

RURAL FIRE BRIGADES ASSOCIATION INC
ABN 37 417 474 709
SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

RURAL FIRE BRIGADES ASSOCIATION INC
ABN 37 417 474 709

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**Rural Fire Brigades Association Queensland Inc
Financial Report for the Year Ended 30 June 2013**

CHIEF EXECUTIVE OFFICERS REPORT

I, Justin Choveaux submit the financial report of Rural Fire Brigades Association Queensland Inc for the financial year ended 30 June 2013.

Principal Activities

The principal activities of the association during the financial year were a not for profit association .

Significant Changes

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

Operating Result

The loss after providing for Income tax amounted to \$130,740.55.

Signed in accordance with the constitution of the Association.



Justin Choveaux - GM/Treasurer

Dated this twenty-first day of September 2013

Rural Fire Brigades Association Queensland Inc
Financial Report for the Year Ended 30 June 2013
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
INCOME			
Profit on Sale of Assets		1,417	0
Donations		903,415	569,748
Other Income		8,574	1,956
Interest		12,768	31,962
Raffle Proceeds		2,404,292	2,391,382
Wage Subsidy Received		0	0
Trading Income			
Sales - Merchandise		22,623	17,128
Less: Cost of Goods Sold			
Cost of Sales - Merchandise		3,088	24,652
Shrinkage & Spoilage		0	17,657
Stock Write Down		0	144,434
Freight and Cartage		0	0
Gross profit on Trading		<u>19,535</u>	<u>-169,615</u>
TOTAL INCOME		<u>3,350,001</u>	<u>2,825,432</u>
EXPENDITURE			
Accounting Fees		7,542	9,945
Audit Fees		8,500	8,300
Bad Debts Written Off		0	2,707
Bank charges		46,733	43,255
Borrowing Costs		622	243
Cleaning		7,745	5,429
Conference Fees		0	179
Computer Expenses		257	0
Consultancy Fees - Accountant		0	28,096
Cost of Prizes		562,968	352,711
Depreciation		38,040	23,656
Donations		50,682	9,313
Electricity		12,590	5,319
Fines & Penalties		1,442	0
Freight & Cartage		702	7,026
Finance costs - finance lease		13,117	31,058
Grants Paid		31,947	150,486
Grants Paid - Walkout Uniforms		2,859	109,826
Insurance Paid		25,041	14,457
Interest Paid		5,110	3,956
Legal Expenses		46,612	48,884
Licence Fees		3,010	2,571
Loss on sale of plant and equipment		13,610	0
Magazine Production		14,683	0
Marketing & Promotion		15,605	50,340
Meeting Expenses		76,174	88,171

Rural Fire Brigades Association Queensland Inc
Financial Report for the Year Ended 30 June 2013
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
EXPENSES			
Motor Vehicle Expenses		3,815	3,750
Office expenses		4,440	4,531
Partner Contribution for Bushfire CRC Program		0	64,521
Postage		117,712	121,751
Printing & Stationery		55,974	40,293
Provision for Annual Leave		16,876	1,689
Provision for Long Service Leave		-8,249	5,713
Rates and Taxes		0	0
Rent		76,701	86,580
Repairs, Maintenance and Service agreements		51,792	20,731
Representative Expenses		50,037	44,358
Social Club Expenses		0	2,826
Staff Amenities		7,591	5,798
Staff Incentives		982	790
Staff Training and Welfare		7,312	7,268
Subscriptions		840	3,272
Sundries		1,922	1,368
Superannuation		157,940	158,605
Telephone		161,730	145,360
Tools and Hardware		0	0
Travelling Expenses		5,417	35,353
Uniforms		699	3,627
Wages		1,781,619	2,082,413
Website Maintenance & Development		0	0
		<u>3,482,754</u>	<u>3,838,536</u>
Profit before Income tax		-132,753	-1,013,105
Income tax expense		0	0
Profit after income tax		<u>-132,753</u>	<u>-1,013,105</u>
RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>340,351</u>	<u>1,353,456</u>
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		<u>207,598</u>	<u>340,351</u>

The accompanying notes form part of these financial statements.

Rural Fire Brigades Association Queensland Inc
ASSETS AND LIABILITIES STATEMENT AS AT 30 JUNE 2013

	2013	2012
	\$	\$
	Note	
CURRENT ASSETS		
Cash and cash equivalents		776,526
Trade and other receivables	2	41,936
Inventories		12,013
Other Current Assets	3	32,961
TOTAL CURRENT ASSETS		<u>863,436</u>
		715,687
NON-CURRENT ASSETS		
Borrowing Costs Sinking Fund		1,624
Property, plant and equipment	4	162,226
TOTAL NON-CURRENT ASSETS		<u>163,850</u>
TOTAL ASSETS		<u>854,856</u>
		139,169
CURRENT LIABILITIES		
Trade and other payables		561,072
Borrowings		6,839
Accrued Expenses		0
Goods & Services Tax		409
Income tax payable		0
Other provisions		55,688
Finance Agreements		22,478
TOTAL CURRENT LIABILITIES		<u>646,078</u>
NON-CURRENT LIABILITIES		
Finance Agreements	5	38,845
TOTAL NON-CURRENT LIABILITIES		<u>38,845</u>
TOTAL LIABILITIES		<u>684,923</u>
NET ASSETS		<u>211,623</u>
MEMBERS' FUNDS		
Retained profits		340,351
TOTAL MEMBERS' FUNDS		<u>207,598</u>
		207,598

The accompanying notes form part of these financial statements.

Rural Fire Brigades Association Queensland Inc
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Queensland). The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

a. Income Tax

The Association had an income tax and fringe benefits tax exemption being a public benevolent institution until 4 December 2012. The Association was reclassified by the Government to be a Charitable Institution from 4 December 2012. The only notable impact is that fringe benefits tax (FBT) will be payable from 1 April 2013 rather than being FBT exempt up to the \$30,000 capping threshold per employee.

b. Property, Plant and Equipment (PPE)

Plant and Equipment

Leasehold improvements, plant and office equipment are carried at cost less any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

c. Inventories

There is no longer any inventory as this was expensed to Grays Online at 30 June 2012. Walkout Uniforms are not recorded given they will not be sold but will be given away over time to staff and local brigades.

The Association made a decision before 30 June 2012 to exit merchandise. The merchandise sent to Grays Online by 30 June 2012 (with no recoverable value shown) has been fully sold by Grays Online by 30 June 2013 realising a small sum net of costs. This has been disclosed as Income in the accounts of the Association.

d. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in the income and expenditure statement.

e. Employee Benefits

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

The Provision for Annual Leave expense represents the change in the Annual Leave liability from the beginning to the end of the financial year. Annual Leave actually paid is included in the wages expense.

Rural Fire Brigades Association Queensland Inc
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

f Provisions

Provisions are recognised when the association 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 are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

h. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

i. Operating Leases

Operating leases of PPE are charged as expenses in the periods in which they are incurred.

j. 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 Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

k. Comparatives

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

Rural Fire Brigades Association Queensland Inc
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 2: TRADE AND OTHER RECEIVABLES		
Sundry debtors	1,345	960
Outstanding GST Refund	32,087	40,976
Goods and Services Tax	0	0
ATO Integrated Account	0	0
	33,432	41,936
NOTE 3: OTHER ASSETS		
Deposits Refundable (Reps)	1,000	3,771
Rental Bonds	5,488	5,403
Prepaid Expenses	45,788	23,788
	52,276	32,961
NOTE 4: PROPERTY, PLANT AND EQUIPMENT		
Buildings	10,565.00	0
Less accumulated depreciation	-1,007.00	0
	9,558.00	0
Plant and office equipment	155,009.00	179,143
Less accumulated depreciation	-74,159.00	-104,690
	80,850.00	74,453
Motor Vehicles	70,834.00	95,834
Less accumulated depreciation	-23,075.00	-8,061
	47,759.00	87,773
Total plant and equipment	138,167.00	162,226
NOTE 5: FINANCE AGREEMENTS		
Esanda - Mitsubishi Triton Dual Cab	5,321.20	18,092
Less unexpired charges	103.71 -	1,031
	5,424.91	17,061
Esanda - Mitsubishi Outlander	9,445.84	23,615
Less unexpired charges	323.59 -	1,831
	9,769.43	21,784
Total non-current Hire Purchase Agreements	15,194.34	38,845

Rural Fire Brigades Association Queensland Inc
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 6: LEASING COMMITMENTS

a. Finance Lease

Finance lease expensed in the accounts in accordance with the accounting policies defined in Note 1i

Payable - minimum lease payments:

not later than 12 months	0	0
between 12 months and five years	0	0
Minimum lease payments	0	0
	0	0

b. Operating Lease Commitments

Being for rent of office

Payable - minimum lease payments:

not later than 12 months	52006	44850
between 12 months and five years	117014	0

The property lease for 101A & 101B Mary Street, Gympie is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreements require that the minimum lease payments shall be increased by the Consumer Price Index per annum. 3 years option exists to renew the lease at the end of the expiry date of 30 September 2015. The lease allows for subletting of all leased areas.

NOTE 7: RELATED PARTIES

The President has been provided with a car, a laptop and a mobile phone. The President is in the process of being provided with a credit card for Association usage. There was a consultancy fee payment made to an associated trust of the President in the amount of \$18480 including GST.

NOTE 8: CONTINGENT LIABILITIES

All liabilities which have arisen or which will arise out of the activities of the association to the end of the financial year have been included in the financial report. This includes estimated multiple year back pay wages and superannuation due as at 30 June 2013 of \$360,000 as discussed with Fair Work Australia. With respect to the short payment of wage entitlements to former staff of the Association, we understand a final figure has not been determined by the internal staff of the Association. We have been advised of the extreme difficulty in making accurate calculations - especially in circumstance where staff are no longer employed by the Association, and worked for relatively short periods of time.

Further, we understand that the Association has been granted a period of two years which will expire in June 2014 to make the accurate calculations required to complete the back payment to all eligible employees. An approximate provision has been raised in the accounts and at this stage - we accept it is on a best estimate basis.

There were no contingent liabilities, including guarantees, at balance date which are not disclosed in the financial report or the notes thereto.

NOTE 9: COMMITMENTS

There was a contractual commitment at 30 June 2013 of \$93219 for the purchase of Art Union prizes drawn after 30 June 2013.

Rural Fire Brigades Association Queensland Inc
STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 11:

1. Presents a true and fair view of the financial position of Rural Fire Brigades Association Queensland Inc as at 30 June 2013 and its performance for the year ended on that date.
 2. At the date of this statement, there are reasonable grounds to believe that Rural Fire Brigades Association Queensland Inc will be able to pay its debts as and when they fall due.
- This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President



(Michael Garrahy)

GM/Treasurer



(Justin Choveaux)

Dated this twenty-first day of September 2013

Rural Fire Brigades Association Queensland Inc
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RURAL FIRE
BRIGADES ASSOCIATION INC

We have audited the accompanying financial report, being a special purpose financial report, of Rural Fire Brigades Association Queensland Inc (the association), which comprises the committee's report, the assets and liabilities statement as at 30 June 2013, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The Chief Executive Officer in accordance with the constitution of Rural Fire Brigades Association Queensland Inc is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Association's constitution and the requirements of the QLD Associations Incorporation Act and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view, 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Rural Fire Brigades Association Queensland Inc as at 30 June 2013 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Association's constitution and the requirements of the QLD Associations Incorporation Act .

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Rural Fire Brigades Association Queensland Inc to meet the requirements of Association's constitution and the requirements of the QLD Associations Incorporation Act .

Auditor's signature:  Cosmo Ian Schul

Auditor's address: 58-62 Mary Street, Gympie QLD 4570

Dated this thirteenth day of September 2013

Rural Fire Brigades Association Queensland Inc
CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Michael Garrahy of 33 McLeans Road, Crows Nest, QLD 4355, and I, Justin Choveaux of 115 Tamaree Road, Tamaree, QLD 4570, certify that:

- a. I attended the annual general meeting of the association held on the fourteenth day of September 2012.
- b. The financial statements for the year ended 30 June 2013 were submitted to the members of the association at its annual general meeting.

Dated this twenty-first day of September 2013.



Michael Garrahy - President



Justin Choveaux - SM/Treasurer

Our Ref: MD

12 September 2013

The General Manager
Rural Fire Brigades Association Queensland Inc.
101A Mary Street
GYMPIE QLD 4570

Dear Justin

We have previously provided original copies of the 2013 Financial Statements and signed Audit Report.

We now enclose audit reports for the Category 3 Games carried out during the year. Please note that we will forward a copy of the reports direct to the Office of Gaming.

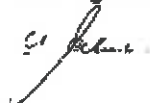
Audit Review Notes

During the completion of the audit we noted a number of issues which we wish to highlight as follows:

1. We take this opportunity to remind the Committee of the importance of maintaining adequate insurance cover for the assets of the Association. To this end, we would encourage the Committee to review the adequacy (at least annually) of the cover held by the Association. We draw your attention to your contents insurance and the new computer systems installed, this needs to be review and addressed if not already.
2. During the process of reconciling the Association's GST, we found \$408 of input tax credits which were over claimed during the year on fines & penalties and software assets. To correct this you should increase 1A on your next BAS by \$408 and G1 by \$4,488.
3. The amount of \$360,000 in wages back pay continues to be a concern from an audit viewpoint as the amount seems to be only a "best estimate" of the arrears for employee wages and superannuation. This amount given your current time frames, should be calculated by the end of this financial year.

Should you have any queries regarding the audit report, please contact me.

Kind regards



Cos Schuh
SCHUH GROUP
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