



12 October 2021

John Laird  
Treasurer  
Police Federation of Australia  
Sent via email: [pfa@pfa.org.au](mailto:pfa@pfa.org.au)  
CC: [mm@daley.com.au](mailto:mm@daley.com.au)

Dear John Laird,

**Police Federation of Australia  
Financial Report for the year ended 30 June 2021 – (FR2021/50)**

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the Police Federation of Australia. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 11 October 2021.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 30 June 2022 may be subject to an advanced compliance review.

**Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at [Mihiri.jayawardane@roc.gov.au](mailto:Mihiri.jayawardane@roc.gov.au).

Yours sincerely,

**Mihiri Jayawardane  
Registered Organisations Commission**



**Police Federation  
of Australia**

The National Voice of Policing

ABN 31 384 184 778

Level 1, 21 Murray Crescent  
GRIFFITH ACT 2603

Tel: (02) 6239 8900

Fax: (02) 6239 8999

***Certificate by Prescribed Designated Officer for the Financial Year Ended  
30 June 2021***

s.268 Fair Work (Registered Organisations) Act 2009

I, Ian Leavers, being the President of the Police Federation of Australia, certify:

- that the documents lodged herewith are copies of the full report for the Police Federation of Australia for the period ended 30 June 2021 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 21 September 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 24 September 2021; and
- that the audited full report was presented to and endorsed by a meeting of the Committee of Management of the reporting unit on 6 October 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ian Leavers', is written over a large, stylized blue circular mark.

Ian Leavers  
President

11 October 2021

**Police Federation of Australia**

ABN: 31 384 184 778

**Financial Statements**

For the Year Ended 30 June 2021

# Police Federation of Australia

ABN: 31 384 184 778

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## Financial Statements

For the year ended 30 June 2021

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# Police Federation of Australia

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## Operating Report

For the year ended 30 June 2021

The Committee of Management presents its operating report of the Police Federation of Australia ("the Federation") for the year ended 30 June 2021.

### Names of Committee of Management members and period positions held during the financial year

The names of each person who has been on the Committee of Management during the financial year are:

| <b>Name</b>  | <b>Position</b> | <b>Period of Appointment</b> |
|--------------|-----------------|------------------------------|
| Mark Carroll | President       | 1/7/2020 to 30/6/2021        |
| Ian Leavers  | Vice President  | 1/7/2020 to 30/6/2021        |
| Paul McCue   | Vice President  | 1/7/2020 to 30/6/2021        |
| John Laird   | Treasurer       | 1/7/2020 to 30/6/2021        |
| Harry Arnott | Executive       | 1/7/2020 to 30/6/2021        |
| Colin Riley  | Executive       | 1/7/2020 to 30/6/2021        |
| Anthony King | Executive       | 1/7/2020 to 30/6/2021        |
| Alex Caruana | Executive       | 16/9/2020 to 30/6/2021       |
| Angela Smith | Executive       | 1/7/2020 to 30/7/2020        |

### Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

A detailed record of the Federation's activities can be found in the annual report which will be presented to the Federal Council in September and uploaded to the Federation's website.

This year has proven to be as challenging as last year due to COVID restrictions and lockdowns for all jurisdictions. During this financial year, most meetings and events were either cancelled or held by video conference. Again, most Police Week events for this year have been deferred, including the announcement and presentation of the National Police Bravery Award for 2021, however the Wall to Wall Ride will still go ahead in a heavily modified format with jurisdictions holding satellite rides in their own states and "live streaming" of the Canberra ceremony.

The Federation continued to work closely with the National Police Memorial charity with respect to the POCA II Federal Government Grant activities and the development of content for the web-portal that will be due to be launched in September of this year.

The Registered Organisations Commission ("ROC") invited the Police Federation of Australia ("PFA") to participate in preliminary discussions, future development and trial of a ROC Portal in which Registered Organisations and their Branches will be able to log in to report annual returns of information and notification of changes to officeholders. The PFA is very supportive of this initiative and looks forward to the Portal progressing during the next year.

# Police Federation of Australia

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## Operating Report

For the year ended 30 June 2021

### Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

Finally, the Federation remained active making submissions to a large number of parliamentary Inquiries including:

- Family Law Amendment (Federal Family Violence Orders) Bill 2021
- Mental Health and Suicide Prevention
- Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020
- Inquiry into Criminal Activity and Law Enforcement during the COVID-19 Pandemic
- Commonwealth Integrity Commission Bill 2020 (the draft Bill)
- Review of Surveillance Legislation Amendment (Identify and Disrupt) Bill 2020
- Review of Critical Infrastructure Bill and launch of Statutory Review of Security of *Critical Infrastructure Act 2018*
- Intelligence Oversight and Other Legislation Amendment (Integrity Measures) Bill 2020
- Exposure draft Mutual Recognition Amendment Bill 2020
- Inquiry into the Crimes Legislation Amendment (Economic Disruption) Bill 2020
- Inquiry into An Australian Standard for the Training and Use of Private Contracted Security and Detection Dogs
- Inquiry into the Australian Government's Response to the COVID-19 Pandemic
- Inquiry into Public Communications Campaigns Targeting Drug and Substance Abuse
- The Royal Commission into National Natural Disaster Arrangements
- Telecommunications Legislation Amendment (International Production Orders) Bill 2020
- Inquiry into Illicit Tobacco
- Inquiry into Food Pricing and Security in Remote Indigenous Communities
- Retirement Incomes Review for Treasury
- Parliament Inquiry into Law Enforcement Capabilities in Relation to Child Exploitation
- Inquiry into Road Safety
- Inquiry into the Adequacy and Efficacy of Australia's Anti-money Laundering and Counter-terrorism Financing (AML/CTF) Regime

No significant changes in the nature of the Federation's activities occurred during the financial year.

A review of the operations and the results of the Federation is performed in regular meetings of the Committee of Management. The Committee of Management believe that they have furthered the interests of its members throughout the year through the conducting of the Federation's principal activities.

The surplus for the Federation for the year ended 30 June 2021 was \$269,258 (2020: surplus of \$170,814) and the Committee of Management believe that the activities of the Federation have achieved their objectives for the financial year.

### Significant changes in financial affairs

There were no significant changes in the financial affairs of the Federation during the year.

# Police Federation of Australia

ABN: 31 384 184 778

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## Operating Report

For the year ended 30 June 2021

### Right of members to resign

A member may resign from the membership of the Federation by notice in writing addressed and delivered to the Secretary of the member's Branch, Zone Secretary or Chief Executive Officer, as per Rule 11(b). In accordance with Section 174(1) of the RO Act, a member of the organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

### Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee being a member or officer of a registered organisation is a criterion for them holding such position

No officer or employee of the Federation acts:

- i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii) as a director of a Company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

### Number of members

There were 65,243 members of the Federation as at 30 June 2021 (2020: 64,122).

### Number of employees

As at 30 June 2021 the Federation had 3 full-time equivalent employees (2020: 3).

Signed in accordance with a resolution of the Committee of Management:



John Laird  
Treasurer

Dated: 21 September 2021

# Police Federation of Australia

ABN: 31 384 184 778

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## Committee of Management Statement

### For the Year Ended 30 June 2021

On 21 September 2021 the Committee of Management of the Police Federation of Australia ("the Federation") passed the following resolution in relation to the general purpose financial report for the year ended 30 June 2021:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Federation for the financial year to which they relate;
- d) there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the general purpose financial report relates and since the end of that year:
  - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned;
  - ii. the financial affairs of the Federation have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
  - iii. the financial records of the Federation have been kept and maintained in accordance with the RO Act; and
  - iv. where the organisation consists of two or more reporting units, the financial records of the Federation have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation;
  - v. where information has been sought in any request by a member of the Federation or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
  - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



John Laird  
Treasurer

Dated: 21 September 2021



# Police Federation of Australia

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## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

|  | Note | 2021<br>\$       | 2020<br>\$ |
|--|------|------------------|------------|
| Revenue from contracts with customers                    | 3    | 1,212,854        | 1,246,035  |
| Other income   | 3    | 38,281           | 102,978    |
|  |      | <b>1,251,135</b> | 1,349,013  |
| Employee benefits expense                                | 4    | (530,487)        | (504,334)  |
| Delegation expenses                                      |      | (202,458)        | (248,652)  |
| Professional fees  |      | (60,250)         | (95,829)   |
| Property expenses  |      | (61,937)         | (66,592)   |
| National Foundation expenses                             |      | (14,086)         | (62,677)   |
| Computer and web design costs                            |      | (28,437)         | (53,822)   |
| Depreciation expense                                     |      | (40,297)         | (29,545)   |
| National Awareness expenses                              |      | (120)            | (23,381)   |
| Other expenses   |      | (43,805)         | (93,367)   |
| <b>Result for the year</b>                               |      | <b>269,258</b>   | 170,814    |
| Net gain on revaluation of property, plant and equipment |      | 68,323           | -          |
| Other comprehensive income for the year                  |      | 68,323           | -          |
| <b>Total comprehensive income/(loss) for the year</b>    |      | <b>337,581</b>   | 170,814    |

The accompanying notes form part of these financial statements.

# Police Federation of Australia

ABN: 31 384 184 778

## Balance Sheet

As at 30 June 2021

|                               | Note | 2021<br>\$ | 2020<br>\$ |
|-------------------------------|------|------------|------------|
| <b>ASSETS</b>                 |      |            |            |
| CURRENT ASSETS                |      |            |            |
| Cash and cash equivalents     | 5    | 880,387    | 576,535    |
| Trade and other receivables   | 6    | 1,165      | 54,751     |
| Prepayments                   |      | 20,597     | 10,832     |
| TOTAL CURRENT ASSETS          |      | 902,149    | 642,118    |
| NON-CURRENT ASSETS            |      |            |            |
| Right-of-use assets           | 8    | 18,245     | -          |
| Property, plant and equipment | 7    | 1,663,181  | 1,486,344  |
| TOTAL NON-CURRENT ASSETS      |      | 1,681,426  | 1,486,344  |
| TOTAL ASSETS                  |      | 2,583,575  | 2,128,462  |
| <b>LIABILITIES</b>            |      |            |            |
| CURRENT LIABILITIES           |      |            |            |
| Trade and other payables      | 9    | 131,341    | 84,348     |
| Employee benefits             | 10   | 151,007    | 99,536     |
| Lease liabilities             | 8    | 8,764      | -          |
| TOTAL CURRENT LIABILITIES     |      | 291,112    | 183,884    |
| NON-CURRENT LIABILITIES       |      |            |            |
| Employee benefits             | 10   | 1,084      | 639        |
| Lease liabilities             | 8    | 9,859      | -          |
| TOTAL NON-CURRENT LIABILITIES |      | 10,943     | 639        |
| TOTAL LIABILITIES             |      | 302,055    | 184,523    |
| NET ASSETS                    |      | 2,281,520  | 1,943,939  |
| <b>EQUITY</b>                 |      |            |            |
| Reserves                      |      | 572,074    | 503,751    |
| Retained earnings             |      | 1,709,446  | 1,440,188  |
| TOTAL EQUITY                  |      | 2,281,520  | 1,943,939  |

The accompanying notes form part of these financial statements.

# Police Federation of Australia

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## Statement of Changes in Equity

For the year ended 30 June 2021

|                                | Retained<br>Earnings | Assets<br>Revaluation<br>Reserve | Total            |
|--------------------------------|----------------------|----------------------------------|------------------|
|                                | \$                   | \$                               | \$               |
| <b>Balance at 1 July 2020</b>  | <b>1,440,188</b>     | <b>503,751</b>                   | <b>1,943,939</b> |
| Result for the year            | 269,258              | -                                | 269,258          |
| Asset revaluation              | -                    | 68,323                           | 68,323           |
| <b>Balance at 30 June 2021</b> | <b>1,709,446</b>     | <b>572,074</b>                   | <b>2,281,520</b> |
| <br>                           |                      |                                  |                  |
| <b>Balance at 1 July 2019</b>  | 1,269,374            | 503,751                          | 1,773,125        |
| Result for the year            | 170,814              | -                                | 170,814          |
| <b>Balance at 30 June 2020</b> | <b>1,440,188</b>     | <b>503,751</b>                   | <b>1,943,939</b> |

The accompanying notes form part of these financial statements.

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# Police Federation of Australia

ABN: 31 384 184 778

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## Statement of Cash Flows

For the year ended 30 June 2021

|  | 2021                    | 2020                  |
|--|-------------------------|-----------------------|
| Note   | \$                      | \$                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                         |                       |
| Receipts from members                          | 1,388,104               | 1,400,029             |
| Other receipts                                 | 56,892                  | 157,634               |
| Payments to suppliers and employees            | (994,616)               | (1,213,893)           |
| Interest received                              | 777                     | 956                   |
| Finance costs                                  | (935)                   | -                     |
| Net cash provided by operating activities      | 16(a) <u>450,222</u>    | <u>344,726</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                         |                       |
| Payments for plant and equipment               | (167,003)               | (1,817)               |
| Proceeds from sale of plant and equipment      | 27,272                  | -                     |
| Net cash (used by) investing activities        | <u>(139,731)</u>        | <u>(1,817)</u>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |                         |                       |
| Payment of finance lease liabilities           | (6,639)                 | -                     |
| Net cash (used by) financing activities        | <u>(6,639)</u>          | <u>-</u>              |
| Net increase in cash and cash equivalents held | 303,852                 | 342,909               |
| Cash and cash equivalents at beginning of year | 576,535                 | 233,626               |
| Cash and cash equivalents at end of year       | 5 <u><u>880,387</u></u> | <u><u>576,535</u></u> |

The accompanying notes form part of these financial statements.

# Police Federation of Australia

ABN: 31 384 184 778

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009* (RO Act). For the purpose of preparing the general purpose financial statements, the Federation is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, 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.

#### (b) Comparative figures

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

#### (c) Revenue and other income

##### *Revenue from contracts with customers*

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Federation expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (c) Revenue and other income

None of the revenue streams of the Federation have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Federation are:

##### *Membership services*

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 Branch.

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

##### *Government COVID-19 Stimulus income*

Income received is recognised in the period in which they are incurred. This is generally consistent with when payment is received.

##### *Capitation fees*

Where the Federation's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Federation recognises the capitation fees promised under that arrangement when or as it transfers.

In circumstances where the criteria for a contract with a customer are not met, the Federation will recognise capitation fees as income upon receipt.

##### *Interest revenue*

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

##### *Other income*

Other income is recognised on an accrual basis when the Federation is entitled to it.

#### (d) Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as an expense in the year to which it relates.

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 1 Summary of Significant Accounting Policies

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

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

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

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

#### (f) Income tax

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

#### (g) Cash and cash equivalents

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 three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

#### (h) Financial instruments

Financial instruments are recognised initially on the date that the Federation becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

##### Classification

On initial recognition, the Federation classifies its financial assets as those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Federation changes its business model for managing financial assets.

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (h) Financial instruments

##### Financial assets

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Federation's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Federation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Federation's historical experience and informed credit assessment; including forward looking information.

The Federation uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Federation uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Federation in full, without recourse to the Federation to actions such as realising security (if any is held); or
- the financial assets is more than 6 months past due.



# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (h) Financial instruments

##### Financial assets

Credit losses are measured as the present value of the difference between the cash flows due to the Federation in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Federation has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in bad debt expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Federation renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Federation measures all financial liabilities initially at fair value less transaction costs. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Federation comprise trade and other payables.

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (h) Financial instruments

##### Impairment of Financial Assets

At the end of the reporting period the Federation assesses whether there is any objective evidence that a financial asset is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other income in profit or loss.

#### (i) 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 Federation were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

#### (j) Leases

At inception of a contract, the Federation assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Federation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Federation has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (j) Leases

##### (i) Right-of-use asset

At the lease commencement, the Federation recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Federation believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

##### (ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Federation's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Federation's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Exceptions to lease accounting*

The Federation has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Federation recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

# Police Federation of Australia

ABN: 31 384 184 778

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 1 Summary of Significant Accounting Policies

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

##### Plant and equipment

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

Under cost model, the asset is carried at its cost less any accumulated depreciation and impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### Land and buildings

Land and buildings are measured using the revaluation model.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed every 3 years or if management believe there is a material movement in the value of an asset under the revaluation model.

##### Depreciation

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

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

| <b>Fixed asset class</b>       | <b>Depreciation rate</b> |
|--------------------------------|--------------------------|
| Buildings                      | 2.5%                     |
| Plant, equipment and furniture | 7.5 - 20%                |
| Motor Vehicles                 | 15%                      |

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

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (l) Employee benefits

##### (i) *Defined contribution schemes*

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

##### (ii) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### (iii) *Other long-term employee benefit obligations*

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Federation does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (m) 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.

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 1 Summary of Significant Accounting Policies

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

The Federation has adopted all standards which became effective for the first time at 30 June 2021, none of the new standards had a material impact on the reported financial position of performance.

#### (o) New accounting standards for application in future periods

Certain new accounting standards have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Federation. These standards are not expected to have a material impact on the Federation in the current or future reporting periods and on foreseeable future transactions.

### 2 Critical Accounting Estimates and Judgements

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

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

The significant estimates and judgements made have been described below:

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

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

#### *Key estimates - useful lives of depreciable assets*

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

#### *Key estimates - employee entitlements*

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

# Police Federation of Australia

ABN: 31 384 184 778

## Notes to the Financial Statements

For the year ended 30 June 2021

### 3 Revenue and other income

|  | 2021             | 2020             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Revenue from contracts with customers</b>       |                  |                  |
| <i>Revenue received from other reporting units</i> |                  |                  |
| Australian Federal Police Association              | 72,360           | 73,413           |
| Police Association of New South Wales              | 311,136          | 304,337          |
| Police Association of South Australia              | 90,854           | 89,406           |
| Police Association of Tasmania                     | 24,672           | 23,507           |
| Police Association of Northern Territory           | 28,776           | 27,091           |
| Queensland Police Union                            | 218,856          | 213,092          |
| Police Association of Victoria                     | 320,676          | 301,043          |
| Western Australian Police Union                    | 122,184          | 116,261          |
| Other - Police Association of New Zealand          | 23,340           | 22,885           |
| Grants and donations                               | -                | 75,000           |
|  | <b>1,212,854</b> | <b>1,246,035</b> |
| <b>Other income</b>                                |                  |                  |
| Government COVID-19 stimulus income                | 35,440           | 59,068           |
| Profit from sale of assets                         | 2,064            | -                |
| Interest income                                    | 777              | 955              |
| Bravery awards                                     | -                | 42,955           |
|  | <b>38,281</b>    | <b>102,978</b>   |
|  | <b>1,251,135</b> | <b>1,349,013</b> |

### Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated; the following table shows this breakdown:

|  |                  |                  |
|--|------------------|------------------|
| Timing of revenue recognition                |                  |                  |
| - Over time                                  | 1,212,854        | 1,171,035        |
| - At a point in time                         | -                | 75,000           |
| <b>Revenue from contracts with customers</b> | <b>1,212,854</b> | <b>1,246,035</b> |

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 4 Result for the period

The result for the period includes the following specific expenses

|   | 2021           | 2020           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>Employee benefits expense comprises:</b>         |                |                |
| <b><i>Employees other than office holders*:</i></b> |                |                |
| - Wages and salaries                                | 428,927        | 397,429        |
| - Superannuation                                    | 47,831         | 46,671         |
| - Leave and other entitlements                      | 53,729         | 60,234         |
|   | <u>530,487</u> | <u>504,334</u> |
| Conference and meeting expenses                     | 90,507         | 197,727        |
| Legal costs - other legal matters                   | -              | 29,500         |

\* There are no employees of the Federation that are elected to any Officer positions as defined under the RO Act.

### 5 Cash and cash equivalents

|              |                |                |
|--------------|----------------|----------------|
| Cash at bank | <u>880,387</u> | <u>576,535</u> |
|--------------|----------------|----------------|

### 6 Trade and other receivables

|                          |              |               |
|--------------------------|--------------|---------------|
| Trade receivables        | 1,165        | 35,363        |
| Provision for impairment | (a) -        | -             |
|                          | -            | -             |
| Other receivables        | -            | 19,388        |
|                          | <u>1,165</u> | <u>54,751</u> |

#### (a) Impairment of receivables

The Federation applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses incorporate forward looking information. There is no provision for impairment required at 30 June 2021 (2020: Nil).



# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 6 Trade and other receivables

#### (b) Receivables from other reporting units

|  | 2021 | 2020   |
|--|------|--------|
|  | \$   | \$     |
| Police Association New South Wales           | -    | 27,897 |
| Police Association of Tasmania               | -    | 2,155  |
| Receivables from other reporting units (net) | -    | 30,052 |

#### (c) Credit risk - Trade and Other Receivables

The following table details the Federation's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Federation and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Federation.

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

|                   | Gross amount | Past due and impaired | Past due but not impaired |      | Within initial trade terms |
|-------------------|--------------|-----------------------|---------------------------|------|----------------------------|
|                   |              |                       | (days overdue)            |      |                            |
|                   | \$           | \$                    | > 30                      | > 90 | \$                         |
|                   |              |                       | \$                        | \$   |                            |
| <b>2021</b>       |              |                       |                           |      |                            |
| Trade receivables | 1,165        | -                     | -                         | -    | 1,165                      |
| <b>2020</b>       |              |                       |                           |      |                            |
| Trade receivables | 35,363       | -                     | -                         | -    | 35,363                     |
| Other receivables | 19,388       | -                     | -                         | -    | 19,388                     |
|                   | 54,751       | -                     | -                         | -    | 54,751                     |

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 7 Property, plant and equipment

|  | 2021                    | 2020                    |
|--|-------------------------|-------------------------|
|  | \$                      | \$                      |
| <b>Land and buildings</b>                  |                         |                         |
| At independent valuation                   | 1,500,000               | 1,500,000               |
| Accumulated depreciation                   | -                       | (47,798)                |
|  | <u>1,500,000</u>        | <u>1,452,202</u>        |
| <br>                                       |                         |                         |
| <b>Plant and equipment</b>                 |                         |                         |
| At cost                                    | 172,674                 | 59,680                  |
| Accumulated depreciation                   | (57,775)                | (52,423)                |
|  | <u>114,899</u>          | <u>7,257</u>            |
| <br>                                       |                         |                         |
| <b>Motor vehicles</b>                      |                         |                         |
| At cost                                    | 54,008                  | 37,084                  |
| Accumulated depreciation                   | (5,726)                 | (10,199)                |
|  | <u>48,282</u>           | <u>26,885</u>           |
| <br>                                       |                         |                         |
| <b>Total property, plant and equipment</b> | <u><u>1,663,181</u></u> | <u><u>1,486,344</u></u> |

#### (a) Valuation of land and buildings

An independent valuation of 21 Murray Crescent, Griffith, ACT, was performed as at 30 June 2021. The original cost of the land and buildings was \$996,249.

The Federation obtains independent valuations for its land and buildings at least every three years. At the end of each reporting period, the Federation update their assessment of the fair value, taking into account the most recent independent valuation. The Committee determine value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties.

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 7 Property, plant and equipment

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

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

|                                       | Land and<br>buildings<br>\$ | Plant,<br>equipment<br>and<br>furniture<br>\$ | Motor<br>Vehicles<br>\$ | Total<br>\$      |
|---------------------------------------|-----------------------------|---|-------------------------|------------------|
| <b>Year ended 30 June 2021</b>        |                             |   |                         |                  |
| Balance at the beginning of year      | 1,452,202                   | 7,257   | 26,885                  | 1,486,344        |
| Additions                             | -                           | 112,994                                       | 54,009                  | 167,003          |
| Fair value adjustment                 | 68,323                      | -   | -                       | 68,323           |
| Disposals                             | -                           | -   | (25,209)                | (25,209)         |
| Depreciation expense                  | (20,525)                    | (5,352)                                       | (7,403)                 | (33,280)         |
| <b>Balance at the end of the year</b> | <b>1,500,000</b>            | <b>114,899</b>                                | <b>48,282</b>           | <b>1,663,181</b> |
| <b>Year ended 30 June 2020</b>        |                             |   |                         |                  |
| Balance at the beginning of year      | 1,472,727                   | 8,897   | 32,448                  | 1,514,072        |
| Additions                             | -                           | 1,817   | -                       | 1,817            |
| Disposals                             | -                           | -   | -                       | -                |
| Depreciation expense                  | (20,525)                    | (3,457)                                       | (5,563)                 | (29,545)         |
| <b>Balance at the end of the year</b> | <b>1,452,202</b>            | <b>7,257</b>                                  | <b>26,885</b>           | <b>1,486,344</b> |

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 8 Leases

#### Federation as a lessee

The Federation has leases over IT equipment. The maximum lease period is for 27 months, with no option to extend.

#### Right-of-use assets

|                                  | Computer<br>Equipment<br>\$ |
|----------------------------------|-----------------------------|
| <b>Year ended 30 June 2021</b>   |                             |
| Balance at beginning of year     | -                           |
| Additions to right-of-use assets | 25,262                      |
| Depreciation charge              | (7,017)                     |
| <b>Balance at end of year</b>    | <u><u>18,245</u></u>        |

#### Lease liabilities

|             | 2021<br>\$           | 2020<br>\$ |
|-------------|----------------------|------------|
| Current     | 8,764                | -          |
| Non-current | 9,859                | -          |
|             | <u><u>18,623</u></u> | -          |

#### Lease liabilities maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

|                   | < 1 year<br>\$ | 1 - 5 years<br>\$ | > 5 years<br>\$ | Total<br>undiscounted<br>lease liabilities<br>\$ | Lease liabilities<br>included in this<br>Balance Sheet<br>\$ |
|-------------------|----------------|-------------------|-----------------|--|--|
| <b>2021</b>       |                |                   |                 |  |  |
| Lease liabilities | 9,084          | 11,355            | -               | 20,439   | 18,623   |

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 8 Leases

#### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Federation is a lessee are shown below:

|                                       | 2021         | 2020     |
|---------------------------------------|--------------|----------|
|                                       | \$           | \$       |
| Interest expense on lease liabilities | 935          | -        |
| Depreciation of right-of-use assets   | 7,017        | -        |
|                                       | <u>7,952</u> | <u>-</u> |

#### Statement of Cash Flows

|                               |              |          |
|-------------------------------|--------------|----------|
| Total cash outflow for leases | <u>6,639</u> | <u>-</u> |
|-------------------------------|--------------|----------|

### 9 Trade and other payables

|                |                |               |
|----------------|----------------|---------------|
| Trade payables | 76,526         | 10,137        |
| Other payables | 54,815         | 74,211        |
|                | <u>131,341</u> | <u>84,348</u> |

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 10 Employee benefits

|                    | 2021           | 2020          |
|--------------------|----------------|---------------|
|                    | \$             | \$            |
| CURRENT            |                |               |
| Annual leave       | 68,879         | 41,199        |
| Long service leave | 82,128         | 58,337        |
|                    | <u>151,007</u> | <u>99,536</u> |
| NON-CURRENT        |                |               |
| Long service leave | <u>1,084</u>   | <u>639</u>    |

**(a) Total employee benefits attributable to:**

**Employees other than office holders\*:**

|                    |                |                |
|--------------------|----------------|----------------|
| Annual leave       | 68,879         | 41,199         |
| Long service leave | 83,212         | 58,976         |
|                    | <u>152,091</u> | <u>100,175</u> |

\* There are no employees of the Federation that are elected to any Officer positions as defined under the RO Act.

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 11 Financial risk management

The main risks Police Federation of Australia is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting equity price risk.

The Federation's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

|                                    | Note | 2021<br>\$     | 2020<br>\$     |
|------------------------------------|------|----------------|----------------|
| <b>Financial Assets</b>            |      |                |                |
| Cash and cash equivalents          | 5    | 880,387        | 576,535        |
| Trade and other receivables        | 6    | 1,165          | 35,363         |
| <b>Total financial assets</b>      |      | <b>881,552</b> | <b>611,898</b> |
| <b>Financial Liabilities</b>       |      |                |                |
| Trade and other payables           |      | 122,750        | 57,762         |
| Lease Liabilities                  |      | 18,623         | -              |
| <b>Total financial liabilities</b> |      | <b>141,373</b> | <b>57,762</b>  |

The table below reflect an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the balance sheet due to the effect of discounting.

#### *Financial liability maturity analysis - Non-derivative*

|  | Within 1 year  |               | > 1 year      |            | Total          |               |
|--|----------------|---------------|---------------|------------|----------------|---------------|
|  | 2021<br>\$     | 2020<br>\$    | 2021<br>\$    | 2020<br>\$ | 2021<br>\$     | 2020<br>\$    |
| <b>Financial liabilities due for payment</b> |                |               |               |            |                |               |
| Trade and other payables                     | 131,341        | 84,348        | -             | -          | 131,341        | 84,348        |
| Lease liabilities                            | 9,084          | -             | 11,355        | -          | 20,439         | -             |
| <b>Total contractual outflows</b>            | <b>140,425</b> | <b>84,348</b> | <b>11,355</b> | <b>-</b>   | <b>151,780</b> | <b>84,348</b> |

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 11 Financial risk management

#### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Federation.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Federation has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Committee of Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### (b) Market risk

The Federation is not exposed to a material level of interest rate risk or equity price risk.

#### (c) Net income/(expenses) from financial assets

|   | 2021  | 2020 |
|---|-------|------|
|   | \$    | \$   |
| <i>Financial assets at amortised cost</i> |       |      |
| Interest revenue                          | 777   | 955  |
| Interest expense                          | (935) | -    |



# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 12 Fair Value Measurement

The Federation measures Land and buildings at fair value on a recurring basis:

#### Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

|         |  |
|---------|--|
| Level 1 | Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.     |
| Level 2 | Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. |
| Level 3 | Unobservable inputs for the asset or liability.  |

The table below shows the assigned level for each asset and liability held at fair value by the Federation:

|  | Level 1 | Level 2   | Level 3 | Total     |
|--|---------|-----------|---------|-----------|
| 2021                                     | \$      | \$        | \$      | \$        |
| <b>Recurring fair value measurements</b> |         |           |         |           |
| Land and buildings                       | -       | 1,500,000 | -       | 1,500,000 |
| <hr/>                                    |         |           |         |           |
| <b>2020</b>                              |         |           |         |           |
| <b>Recurring fair value measurements</b> |         |           |         |           |
| Land and buildings                       | -       | 1,452,202 | -       | 1,452,202 |
| <hr/>                                    |         |           |         |           |

Fair value measurements are performed by an independent valuer.

### 13 Auditor's remuneration

|   | 2021          | 2020          |
|---|---------------|---------------|
|   | \$            | \$            |
| Remuneration of the auditor of the Federation, for: |               |               |
| - financial statement audit services                |               |               |
| - Daley Audit                                       | 19,620        | 19,000        |
| - other services                                    |               |               |
| - Daley Audit                                       | 4,080         | 7,900         |
| - previous auditor                                  | -             | 1,330         |
|   | <hr/>         | <hr/>         |
|   | <b>23,700</b> | <b>28,230</b> |
|   | <hr/> <hr/>   | <hr/> <hr/>   |

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 14 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Police Federation of Australia during the year are as follows:

|                          | 2021           | 2020           |
|--------------------------|----------------|----------------|
|                          | \$             | \$             |
| Short-term benefits      | 318,915        | 300,074        |
| Post-employment benefits | 21,507         | 21,074         |
| Other long term benefits | 30,532         | 22,788         |
|                          | <u>370,954</u> | <u>343,936</u> |

### 15 Related party transactions

#### Related Parties

#### (a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any office holder (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 14: Key Management Personnel Remuneration.

#### (b) Transactions with related parties

Capitation fees received from related parties are disclosed at note 3.

Other reporting units are provided with and/or reimbursed for travel expenses incurred in the course of undertaking the Federation's business. These costs are not considered to be related party transactions and hence have not been included in this disclosure. Similarly, they are not considered to be cash outflows to other reporting units.

# Police Federation of Australia

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 16 Cash flow information

(a) Reconciliation of result for the period to cashflows from operating activities

|  | 2021           | 2020           |
|--|----------------|----------------|
|  | \$             | \$             |
| Result for the year  | 269,258        | 170,814        |
| Cash flows excluded from profit attributable to operating activities |                |                |
| Non-cash flows in profit:  |                |                |
| - depreciation   | 40,297         | 29,545         |
| - gain on disposal of plant and equipment                            | (2,064)        | -              |
| Changes in assets and liabilities:                                   |                |                |
| - (increase)/decrease in trade and other receivables                 | 53,586         | 72,135         |
| - (increase)/decrease in other assets                                | (9,764)        | (3,237)        |
| - increase/(decrease) in trade and other payables                    | 46,993         | 16,666         |
| - increase/(decrease) in employee provisions                         | 51,916         | 58,803         |
| Cashflow from operations   | <u>450,222</u> | <u>344,726</u> |

(b) Net cash flows from Reporting Units

**Inflows**

|  |                  |                  |
|--|------------------|------------------|
| Australian Federal Police Association    | 79,596           | 73,414           |
| Police Association of New South Wales    | 371,351          | 304,575          |
| Police Association of South Australia    | 99,939           | 91,316           |
| Police Association of Tasmania           | 29,294           | 25,417           |
| Police Association of Northern Territory | 32,119           | 29,255           |
| Queensland Police Union                  | 242,995          | 226,536          |
| Police Association of Victoria           | 352,744          | 312,483          |
| Western Australian Police Union          | 134,402          | 119,126          |
|  | <u>1,342,440</u> | <u>1,182,122</u> |

# Police Federation of Australia

ABN: 31 384 184 778

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## Notes to the Financial Statements

For the year ended 30 June 2021

### 17 Contingent liabilities

In the opinion of the Committee of Management, the Federation did not have any contingencies at 30 June 2021 (30 June 2020: None).

### 18 Events after the end of the Reporting Period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Federation is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Federation.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Federation, the results of those operations, or the state of affairs of the Federation in subsequent financial periods.

### 19 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of the members is drawn to the provisions of Sub-sections (1) to (3) of Section 272, which reads as follows:-

Information to be provided to members or the Commissioner:

1. A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

# Police Federation of Australia

ABN: 31 384 184 778

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## Officer Declaration Statement

For the year ended 30 June 2021

I, John Laird, being the Treasurer of the Police Federation of Australia, declare that the following activities did not occur during the reporting period ending 30 June 2021.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive periodic or membership subscriptions
- ~~receive capitation fees or any other revenue amount from another reporting unit~~
- receive revenue via compulsory levies
- ~~receive donations or grants~~
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- ~~pay wages and salaries to employees (other than holders of office)~~
- ~~pay superannuation to employees (other than holders of office)~~
- ~~pay leave and other entitlements to employees (other than holders of office)~~
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- ~~incur expenses due to holding a meeting as required under the rules of the organisation~~
- pay legal costs relating to litigation
- ~~pay legal costs relating to other legal matters~~
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- ~~have a receivable with other reporting unit(s)~~
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have an annual leave provision in respect of holders of office

# Police Federation of Australia

ABN: 31 384 184 778

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## Officer Declaration Statement

For the year ended 30 June 2021

- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- ~~have an annual leave provision in respect of employees (other than holders of office)~~
- ~~have a long service leave provision in respect of employees (other than holders of office)~~
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- ~~have a balance within the general fund~~
- ~~provide cash flows to another reporting unit and/or controlled entity~~
- ~~receive cash flows from another reporting unit and/or controlled entity~~
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



**John Laird**  
Treasurer

Dated: 21 September 2021

# Police Federation of Australia

ABN: 31 384 184 778

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## Report required under subsection 255(2A)

For the year ended 30 June 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Federation for the year ended 30 June 2021.

| Categories of Expenses   | 2021<br>\$ | 2020<br>\$ |
|--|------------|------------|
| Remuneration and other employment-related costs and expenses - employees | 530,487    | 504,334    |
| Advertising  | -          | -          |
| Operating costs  | 415,804    | 614,822    |
| Donations to political parties   | -          | -          |
| Legal costs  | -          | 29,500     |



John Laird  
**Treasurer**

Dated: 21 September 2021



## Independent Audit Report to the members of Police Federation of Australia

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Police Federation of Australia ("the Federation"), which comprises the balance sheet as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 30 June 2021, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Federation as at 30 June 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) the Australian Accounting Standards; and
- (ii) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

#### Wollongong

PO Box 333  
Wollongong NSW 2520  
☎ 02 4229 6477  
✉ [wollongong@daley.com.au](mailto:wollongong@daley.com.au)

#### Bowral

PO Box 1032  
Bowral NSW 2576  
☎ 02 4852 1082  
✉ [bowral@daley.com.au](mailto:bowral@daley.com.au)

#### Sydney

PO Box 903  
Sydney NSW 2001  
☎ 02 8236 8177  
✉ [sydney@daley.com.au](mailto:sydney@daley.com.au)

#### daley.com.au

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Legislation.







## **Independent Audit Report to the members of Police Federation of Australia**

### **Information Other than the Financial Report and Auditors Report Thereon**

The Committee of Management are 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 our 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 Federation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO 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 are responsible for assessing the Federation'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 Federation or to cease operations, or have no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control.



### Independent Audit Report to the members of Police Federation of Australia

- 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 Federation'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 Federation 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.

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.

I declare that I am an auditor registered under the RO Act.

*Daley Audit*  
Daley Audit

*Michael Mandt*  
Michael Mandt  
Partner

Wollongong  
Dated: 21 September 2021

Registration Number (as registered by the RO Commissioner under the RO Act): AA 2017/67

Liability limited by a scheme approved under Professional Standards Legislation.