

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA

ABN 30 080 654 964

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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**UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
COMMITTEE OF MANAGEMENT'S OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

Operating Report

The Committee of Management ("the Committee") presents its Operating Report on the United Firefighters Union of South Australia ("the Union"), for the year ended 30 June 2023.

Principal Activities

The principal operating activities of the Union is to provide industrial representation of professional firefighters. There has been no significant change in the nature of those activities during the year.

Operating Results

The deficit for the financial year amounted to \$235,093. No provision for tax was necessary as the Union is considered exempt.

Significant Changes in Financial Affairs

There was no significant change to the financial affairs of the Union during the year.

After Balance Date 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.

Future Developments

Likely developments in the operations of the Union or the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

Members Right to Resign

All members have the right to resign from the Union in accordance with Rule 9 of the Union (and the Act); namely, by providing written notice addressed and delivered to the Secretary of the Union of which they are a member.

Membership of the Union

Total number of members as at 30 June 2023: 1,128.

Employees of the Union

The number of persons who were, at the end of the period to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees measured on a full-time equivalent basis is 5.0.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Members of the Committee of Management

The name of each person who has been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Period of Appointment	Position
Charles Thomas	01/07/22 – 30/06/23	President
Andrew Caire	01/07/22 – 30/06/23	Vice President (Firefighter)
Matt Watherston	01/07/22 – 30/06/23	Vice President (Officer)
Max Adlam	01/07/22 – 30/06/23	Secretary
Tristan Miller	01/07/22 – 30/06/23	Trustee
Benjamin Whitlock	01/07/22 – 30/06/23	Trustee
Glenn Dean	13/09/22 – 30/06/23	Trustee
Gideon Douglas	01/07/22 – 30/06/23	Committee Member (Officer)
Adrian Puust	01/07/22 – 30/06/23	Committee Member (Officer)
Neil Mangelsdorf	01/07/22 – 30/06/23	Committee Member (Officer)
Andrew Bell	01/07/22 – 30/06/23	Committee Member (Firefighter)
Kevin Fischer	01/07/22 – 30/06/23	Committee Member (Firefighter)
Rachael Eisen	13/09/22 – 30/06/23	Committee Member (Firefighter)

Wages Recovery Activity

The Union continuously undertakes recovery of wages on behalf of members. It is Union policy that any successful wage recovery from employers is paid directly to those effected members. As a result, no wage recovery activity is accounted through via the Union's bank accounts and therefore not reflected in these financial statements.

Officers or Members who are Superannuation Fund Trustees/ Directors of a Company that is a Superannuation Fund Trustee

Officer/Member/ Employee	Trustee Company	Entity/Scheme	Position	Period position held for
Matt Watherston	SA Metropolitan Fire Service Superannuation Pty Ltd	SA Metropolitan Fire Service Superannuation Scheme	Director	01/07/22 – 30/06/23
Max Adlam	SA Metropolitan Fire Service Superannuation Pty Ltd	SA Metropolitan Fire Service Superannuation Scheme	Director	01/07/22 – 30/06/23
Neil Mangelsdorf	SA Metropolitan Fire Service Superannuation Pty Ltd	SA Metropolitan Fire Service Superannuation Scheme	Director	01/07/22 – 30/06/23

**UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2023

Officers or Members who are Superannuation Fund Trustees/ Directors of a Company that is a Superannuation Fund Trustee (Continued)

Officer/Member/ Employee	Trustee Company	Entity/Scheme	Position	Period position held for
Kevin Fischer	SA Metropolitan Fire Service Superannuation Pty Ltd	SA Metropolitan Fire Service Superannuation Scheme	Alternate Director	01/07/22 – 30/06/23
Tristan Curry	SA Metropolitan Fire Service Superannuation Pty Ltd	SA Metropolitan Fire Service Superannuation Scheme	Alternate Director	01/07/22 – 09/02/23
Matthew Vick	SA Metropolitan Fire Service Superannuation Pty Ltd	SA Metropolitan Fire Service Superannuation Scheme	Alternate Director	01/07/22 – 09/02/23
Andrew Bell	SA Metropolitan Fire Service Superannuation Pty Ltd	SA Metropolitan Fire Service Superannuation Scheme	Alternate Director	09/02/23 – 30/06/23
Andrew Caire	SA Metropolitan Fire Service Superannuation Pty Ltd	SA Metropolitan Fire Service Superannuation Scheme	Alternate Director	09/02/23 – 30/06/23

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 6.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



Max Adlam
Secretary

12 October 2023

Torrensville

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE
UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA**

As lead auditor for the audit of the United Firefighters Union of South Australia for the year ended 30 June 2023; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Torrensville
12 October 2023

**UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

On 12 October 2023, the Committee of Management of the United Firefighters Union of South Australia (the Union) passed the following resolution to the financial statements of the Union for the year ended 30 June 2023.

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

- (a) the financial statements and notes comply with the Australian Accounting Standards, to the extent described in Note 1 to the financial statements;
- (b) financial statements and notes comply with any other requirements imposed by the *Fair Work Act 1994* (the Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the financial statements relates and since the end of that year:
 - i. meetings of the Committee of Management were held in accordance with the rules of the Union and the rules of the Union concerned; and
 - ii. the financial affairs of the Union have been managed in accordance with the rules of the Union;
 - iii. the financial records of the Union have been kept and maintained in accordance with the Act;
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting year.

This declaration is made in accordance with a resolution of the Committee of Management.

Name of Designated Officer: Max Adlam

Title of Designated Officer: Secretary

Signature:



Date:

12 October 2023

Independent Audit Report to the Members of the United Firefighters Union of South Australia

Report on the Audit of the Financial Report Opinion

We have audited the financial report of the United Firefighters Union of South Australia (the Union), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the United Firefighters Union of South Australia as at 30 June 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards, to the extent described in Note 1; and
- b) any other requirements imposed by the *Fair Work Act 1994* (the Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committee of Management's financial reporting responsibilities under the *Fair Work Act 1994*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Act, and for such internal control as the Committee of Management 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, the Committee of Management is 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 the Committee of Management 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 objective is 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 my 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 my 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 the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union's audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

We communicate with the Committee of Management 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.

Declaration

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Torrensville

12 October 2023

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
Revenue from contracts with customers	3		
Membership subscription		899,305	927,376
Total revenue from contracts with customers		899,305	927,376
Other income			
Gain on sale of property, plant and equipment		-	-
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	14,828	5,350
Grants or donations	3D	-	-
Other revenue	3E	74,379	80,399
Total other income		89,207	85,749
Total revenue		988,512	1,013,125
Expenses			
Employee expenses	4A	(824,085)	(767,167)
Capitation fees	4B	(41,983)	(44,386)
Affiliation fees	4C	(13,431)	(16,495)
Administration and other operating expenses	4D	(206,467)	(231,847)
Grants or donations	4E	(10,710)	(2,089)
Depreciation	4F	(28,061)	(38,869)
Legal costs	4G	(77,228)	(30,486)
Audit and accounting fees	12	(21,640)	(20,345)
Total expenses		(1,223,605)	(1,151,684)
Deficit for the year		(235,093)	(138,559)
Other comprehensive income			
Revaluation of land and buildings		204,381	-
Total comprehensive income for the year		(30,712)	(138,559)

The above statement should be read in conjunction with the notes.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	884,368	1,196,561
Trade and other receivables	5B	18,853	6,358
Other current assets	5C	18,688	2,718
Total current assets		921,909	1,205,637
Non-Current Assets			
Financial assets		10	10
Land and buildings	6A	1,230,000	1,007,435
Motor Vehicles	6B	6,102	16,093
Plant and Equipment	6C	10,279	12,565
Total non-current assets		1,246,391	1,036,103
Total assets		2,168,300	2,241,740
LIABILITIES			
Current Liabilities			
Trade payables	7A	19,953	72,864
Other payables	7B	48,102	54,297
Employee provisions	8	164,830	172,520
Total current liabilities		232,885	299,681
Non-Current Liabilities			
Employee provisions	8	24,068	-
Total non-current liabilities		24,068	-
Total liabilities		256,953	299,681
Net assets		1,911,347	1,942,059
EQUITY			
Asset revaluation reserve	9	1,062,954	858,573
Retained earnings		848,393	1,083,486
Total equity		1,911,347	1,942,059

The above statement should be read in conjunction with the notes.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Asset Revaluation Reserve \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2021		858,573	1,222,045	2,080,618
Deficit for the year		-	(138,559)	(138,559)
Other comprehensive income		-	-	-
Closing balance as at 30 June 2022		858,573	1,083,486	1,942,059
Deficit for the year		-	(235,093)	(235,093)
Other comprehensive income		204,381	-	204,381
Closing balance as at 30 June 2023		1,062,954	848,393	1,911,347

The above statement should be read in conjunction with the notes.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and other customers		1,047,480	1,112,880
Interest		3,852	7,615
		<u>1,051,332</u>	<u>1,120,495</u>
Cash used			
Employees and suppliers		(1,329,557)	(1,179,022)
		<u>(1,329,557)</u>	<u>(1,179,022)</u>
Net cash (used in)/ provided by operating activities		<u>(278,225)</u>	<u>(58,527)</u>
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		(33,968)	(40,889)
Net cash used in investing activities		<u>(33,968)</u>	<u>(40,889)</u>
FINANCING ACTIVITIES			
		-	-
Net (decrease)/ increase in cash held		<u>(312,193)</u>	<u>(99,416)</u>
Cash & cash equivalents at the beginning of the reporting period		1,196,561	1,295,977
Cash & cash equivalents at the end of the reporting period	10A	<u>884,368</u>	<u>1,196,561</u>

The above statement should be read in conjunction with the notes.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The Committee of Management of the Union have prepared the financial statements on the basis that the Union is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Fair Work Act 1994*. For the purpose of preparing the special purpose financial statements, the Union is a not-for-profit entity

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Fair Work Act 1994* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

Impairment – general

The Union assesses impairment at each reporting period by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of the current year.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.3 Significant accounting judgements and estimates (continued)

Key Judgements

Useful lives of plant and equipment

Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

On-cost for employee entitlement provision

The Union revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

1.4 New Australian Accounting Standards

New accounting and amendments applied for the first time for this annual reporting period commencing 1 July 2022 did not have any material impact on the amounts recognised in the current or prior periods and are not expected to significantly affect future periods.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Union include:

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted

The Union does not expect the adoption of this amendment to have an impact on its financial statements

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue

The Union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognises revenue when or as it transfers control of goods or services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Union.

If there is only one distinct membership service promised in the arrangement, the Union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Union allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Union charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Union recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Union at their standalone selling price, the Union accounts for those sales as a separate contract with a customer.

**UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue (Continued)

Income of the Union as a Not-for-Profit Entity

Consideration is received by the Union to enable the entity to further its objectives. The Union recognises each of these amounts of consideration as income when the consideration is received (which is when the Union obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Union's recognition of the cash contribution does not give to any related liabilities.

Income recognised from transfers

Where, as part of an enforceable agreement, the Union receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Union's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

1.6 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.7 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.8 Leases

For any leases entered into, the Union considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Union assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Union;
- The Union has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- The Union has the right to direct the use of the identified asset throughout the period of use.
- The Union assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.8 Leases (Continued)

Measurement and recognition of leases as a lessee

At lease commencement date, the Union recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Union, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Union depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Union also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Union measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Union's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

1.9 Financial instruments

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.10 Financial assets

Contract assets and receivables

A contract asset is recognised when the Union's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Union's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Initial recognition and Measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Union's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Union initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Union's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Union commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.10 Financial assets (continued)

Financial assets at amortised cost

The reporting unit measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Union's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.10 Financial assets (continued)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Union has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) The Union has transferred substantially all the risks and rewards of the asset, or
 - b) the Union has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Union has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Union continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Union applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Union does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Union has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.10 Financial assets (continued)

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Union recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Union expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Union considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Union may also consider a financial asset to be in default when internal or external information indicates that the Union is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.11 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial Liabilities (continued)

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.12 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.13 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Union transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Union performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Union refund liabilities arise from customers' right of return. The liability is measured at the amount the Union ultimately expects it will have to return to the customer. The Union updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.14 Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Buildings	40 years	40 years
Plant and equipment	3 – 10 years	3 – 10 years
Motor vehicles	4 years	4 years

Derecognition

An item of plant and equipment is recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.15 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Taxation

The Union is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.17 Fair value measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of significant accounting policies (Continued)

1.17 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2023, and /or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 3 Revenue and income		
Disaggregation of revenue from contracts with customers		
A disaggregation of the Branch's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.		
Type of customer		
Members	899,305	927,376
Total revenue from contracts with customers	899,305	927,376
Note 3A: Capitation fees	-	-
Total capitation fees	-	-
Note 3B: Levies	-	-
Total levies	-	-
Note 3C: Interest		
Deposits	14,828	5,350
Total interest	14,828	5,350
Note 3D: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
Note 3E: Other revenue		
Board fees	25,523	24,765
Merchandise Sales	1,268	6,586
RTW Representation Costs	47,588	47,048
Sundry income	-	2,000
Total other revenue	74,379	80,399

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Wages and salaries	687,423	648,686
Superannuation	119,416	102,983
Fringe benefits tax	6,616	5,736
Workers compensation	7,003	6,235
Other employee expenses	3,627	3,527
Total employee expenses	824,085	767,167
Note 4B: Capitation fees		
United Firefighters Union of Australia	38,616	40,876
ACTU (paid to UFUA)	3,367	3,510
Total capitation fees	41,983	44,386
Note 4C: Affiliation fees		
Australian Labor Party (South Australia Branch)	5,239	8,506
SA Unions	7,035	6,828
SA May Day	350	350
Union Shopper	807	811
Total affiliation fees	13,431	16,495
Note 4D: Administration and other operating expenses		
Compulsory levies	-	-
Fees/ allowances – meeting and conferences	-	-
Conference and meeting expenses	14,962	15,340
Finance costs	277	262
Campaign costs	3,194	40,136
IT and telephone costs	62,078	59,902
Motor vehicle costs	11,318	6,673
Property costs	43,158	39,008
Travel expenses	4,532	1,251
Printing and stationery expenses	9,760	9,811
Other administration expenses	57,188	59,464
Total administration and other operating expense	206,467	231,847

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	1,210	1,060
Total paid that exceeded \$1,000	9,500	1,029
Total grants or donations	10,710	2,089
Note 4F: Depreciation		
Depreciation		
Buildings	11,084	10,260
Motor vehicles	9,991	16,350
Plant and equipment	6,986	12,259
Total depreciation	28,061	38,869
Note 4G: Legal costs		
Litigation	75,302	15,799
Other legal matters	1,926	14,687
Total legal costs	77,228	30,486

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	884,219	1,196,412
Cash on hand	149	149
Total cash and cash equivalents	<u>884,368</u>	<u>1,196,561</u>
Note 5B: Trade and Other Receivables		
Receivables from other reporting units	-	-
Less provision for doubtful debts (reporting units)	-	-
Receivable from other reporting units (net)	<u>-</u>	<u>-</u>
Other receivables		
Sundry receivables	18,853	6,358
Total trade and other receivables (net)	<u>18,853</u>	<u>6,358</u>
Note 5C: Other Current Assets		
Accrued interest	13,694	2,718
Accrued membership income	4,994	-
Total other current assets	<u>18,688</u>	<u>2,718</u>

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 6		
Non-current Assets		
Note 6A: Land and Buildings		
Land and buildings:		
at valuation	1,230,000	1,027,955
accumulated depreciation	-	(20,520)
Total land and buildings	1,230,000	1,007,435

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 July		
Gross book value	1,027,955	995,000
Accumulated depreciation and impairment	(20,520)	(10,260)
Net book value 1 July	1,007,435	984,740
Additions:		
By purchase	29,268	32,955
By valuation	204,381	-
Depreciation expense	(11,084)	(10,260)
Disposals:		
By sale	-	-
Net book value 30 June	1,230,000	1,007,435
Net book value as of 30 June represented by:		
Gross book value	1,230,000	1,027,955
Accumulated depreciation and impairment	-	(20,520)
Net book value 30 June	1,230,000	1,007,435

Valuation Details

The fair value of land and buildings is categorised as a level 2 fair value asset (refer Note 14). An independent valuation of freehold land and buildings was undertaken on 30 June 2023. The valuation was based on an assessment of the property's current market value using the market based direct comparison approach where valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation, the property's fair value is based on a valuation performed by Mr Gary Taplin – AAPI CPV of Valuations SA (National Valuation Group Pty Ltd). The revaluation surplus was credited to the asset revaluation reserve in equity.

The valuation has been performed on a 'highest and best use' basis permissible under AASB 13 - Fair Value Measurement. The Committee of Management believe that the land and buildings current use as an office building is considered to be the highest and best use as at 30 June 2023, as the current use is deemed to be the use that maximises the value of the asset when considering physical, legal and financial feasibility of the asset.

The key assumptions adopted in the valuation of the land and buildings are as follows:

- Component rate: \$3,500/m²
- Total size: Land: 740m² and Building: 362m²
- Capitalisation rate - 6%
- Leasing rate (m²) - \$210/m²

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 6B: Motor Vehicles		
Motor Vehicles:		
at cost	66,259	66,259
accumulated depreciation	(60,157)	(50,166)
Total Motor Vehicles	6,102	16,093

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 July		
Gross book value	66,259	66,259
Accumulated depreciation and impairment	(50,166)	(33,816)
Net book value 1 July	16,093	32,443
Additions:		
By purchase		-
Depreciation expense	(9,991)	(16,350)
Disposals:		
By sale		-
Net book value 30 June	6,102	16,093
Net book value as of 30 June represented by:		
Gross book value	66,259	66,259
Accumulated depreciation and impairment	(60,157)	(50,166)
Net book value 30 June	6,102	16,093

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 6C: Plant and Equipment		
Plant and Equipment:		
at cost	210,761	206,061
accumulated depreciation	(200,482)	(193,496)
Total plant and equipment	10,279	12,565

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	206,061	198,125
Accumulated depreciation and impairment	(193,496)	(181,235)
Net book value 1 July	12,565	16,890
Additions:		
By purchase	4,700	7,934
Depreciation expense	(6,986)	(12,259)
Disposals:		
By sale	-	-
Net book value 30 June	10,279	12,565
Net book value as of 30 June represented by:		
Gross book value	210,761	206,061
Accumulated depreciation and impairment	(200,482)	(193,496)
Net book value 30 June	10,279	12,565

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	19,953	72,864
Subtotal trade creditors	<u>19,953</u>	<u>72,864</u>
Payables to other reporting units	-	-
Subtotal payables to other reporting units	<u>-</u>	<u>-</u>
Total trade payables	<u>19,953</u>	<u>72,864</u>

Settlement is usually made within 30 days.

Note 7B: Other payables

Consideration to employers for payroll deductions	-	-
Superannuation	18,569	25,227
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST payable	(2,183)	5,149
PAYG withholding	29,112	23,787
Fringe benefits tax	2,604	134
Total other payables	<u>48,102</u>	<u>54,297</u>

Total other payables are expected to be settled in:

No more than 12 months	48,102	54,297
More than 12 months	-	-
Total other payables	<u>48,102</u>	<u>54,297</u>

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 8		
Provisions		
Note 8: Employee Provisions		
Annual leave	123,209	125,074
Long service leave	65,689	47,446
Separations and redundancies	-	-
Other	-	-
Total employee provisions	188,898	172,520
Current	164,830	172,520
Non-Current	24,068	-
Total employee provisions	188,898	172,520

Note 9 **Reserves**

Asset Revaluation Reserve

The asset revaluation reserve records revaluation of land and buildings assets.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 10 Cash Flow		
Note 10A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	884,368	1,196,561
Statement of financial position	884,368	1,196,561
Difference	<u>-</u>	<u>-</u>
Reconciliation of deficit to net cash from operating activities:		
Deficit surplus for the year	(235,093)	(138,559)
Adjustments for non-cash items		
Depreciation	28,061	38,869
(Gain)/ loss on disposal of property, plant and equipment	-	-
Changes in assets/ liabilities		
(Increase)/ decrease in net receivables	(12,495)	5,821
(Increase)/ decrease in other current assets	(15,970)	2,265
Increase/ (decrease) in trade creditors and other payables	(59,106)	(16,755)
Increase/ (decrease) in employee provisions	16,378	49,832
Net cash (used in)/ provided by operating activities	<u>(278,225)</u>	<u>(58,527)</u>

Note 10C: Credit standby arrangements and loan facilities

The Union does not hold any credit standby arrangements or loan facilities at 30 June 2023 (2022: Nil).

Note 10D: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2022: Nil).

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Capital commitments

At 30 June 2023 the Union did not have any capital commitments (2022: Nil).

Other contingent assets or liabilities (i.e. legal claims)

Committee of Management is not aware of any contingent assets or liabilities that are likely to have a material effect on the results of the Union (2022: Nil).

Leasing Commitments

The Union does not have any material leasing commitments at 30 June 2023 (2022: Nil).

	2023	2022
	\$	\$
Note 12 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	15,750	15,950
Other services	5,890	4,395
Total remuneration of auditors	21,640	20,345

Non-audit services related to taxation services provided by the auditor.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 13 Financial Instruments

Financial Risk Management Policy

The Union's Committee of Management monitors the Union's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Union Committee of Management meets on a regular basis to review the financial exposure of the Union.

(a) Credit Risk

Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Union. The Union does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees.

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

The Union has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Union.

On a geographical basis, the Union's trade and other receivables are all based in Australia.

The following table details the Union's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Union and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Union.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 13 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2023

	Within trading terms/ 0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	905	-	-	17,948	18,853
Receivables from other reporting units	-	-	-	-	-
Total	905	-	-	17,948	18,853

Ageing of financial assets that were past due but not impaired for 2022

	Within trading terms/ 0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	-	3,308	-	3,050	6,358
Receivables from other reporting units	-	-	-	-	-
Total	-	3,308	-	3,050	6,358

The Union has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 30 June 2023, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

Collateral held as security

The Union does not hold collateral with respect to its receivables at 30 June 2023 (2022: Nil).

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 13 Financial Instruments (Continued)

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Union manages this risk through the following mechanisms:

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade payables	(19,953)	(72,864)	-	-	-	-	(19,953)	(72,864)
Other payables	(48,102)	(54,297)	-	-	-	-	(48,102)	(54,297)
Total expected outflows	(68,055)	(127,161)	-	-	-	-	(68,055)	(127,161)
Financial assets – cash flow receivable								
Cash and cash equivalents	884,368	1,196,561	-	-	-	-	884,368	1,196,561
Trade and other receivables	18,853	6,358	-	-	-	-	18,853	6,358
Investments	-	-	-	-	10	10	10	10
Total anticipated inflows	903,221	1,202,919	-	-	10	10	903,231	1,202,929
Net inflow on financial instruments	835,166	1,075,758	-	-	10	10	835,176	1,075,768

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 13 Financial Instruments (Continued)

(c) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments are as follows:

	Weighted Average Effective Interest Rate			
	2023	2022	2023	2022
	%	%	\$	\$
Floating rate instruments				
Cash and cash equivalents	2.30	0.37	884,368	1,196,561

ii. Foreign exchange risk

The Union is not exposed to direct fluctuations in foreign currencies.

iii. Price risk

The Union is no exposed to any material commodity price risk.

iv. Interest rate risk

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 13 Financial Instruments (Continued)

v. Sensitivity Analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 30 June 2023		
+2% in interest rates	17,687	17,687
-2% in interest rates	(16,883)	(16,883)
Year ended 30 June 2022		
+2% in interest rates	23,931	23,931
-2% in interest rates	(4,424)	(4,424)

No sensitivity analysis has been performed on foreign exchange risk as the Union has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 14 Fair Value Measurement

Fair Values

Fair value estimation

The fair values 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 value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

The following table contains the carrying amounts and related fair values for the Union's financial assets and liabilities:

	Footnote	2023		2022	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	884,368	884,368	1,196,561	1,196,561
Trade and other receivables	(i)	18,853	18,853	6,358	6,358
Shares	(i)	10	10	10	10
Total financial assets		903,231	903,231	1,202,929	1,202,929
Financial liabilities					
Trade payables	(i)	19,953	19,953	72,864	72,864
Other payables	(i)	48,102	48,102	54,297	54,297
Total financial liabilities		68,055	68,055	127,161	127,161

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable, investments and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 14 Fair Value Measurement (Continued)

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2023

	Note	Date of Valuation	Level 1	Level 2	Level 3
			\$	\$	\$
Assets measured at fair value					
Land and buildings – 148 South Road, Torrensville	6A	30 June 2023	-	1,230,000	-
Total			-	1,230,000	-

UNITED FIREFIGHTERS UNION OF SOUTH AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Note 14 Fair Value Measurement (Continued)

Fair value hierarchy – 30 June 2022

	Note	Date of Valuation	Level 1	Level 2	Level 3
			\$	\$	\$
Assets measured at fair value					
Land and buildings – 148 South Road, Torrensville	6A	3 June 2020	-	995,000	-
Total			-	995,000	-

The Union does not have any other assets or liabilities that are recorded using a fair value technique.

Note 15 Union Details

The registered office of the Union is:

148 South Road
Torrensville SA 5031

Note 16 Segment Information

The Union operates solely in one reporting segment, being the provision of industrial services in South Australia.