigade Employees Union of New South Wales in relation to the financial year ended 30 June 2018 and report that in our opinion:

- (a) Satisfactory accounting records have been kept by the Union, so far as appears from our examination of these books, including:
  - (i) records of the sources and nature of the income of the Union (including income from members); and
  - (ii) records of the nature and purpose of the expenditure of the Union.

In our opinion, the financial statements and other statements prepared under Section 510 of the Industrial Relations Act 1991 (NSW) have been properly drawn up so as to give a true and fair view of:

- (b)
  - (i) the financial affairs of the Union as at 30 June 2018; and
  - (ii) the income and expenditure, results and cash flows of the Union for the year ended on that date; and
  - (iii) all information, being information which was reasonably wanted for the purpose of this audit, which was required and sought by us or by any person authorised for the purpose of the audit, was provided.
- (c) The financial statements have been prepared in accordance with Australian Accounting Standards

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Union in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to those charged with Governance of the Union, would be in the same terms if given to those charged with Governance as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Independent Audit Report to the members of the Fire Brigade Employees' Union of New South Wales**

### **Responsibilities of the State Committee of Management for the Financial Report**

Those Charged with Governance of the Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as those Charged with Governance determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, those Charged with Governance are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those Charged with Governance either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those Charged with Governance.
- Conclude on the appropriateness of those Charged with Governance use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



## **Independent Audit Report to the members of the Fire Brigade Employees' Union of New South Wales**

We communicate with those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to those Charged with Governance a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Daley & Co.*

Daley & Co  
Chartered Accountants

*Michael Mundt*

Michael Mundt  
Partner

Wollongong  
24 October 2018

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