

**UNITED FIREFIGHTERS UNION OF AUSTRALIA
AVIATION BRANCH
ABN: 96 533 521 914**

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

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
For the year ended 30 June 2011

Contents

| | |
|--|----|
| Operating Report..... | 3 |
| Committee of Management Certificate | 6 |
| Independent Audit Report..... | 8 |
| Statement of Comprehensive Income..... | 10 |
| Balance Sheet | 11 |
| Statement of Changes in Members' Funds | 12 |
| Cash Flow Statement..... | 13 |
| Notes to the Financial Statements | 14 |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Operating Report
For the year ended 30 June 2011

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 ("the ACT"), your Committee of Management present their report on the Union for the financial year ended 30 June 2011.

Principal Activities

The principal activities of United Firefighters' Union of Australia - Aviation Branch during the financial year was to represent professional firefighters and their safety.

No significant change in the nature of these activities occurred during the year.

Operating result

The operating surplus of the Union for the financial year amounted to \$17,243 (2010: \$17,858). No provision for tax was necessary as the reporting unit is exempt from income tax.

Significant Changes in State of Affairs

No significant changes in the union's state of affairs occurred during the financial year.

After balance day events

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.

Rights of Members

Subject to the rules of the organisation and Sec 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership of the organisation by written notice addressed to and delivered to the secretary of the organisation.

Superannuation Officeholders

One member of the committee, David Arnott, is a Director of AvSuper Pty Ltd which acts as trustee of AvSuper. Av Super was established to provide superannuation benefits to employees in Airservices Australia and some employees of the Civil Aviation Safety Authority.

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Operating Report
For the year ended 30 June 2011

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Act 2009:

- (a) the number of persons that were at the end of the financial year recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the registered organisation under section 244 of the Fair Work (Registered Organisations) Act 2009 was 663.
- (b) the number of persons who were at the end of the financial year employees of the organisation including both full and part time employees measured on a full time equivalent basis was 2.
- (c) the name of each person who has been a member of the Committee of Management of the organisation at any time during the financial year, and the periods for which they held such a position were:

| Names | Position | Period |
|------------------|--------------------------------|-----------------------|
| Andrew Stenhouse | President | 1 July 2010 - present |
| Michael Farrell | Branch Secretary | 1 July 2010 - present |
| John Hancox | Senior Vice President | 1 July 2010 - present |
| Jon Vaughan | Branch Committee of Management | 1 July 2010 – present |
| Jake Callaghan | Branch Committee of Management | 1 July 2010 - present |
| David Arnott | Branch Committee of Management | 1 July 2010 - present |
| Mal Lacy | Branch Committee of Management | 1 July 2010 - present |
| Ricky Nolan | Branch Committee of Management | 1 July 2010 - present |
| Simon Osborn | Branch Committee of Management | 1 July 2010 - present |
| Mark Nind | Branch Committee of Management | 1 July 2010 - present |
| Alan Lerpiniere | Branch Committee of Management | 1 July 2010 - present |
| John Ring | Branch Committee of Management | 1 July 2010 - present |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Operating Report
For the year ended 30 June 2011

Other Relevant Information

Nil.

Signed for and on behalf of the Committee of Management:

MICHAEL FARRELL
BRANCH SECRETARY

Dated this day of 2011.

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Committee of Management Certificate
For the year ended 30 June 2011

On the.....day of.....the Committee of Management of the United Firefighters' Union of Australia - Aviation Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2011.

The Committee of Management declares that in relation to the GPFR that in its opinion:

- (a) the financial statements and notes have been prepared in accordance with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Fair Work Australia;
- (c) the financial statements and notes show a true and fair view of the financial performance, financial position and cash flows of the reporting unit as at 30 June 2011;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of the year;
 - (i) meetings of the Committee were held during the year ended 30 June 2011, in accordance with the rules of the organisation including the rules of a branch concerned;
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation including the rules of a branch concerned, and
 - (iii) the financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the union have been kept as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information was sought by any member of the reporting unit or General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Committee of Management Certificate
For the year ended 30 June 2011

Signed on behalf of the Committee of Management:

President: _____

Mr Andrew Stenhouse

Secretary: _____

Mr Michael Farrell

Dated this day of 2011.

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Independent Audit Report
For the year ended 30 June 2011

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Independent Audit Report
For the year ended 30 June 2011

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Statement of Comprehensive Income
For the year ended 30 June 2011

| | | 2011 \$ | 2010 \$ |
|-------------------------|---|----------------|----------------|
| Revenue | 3 | 420,694 | 363,277 |
| Cost of sales | | (1,605) | (6,319) |
| Gross profit | | 419,089 | 356,958 |
| Selling expenses | | (1,133) | (520) |
| Administration expenses | | (391,130) | (328,996) |
| Finance Costs | | (9,583) | (9,583) |
| Operating profit | | 17,243 | 17,858 |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Balance Sheet

For the year ended 30 June 2011

| | Note | 2011 \$ | 2010 \$ |
|--------------------------------------|------|-----------------------|-----------------------|
| Current Assets | | | |
| Cash assets | 5 | 403,420 | 385,370 |
| Inventories | 6 | <u>5,085</u> | <u>3,406</u> |
| Total Current Assets | | <u>408,505</u> | <u>388,776</u> |
| Non-Current Assets | | | |
| Other financial assets | 7 | 10 | 10 |
| Property, plant and equipment | 8 | <u>10,481</u> | <u>2,426</u> |
| Total Non-Current Assets | | <u>10,491</u> | <u>2,436</u> |
| Total Assets | | <u>418,996</u> | <u>391,212</u> |
| Current Liabilities | | | |
| Payables | 9 | 11,733 | 3,148 |
| Current tax liabilities | 9 | 2,410 | 1,903 |
| Provisions | 10 | <u>114,575</u> | <u>67,276</u> |
| Total Current Liabilities | | <u>128,718</u> | <u>72,327</u> |
| Non-Current Liabilities | | | |
| Provisions | 10 | <u>-</u> | <u>45,852</u> |
| Total Non-Current Liabilities | | <u>-</u> | <u>45,852</u> |
| Total Liabilities | | <u>128,718</u> | <u>118,179</u> |
| Net Assets | | <u>290,278</u> | <u>273,033</u> |
| Equity | | | |
| Surplus attributable to members | 11 | <u>290,278</u> | <u>273,033</u> |
| Total Members' Funds | | <u>290,278</u> | <u>273,033</u> |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Statement of Changes in Members' Equity
For the year ended 30 June 2011

| | 2011 \$ | 2010 \$ |
|---------------------------------|--------------------------|----------------------------------|
| <hr/> | | |
| | Retained Earnings | Asset Revaluation Reserve |
| | \$ | \$ |
| Balance at 1 July 2010 | 273,035 | - |
| Surplus attributable to members | 17,243 | - |
| Balance at 30 June 2011 | 290,278 | - |
| | 290,278 | 290,278 |

| | 2011 \$ | 2010 \$ |
|---------------------------------|--------------------------|----------------------------------|
| | Retained Earnings | Asset Revaluation Reserve |
| | \$ | \$ |
| Balance at 1 July 2009 | 255,177 | - |
| Surplus attributable to members | 17,858 | - |
| Balance at 30 June 2010 | 273,035 | - |
| | 273,035 | 273,035 |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Statement of Cash Flow
For the year ended 30 June 2011

| | 2011 | 2010 |
|---|----------------|----------------|
| | \$ | \$ |
| <hr/> | | |
| Cash Flow From Operating Activities | | |
| Receipts from customers | 401,929 | 352,598 |
| Payments to Suppliers and employees | (383,060) | (304,717) |
| Interest received | 18,764 | 10,678 |
| Interest and other costs of finance | (9,913) | (9,583) |
| Net cash provided by (used in) operating activities (Note 17) | 27,720 | 48,976 |
| Cash Flow From Investing Activities | | |
| Payment for: | | |
| Payments for property, plant and equipment | (9,672) | - |
| Net cash provided by (used in) investing activities | (9,672) | - |
| Net increase (decrease) in cash held | 18,049 | 48,976 |
| Cash at the beginning of the year | 385,371 | 336,394 |
| Cash at the end of the year (Note 16) | 403,420 | 385,370 |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2011

Note 1: Statement of Significant Accounting Policies

(a) General information

This financial report covers United Firefighters' Union of Australia - Aviation Branch as an individual entity. United Firefighters' Union of Australia - Aviation Branch.

(b) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

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

(c) Comparatives

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

(d) Inventories

Inventories are made up of promotional stock on hand and are measured at the lower of cost and net realisable value.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2011

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line or diminishing value basis over the asset's useful life, and to the union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

| | |
|--|------------|
| Office Equipment – Diminishing value basis | 7.5 – 40 % |
| Office Equipment – Prime cost basis | 10 – 25 % |

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

(f) Investments (financial assets)

Available-for-sale financial assets

All investments are classified as available-for-sale financial assets. Available-for-sale financial assets are reflected at fair value unless their fair value cannot be reliably measured. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Recognition

Financial assets are initially measured at cost of trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

(h) Employee benefits

Provision is made for the union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are 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. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. A probability of the future payout was determined.

(i) Provisions

Provisions are recognised when the union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(j) Income Taxes

No provision for income tax has been raised as the Union is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(k) Revenue

Revenue from membership dues is accounted for on a cash receipts basis.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Note 2: Notice Required Under The Fair Work (Registered Organisation) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisation) Act 2009 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which read as follows:

- (1) "A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;

- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit;

- (3) A reporting unit must comply with an application made under subsection (1).

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

Note 3: Revenue and Other Income

Revenue:

| | | |
|------------------|-----------------------|-----------------------|
| Interest revenue | 18,764 | 10,678 |
| Membership Fees | 396,044 | 349,186 |
| Reimbursements | <u>5,886</u> | <u>3,413</u> |
| | <u>420,694</u> | <u>363,277</u> |

Note 4: Profit from Ordinary Activities

Profit from ordinary activities before income tax has been determined after:

Charging as an Expense:

| | | |
|--|---------|-------|
| Change in Inventories | (1,679) | 2,160 |
| <i>Depreciation of non-current assets:</i> | | |
| - Property, Plant & Equipment | 1,617 | 1,477 |
| Leasing Charges | | |
| Novated Lease | 9,583 | 9,583 |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2011

Note 5: Cash assets

Cash and Cash Equivalents:

| | | |
|---|--------|--------|
| Cash At Bank - Conference Account | 84,604 | 63,620 |
| Cash at Bank - Staff Account | 76,873 | 69,025 |
| Cash at Bank - Bendigo Bank | 40,884 | 63,776 |
| Cash at Bank - Members Equity | 40,233 | 38,203 |
| Cash at Bank - RegionalOne Credit Union | 26,419 | 378 |
| Cash at Bank - Credit Union Australia | 189 | 209 |
| Petty Cash Imprest | 20 | 20 |

Financial Assets:

| | | |
|---|----------------|----------------|
| Term Deposit - Bendigo Bank | 73,886 | 68,628 |
| Term Deposit - Credit Union Australia | 60,312 | 57,522 |
| Term Deposit - RegionalOne Credit Union | | 23,989 |
| | <u>403,420</u> | <u>385,370</u> |

Note 6: Inventories

Current

| | | |
|---------------|--------------|--------------|
| Stock on Hand | <u>5,085</u> | <u>3,406</u> |
| | <u>5,085</u> | <u>3,406</u> |

Note 7: Financial Assets

Non-Current

| | | |
|-------------------------------------|-----------|-----------|
| Shares in other companies - at cost | | |
| Regional One Credit Union | <u>10</u> | <u>10</u> |
| | <u>10</u> | <u>10</u> |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

Note 8: Property, Plant and Equipment

Office Furniture and Equipment:

| | | |
|----------------------------------|----------------------|---------------------|
| - At cost | 28,931 | 19,259 |
| - Less: Accumulated Depreciation | <u>(18,450)</u> | <u>(16,833)</u> |
| | <u>10,481</u> | <u>2,426</u> |

Movements in Carrying Amounts

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

| | Freehold Land \$ | Buildings \$ | Plant & Equipment \$ | Leased Plant & Equipment \$ | Total \$ |
|---------------------------------|------------------------|-----------------|----------------------------|-----------------------------------|----------------------|
| Balance at 1 July 2009 | - | - | 3,903 | - | 3,903 |
| Depreciation Expense | - | - | (1,477) | - | (1,477) |
| Balance at 30 June 2010 | - | - | <u>2,426</u> | - | <u>2,426</u> |
| Additions | - | - | 9,672 | - | 9,672 |
| Depreciation Expense | - | - | (1,617) | - | (1,617) |
| Carrying amount at 30 June 2011 | - | - | <u>10,481</u> | - | <u>10,481</u> |

Note 9: Trade and Other Payables

Current

| | | |
|----------------------------------|----------------------|---------------------|
| Other creditors | <u>11,733</u> | <u>3,148</u> |
| | <u>11,733</u> | <u>3,148</u> |
| GST payable control account | 4,393 | - |
| Input tax credit control account | (3,949) | - |
| GST clearing | - | 1,903 |
| Fringe Benefits Tax Payable | <u>1,966</u> | <u>-</u> |
| | <u>2,410</u> | <u>1,903</u> |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

Note 10: Provisions

| | Current Employee Benefits \$ | Long-term Employee Benefits \$ | Total \$ |
|--|---|---|---------------------|
| Opening balance at 1 July 2010 | 67,276 | 45,852 | 113,128 |
| Additional Provisions raised during the year | 29,333 | 8,605 | 37,938 |
| | <u>96,609</u> | <u>54,457</u> | <u>151,066</u> |
| Less Provisions no longer due or paid | 11,228 | 25,263 | 36,491 |
| Balance as at 30 June 2011 | <u>85,381</u> | <u>29,194</u> | <u>114,575</u> |
| Analysis of Total Provisions | | | |
| Current | 114,575 | 67,276 | |
| Non-current | - | 45,852 | |
| | <u>114,575</u> | <u>113,128</u> | |

There were 3 employees at the end of the year.

Provision for Long-Term Employee Benefits

A provision has been recognised for employee benefits relating to long service leave for employees. The measurement and recognition criteria for employee benefits has been included in Note 1.

Note 11: Retained Earnings

| | | |
|--|----------------|----------------|
| Retained earnings at the beginning of the financial year | 273,035 | 255,177 |
| Net profit (Net loss) attributable to the union | <u>17,243</u> | <u>17,858</u> |
| Retained earnings at the end of the financial year | <u>290,278</u> | <u>273,035</u> |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

Note 12: Capital and Leasing Commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable – minimum lease payments

| | | |
|----------------------------------|---------------|---------------|
| Not later than 12 months | 13,636 | 12,989 |
| Between 12 months and five years | - | 13,636 |
| | <u>13,636</u> | <u>26,625</u> |

The union has a lease on the building at 86a O'Shanassy Street, Sunbury that expired on 30 June 2010 and was renewed for a further two (2) years to 30 June 2012. The union also pays a novated lease for a motor vehicle as part of a salary sacrifice arrangement with Michael Farrell.

All figures include GST.

Note 13: Auditors' Remuneration

Remuneration of the auditor of the company for:

| | | |
|--|--------------|--------------|
| Auditing or reviewing the financial report | <u>5,446</u> | <u>5,075</u> |
| | <u>5,446</u> | <u>5,075</u> |

Note 14: Key Management Personnel

Remuneration of the Committee Member

Short-term employee benefits

| | | |
|----------------------|---------------|---------------|
| Total Salary & Wages | <u>90,797</u> | <u>83,587</u> |
| | <u>90,797</u> | <u>83,587</u> |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

Note 15: Financial Risk Management

The union's financial assets comprise cash and cash equivalents and held-to-maturity investments. In addition the association has various financial liabilities including amounts payable to trade and other creditors.

The totals for each category of financial instruments are as follows:

Financial Assets

| | | |
|-------------------------------|----------------|----------------|
| Cash and cash equivalents | 269,221 | 235,231 |
| Short term deposits | 134,198 | 150,140 |
| Investments | 10 | 10 |
| Total Financial Assets | 403,429 | 385,381 |

Financial Liabilities

| | | |
|------------------------------------|---------------|--------------|
| Trade and other payables | 14,142 | 5,051 |
| Total Financial Liabilities | 14,142 | 5,051 |

Financial Risk Management Policies

The committee's overall risk management strategy seeks to assist the union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The association does not have any derivative instruments at 30 June 2011.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

Specific Financial Risk Exposures and Management

Interest Rate Risk

Interest rate risk refers to the risk that the value of financial instruments or cash flows associated with instruments will fluctuate due to changes in market interest rates. The union is exposed to interest rate fluctuations on its cash at bank. Interest rate risk is managed by continually reviewing the cash balances and transferring excess funds to term deposit accounts that earn a better rate of return.

| | Weighted Average Effective Interest Rate | 2011 | Weighted Average Effective Interest Rate | 2010 |
|---|---|-----------------------|---|-----------------------|
| | % | \$ | % | \$ |
| Floating Rate instruments | | | | |
| Cash and cash equivalents | 3.98 | 269,202 | 1.40 | 235,211 |
| Total floating rate financial assets | | <u>269,202</u> | | <u>235,211</u> |
| Fixed Rate Instruments | | | | |
| Short term deposits | 6.00 | 134,198 | 4.10 | 150,140 |
| Total fixed rate financial assets | | <u>134,198</u> | | <u>150,140</u> |

Liquidity Risk

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts related to financial liabilities. The union manages this risk by monitoring the operational, investing & financing activities of the union.

The following table shows the expected maturities of cash inflows and outflows from financial assets and trade and other payables.

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2011

| <u>2011</u> | Floating Interest at Call \$ | Fixed Interest Within 1 year \$ | Rate Maturing Greater than 1 year \$ | Non Interest Bearing \$ | Total \$ |
|--|---|---|---|-----------------------------------|--------------------|
| Financial assets – cash flows realisable | | | | | |
| Cash and cash equivalents | 269,202 | - | - | 20 | 269,222 |
| Short term deposits | - | 134,198 | - | - | 134,198 |
| Investments | - | - | - | 10 | 10 |
| Total anticipated inflows | 269,202 | 134,198 | - | 30 | 403,430 |
| Financial liabilities due for payment | | | | | |
| Trade and other payables | - | - | - | 14,142 | 14,142 |
| Total expected outflows | - | - | - | 14,142 | 14,142 |
| Net (outflow)/inflow on financial Instruments | 269,202 | 134,198 | - | (14,112) | 389,288 |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

| <u>2010</u> | Floating Interest at Call | Fixed Interest Within 1 year | Rate Maturing Greater than 1 year | Non Interest Bearing | Total |
|---|------------------------------|---------------------------------|---|-------------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Financial assets – cash flows realisable | | | | | |
| Cash and cash equivalents | 235,211 | - | - | 20 | 235,231 |
| Short term deposits | - | 150,140 | - | - | 150,140 |
| Investments | - | - | - | 10 | 10.00 |
| Total anticipated inflows | 235,211 | 150,140 | - | 30 | 385,381 |
| Financial liabilities due for payment | | | | | |
| Trade and other payables | - | - | - | 5,051 | 5,051 |
| Total expected outflows | - | - | - | 5,051 | 5,051 |
| Net (outflow)/inflow on financial Instruments | 235,211 | 150,140 | - | (5,021) | 380,330 |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

Net Fair Values

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

| | | 2011 | | 2010 |
|------------------------------------|--------------------|----------------|--------------------|----------------|
| | Carrying Amount | Net Fair Value | Carrying Amount | Net Fair Value |
| | \$ | \$ | \$ | \$ |
| Financial Assets | | | | |
| Cash and cash equivalents | 269,241 | 269,241 | 235,231 | 235,231 |
| Short term deposits | 134,198 | 134,198 | 150,140 | 150,140 |
| Investments | 10 | 10 | 10 | 10 |
| Total Financial Assets | 403,449 | 403,449 | 385,381 | 385,381 |
| Financial Liabilities | | | | |
| Trade and other payables | 14,142 | 14,142 | 5,051 | 5,051 |
| Total Financial Liabilities | 14,142 | 14,142 | 5,051 | 5,051 |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

Note 16. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

| | | |
|---|----------------|----------------|
| Cash At Bank - Conference Account | 84,604 | 63,620 |
| Cash at Bank - Staff Account | 76,873 | 69,025 |
| Cash at Bank - Bendigo Bank | 40,884 | 63,776 |
| Cash at Bank - Members Equity | 40,233 | 38,203 |
| Cash at Bank - RegionalOne Credit Union | 26,419 | 378 |
| Cash at Bank - Credit Union Australia | 189 | 209 |
| Petty Cash Imprest | 20 | 20 |
| Term Deposit - Bendigo Bank | 73,886 | 68,628 |
| Term Deposit - Credit Union Australia | 60,312 | 57,522 |
| Term Deposit - RegionalOne Credit Union | | 23,989 |
| | <u>403,420</u> | <u>385,370</u> |

Note 17. Reconciliation Of Net Cash Provided By/Used In Operating

Activities To Net Profit

| | | |
|---|---------------|---------------|
| Operating profit (loss) after tax | 17,243 | 17,859 |
| Depreciation | 1,617 | 1,477 |
| Changes in assets and liabilities net of effects of purchases and disposals of controlled entities: | | |
| (Increase) decrease in finished goods | (1,679) | (2,411) |
| Increase (decrease) in other creditors | 8,585 | 1,238 |
| Increase (decrease) in sundry provisions | 1,954 | 30,814 |
| Net cash provided by operating activities | <u>27,720</u> | <u>48,976</u> |

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch
ABN 96 533 521 914
Notes to the Financial Statements
For the year ended 30 June 2011

Note 18: Events After The Balance Sheet Date

There have not been any material events between the balance sheet date and the date of signing of the director's report.

Note 19: Related Party Transactions

There have been no related party transactions made throughout the year.

Note 20: Union Details

(a) Registered office

The registered office of the company is:

United Firefighters' Union of Australia - Aviation Branch
86A O'Shanassy Street
Sunbury 3429
Victoria

(b) Principal place of business

The principal place of business is:

86A O'Shanassy Street
Sunbury 3429
Victoria

The accompanying notes form part of these financial statements.