FairWork Commission

16 November 2016

Ms Angela Smith
President
Police Federation of Australia – Australian Federal Police Association Branch
23 Murray Crescent
GRIFFITH ACT 2603

via email: afpa@afpa.org.au

Dear Ms Smith

Police Federation of Australia, Australian Federal Police Association Branch Financial Report for the year ended 30 June 2016 – [FR2016/304]

I acknowledge receipt of supplementary information on 11 November 2016 in relation to the disclosure of financial instruments and audit fees, the reconciliation of land and buildings and plant and equipment, the disclosure of cash outflows with other reporting units and the difference between the figures reported for grants and donations in the financial statement and in the loans, grants and donations statement.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission (**FWC**) will confirm these concerns have been addressed prior to filing next year's report.

1. Notes to the financial statements

New Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 28 requires that the entity disclose new Australian Accounting Standards adopted during the period.

Although the financial report states under Note 1.4 that '*the association has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period*' it does not identify the Accounting Standards adopted as per paragraph 28 of AASB 108.

2. Related Parties

Related party transactions

AASB 124 Related Party Disclosures paragraph 18 states that when an entity has had related party transactions during the reporting period it must disclose the nature of the related party relationship, as well as information about those transactions and outstanding balances including commitments.

Note 12 contains information in relation to related party transactions however it does not provide a description of the nature of the related party relationship between the reporting unit and AFPA Limited and AUSPOL.

3. Activities under Reporting Guideline not disclosed

Item 13 of the Reporting Guidelines state that if the activities identified in item 10 and 11 have not occurred in the reporting period, a statement of this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

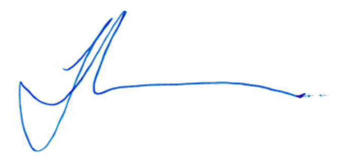
- 10 – going concern financial support received from another reporting unit
- 11 – going concern financial support provided to another reporting unit

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

Australian Federal Police Association

Protecting, representing and caring for our members every day.

11 November 2016

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch
Fair Work Commission
11 Exhibition Street
Melbourne VIC 3000
Joanne.Fenwick@fwc.gov.au

Dear Ms Fenwick,

Police Federation of Australia, Australian Federal Police Association Branch Financial Report for the year ended 30 June 2016 – [FR2016/304]

In relation to your letter dated 3 November 2016, please our responses to issues identified:

1. Financial Risk Management

Financial Instruments Disclosure
Note 14B: Should have included the following comment "Market Risk - The AFPA only hold cash and short term bank deposits with retail establishments and therefore is not exposed to any significant market risk". This was omitted in error.

Note 14D: The amounts listed in note 7A and 7B are correct and reflect the total for 14D. The figures for 14D for 2015 should have been broken down as follows:

Trade Payables	$328,981
Other Payables	$144,287
TOTAL	**$473,268**

2. Statement of Comprehensive Income

Disclosure of Audit Fees
The amounts listed for 2016 in the Statement of Comprehensive Income represent the year that they were paid in. The disclosure in Note 13 indicates that the audit fees are allocated to the year they relate.

We acknowledge this was not clearly presented and not appropriately explained within the document. We will ensure these matters are attended to appropriately by future auditors.

3. Statement of Financial Position

Land and buildings & Plant and Equipment Reconciliation
Note 4G: The figure of $1606 that is listed for 2016 is in error and should be $0 and therefore it is correct in Note 6A.

Note 6B: The gross book value in the 'by purchase' line of $129,791, should have been reduced by another $555 and bringing it to a total of $129,236. The depreciation expense of $27,529 should also be reduced by $555 bringing it to a total of $26,574 and giving the overall total of $81,097.

We note the auditor indicated the identified discrepancies were not material, however, will ensure these matters are brought to the attention of future auditors.

4. Cash Flow Statement

Notes to the Cash Flow Statement
Note 4B is related to the Capitation Fees paid by the AFPA to the Police Federation of Australia. The 2016 figure should be listed as $67,645 with the remaining $174,181 balance from the $241,826 allocated to "Suppliers" and bringing it to a total of $3,517,277.

The allocation of $174,181 is not a financial transaction connected to another reporting unit or a related party. The allocation is for salary reimbursements made to the Australian Federal Police. The difference in the Capitation Fees listed by the AFPA and the PFA is due to the AFPA listing their Financial Statements ex GST and the PFA listing their Financial Statements including GST.

We have confirmed this is the case with the Police Federation of Australia and advised that AFPA capitation fees are reported GST exclusive in our accounts.

5. Statements of Loans, Grants and Donations

Difference in figure reporting in Loans, Grants and Donations statement and financial report.
A reporting error has occurred when listing the Grant for $1,818 in the Financial Statement, as it is not subject to GST and should be recorded as $2,000. This figure is correct in the Loans, Grants and Donations statement.

The donation listed for $2,727 is correct in the Financial Statement, however, compared to the Loans, Grants and Donations statement does not include GST. By comparison the amount in the Loans, Grants and Donations statement does include GST.

We note the auditor indicated the identified discrepancies were not material, however, will ensure these matters are brought to the attention of future auditors.

Should you wish to discuss the matters raised in this letter further, we may be contacted on (02) 6285 1677.

Yours Sincerely

Angela Smith
National President

Graeme Cooper
Chief Executive Officer

FairWork Commission

3 November 2016

Ms Angela Smith
President
Police Federation of Australia – Australian Federal Police Association Branch
23 Murray Crescent
GRIFFITH ACT 2603

via email: angela.smith@afpa.org.au

Dear Ms Smith

Police Federation of Australia, Australian Federal Police Association Branch Financial Report for the year ended 30 June 2016 – [FR2016/304]

I acknowledge receipt of the financial report of the Police Federation of Australia, Australian Federal Police Association Branch (**AFPA**). The documents were lodged with the Fair Work Commission (**FWC**) on 27 October 2016.

The financial report has not been filed.

I have examined the financial report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

1. Financial Risk Management

Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

Although some disclosure requirements have been made in Note 14 not all relevant disclosures have been provided, in particular the disclosure requirements in relation to the qualitative disclosure for market risk (see Note 14B).

Also under Note 14D Market Risk the table for the 2015 financial year for remaining contractual maturities does not reflect the information provided in Notes 7A and 7B.

Please confirm if the information within the table under Note 14D for the 2015 financial year is correct and if so, can you please provide an explanation for the difference with Notes 7A and 7B.

2. Statement of Comprehensive Income

Disclosure of audit fees

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 10 requires the financial statements to separately disclose amounts paid to the auditor for the audit or review of the financial statements and for all other services performed.

Note 13 discloses this information however the total figure reported does not reconcile with the information disclosed in the Statement of Comprehensive Income for audit fees.

Please provide an explanation for the difference.

3. Statement of Financial Position

Land and buildings & Plant and equipment reconciliation

While reviewing the detail within the reconciliation table under Note 6A, I have noted that the disposal of assets for the 2016 financial year has not been included as part of the reconciliation as per the information provided in Note 4G.

I also note that under Note 6B that the gross book value and accumulated depreciation and impairment figures reported as at 30 June 2016 do not reconcile to the information provided in the table.

Please confirm if the information within the tables under Notes 6A and 6B are correct and provide any evidence to support this.

4. Cash Flow Statement

Notes to the Cash Flow Statement

Reporting Guideline 24 states that '*where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit and/or controlled entity concerned*'. This is in addition to the requirement to disclose capitation fees to/from another reporting unit (Reporting Guideline 14(b) and 16(b)) and receipt of, or provision of, any other financial support from another reporting unit (Reporting Guideline 10, 11 and 14(e)).

The Cash Flow Statement indicates that cash outflow from the AFPA to other reporting units was:

2016	**2015**
$	**$**
241,826	69,985

It refers this item to Note 4B, the capitation fees paid to the Police Federation of Australia (**PFA**). Note 4B however indicates that the payment for each year was:

2016	**2015**
$	**$**
67,645	69,985

I also note that on review of the recently lodged financial report for the PFA that they disclosed a cash inflow from AFPA of:

2016	**2015**
$	**$**
74,410	76,983

Please provide an explanation for the differences.

5. Statement of Loans, Grants and Donations

Difference in figure reporting in Loans, Grants and Donations statement and financial report

A Loans, Grants and Donations statement for AFPA was lodged with the FWC as required under subsection 237(1) of the RO Act on 27 September 2016. A figure for grants and donations that exceeded $1,000 was also supplied in the financial report however this figure for grants and donations is different to the figure supplied on the Loans, Grants and Donations Statement.

Please provide an explanation for the differences.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contact me on (03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

POLICE FEDERATION OF AUSTRALIA
AUSTRALIAN FEDERAL POLICE ASSOCIATION BRANCH
ABN 95 799 543 741

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Contents

RSM Australia Pty Ltd

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601

T +61 (0) 2 6217 0300
F +61 (0) 2 6217 0401

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

POLICE FEDERATION OF AUSTRALIA – AUSTRALIAN FEDERAL POLICE ASSOCIATION BRANCH

We have audited the accompanying general purpose financial report of Police Federation of Australia - Australian Federal Police Association Branch ("the entity"), which comprises the balance sheet as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and cash flow 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 General Purpose Financial Report

The committee is responsible for the preparation and fair presentation of the general purpose financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the committee determine is necessary to enable the preparation of the general purpose 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 general purpose financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the general purpose financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the general purpose financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the general purpose financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity'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 general purpose financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion the general purpose financial report presents fairly, in all material respects, the financial position of the Police Federation of Australia - Australian Federal Police Association Branch as at 30 June 2016 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009* and that the management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

RSM Australia Pty Ltd

GED STENHOUSE
Director

Canberra, ACT
Dated:27th October 2016

POLICE FEDERATION OF AUSTRALIA
AUSTRALIAN FEDERAL POLICE ASSOCIATION BRANCH
ABN 95 799 543 741

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2016

I Angela Smith being the National President of the Police Federation of Australia – Australian Federal Police Association Branch certify:

- that the documents lodged herewith are copies of the full report for the Police Federation of Australia – Australian Federal Police Association Branch for the period ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 27 October 2016; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 27 October 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: ....

Name of prescribed designated officer: ANGELA SMITH

Title of prescribed designated officer: PRESIDENT

Dated: 27 October 2016

POLICE FEDERATION OF AUSTRALIA
AUSTRALIAN FEDERAL POLICE ASSOCIATION BRANCH
ABN 95 799 543 741

OPERATING REPORT

The committee presents its report on the reporting unit for the financial year ended 30 June 2016.

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

The principal activities of the Branch during the reporting period were to promote and enhance the interests of our members and their profession; promote the interests and effective delivery of the Federal and ACT law enforcement; protect our members from any malicious, capricious or malevolent behaviour directed against them within the context of their professional role and provide professional services.

The Branch's principal activities results in maintaining and improving our members' professional interests, protection and services.

There was no significant change in the nature of the Association's principle activities occurred during the year.

Significant changes in financial affairs

There were no significant changes in the nature of the Branch's financial affairs during the reporting period. The Branch implemented a new financial software system and practices along with the outsourcing of its bookkeeping and accounting to a professional provider. This was for improved transparency, accountability and timeliness of reporting and analysis.

Right of members to resign

Members may resign from the Branch in accordance to Rule 11 and Rule 62.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

No officers or employees of the Branch held positions of trustee or director of a company that is a superannuation fund trustee.

Number of members

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Branch was 3998.

Number of employees

The number of persons who were, measured on a full time equivalent basis at the end of the reporting period, employees of the Branch was 8.

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

The persons who held office as members of the Committee of Management of the Branch (Branch National Executive) during the reporting period are:

Jonathan Hunt-Sharman	President	1 July 2015 to 6 November 2015
Angela Smith	President	11 November 2015 to 30 June 2016
Dennis Gellatly	Chief Executive Officer	1 July 2015 to 30 June 2016
Ian Bridle	Vice President - AFP Operations Portfolio	1 July 2015 to 30 June 2016

OPERATING REPORT (CONTINUED)

Angela Smith	Vice President – AFP ACT Operations Portfolio	1 July 2015 to 11 November 2015
Graeme Cooper	Vice President – AFP ACT Operations Portfolio	11 November 2015 to 30 June 2016
Richard Smeltink	Vice President – AFP Executive & AFPA Associate Portfolio	1 July 2015 to 30 June 2016
Mark Jager	Vice President – AFP National Security Portfolio	1 July 2015 to 30 June 2016
Russell Rowell	Vice President – AFP Chief Operating Officer Portfolio	1 July 2015 to 30 November 2015
Adrian Smith	Vice President – AFP Chief Operating Officer Portfolio	8 December 2015 to 30 June 2016
Glen McDonald	Vice President – AFP Close Operations Portfolio	1 July 2015 to 24 December 2015
Alex Caruana	Vice President – AFP Close Operations Portfolio	20 January 2016 to 30 June 2016

The result from ordinary activities after providing for income tax amounted to a profit of $142,142 (2015: profit of $653,405).

.... 27/10/16 ....

Angela Smith (National President) Dated

.... 27/10/16. ....

Graeme Cooper
(Vice President AFP ACT Operations Portfolio) Dated

POLICE FEDERATION OF AUSTRALIA
AUSTRALIAN FEDERAL POLICE ASSOCIATION BRANCH
ABN 95 799 543 741

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

On the 27 October 2016 the members of the National Executive of the Police Federation of Australia - Australian Federal Police Association Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The National Executive 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 the reporting guidelines of the General Manager;

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR 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; and

  (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

  (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

  (iv) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and

  (v) 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.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: ....

Name and title of designated officer: ANGELA SMITH PRESIDENT

Dated: 27/10/16

POLICE FEDERATION OF AUSTRALIA
AUSTRALIAN FEDERAL POLICE ASSOCIATION BRANCH
ABN 95 799 543 741

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Revenue			
Membership subscription		4,191,299	3,658,451
Capitation fees		-	-
Levies		-	-
Interest	3A	49,329	49,116
Other revenue	3B	15,185	1,132,761
Total revenue		**4,255,813**	**4,840,327**
Other income			
Grants and/or donations		-	-
Total other income		**-**	**-**
Total income		**4,255,813**	**4,840,327**
Expenses			
Employee expenses	4A	1,035,236	1,379,045
Capitation fees	4B	67,645	69,985
Affiliation fees		-	-
Administration expenses	4C	795,418	862,174
Grants or donations	4D	4,543	20,019
Depreciation and amortisation	4E	136,402	134,824
Legal costs	4F	497,540	334,123
Audit fees		75,108	24,000
Net losses from sale of assets	4G	1,606	16,050
Insurance	4H	1,485,913	1,327,032
Other expenses	4I	14,260	19,672
Total expenses		**4,113,670**	**4,186,924**
Profit for the year		**142,143**	**653,404**
Other comprehensive income		-	-
Total comprehensive income for the year		**142,143**	**653,404**

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

POLICE FEDERATION OF AUSTRALIA
AUSTRALIAN FEDERAL POLICE ASSOCIATION BRANCH
ABN 95 799 543 741

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	2,768,571	1,916,738
Trade and other receivables	5B	205,992	1,197,139
Other current assets	5C	32,472	46,850
Total current assets		**3,007,034**	**3,160,728**
Non-Current Assets			
Land and buildings	6A	1,649,102	1,672,160
Plant and equipment	6B	169,350	67,089
Intangibles	6C	126,850	176,717
Total non-current assets		**1,945,302**	**1,915,965**
Total assets		**4,952,337**	**5,076,693**
LIABILITIES			
Current Liabilities			
Trade payables	7A	273,081	328,981
Other payables	7B	133,890	144,287
Employee provisions	8A	17,450	205,828
Total current liabilities		**424,420**	**679,096**
Non-Current Liabilities			
Employee provisions	8A	389	12,212
Total non-current liabilities		**389**	**12,212**
Total liabilities		**424,809**	**691,308**
Net assets		**4,527,527**	**4,385,385**
EQUITY			
Retained earnings		4,527,527	4,385,385
Total equity		**4,527,527**	**4,385,385**

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

POLICE FEDERATION OF AUSTRALIA
AUSTRALIAN FEDERAL POLICE ASSOCIATION BRANCH
ABN 95 799 543 741

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Retained Earnings	Total
	$	$
Opening balance at 1 July 2014	**3,731,980**	**3,731,980**
Profit attributable to members	653,404	**653,404**
Other comprehensive income for the year	-	-
Closing balance at 30 June 2015	**4,385,384**	**4,385,384**
Profit attributable to members	142,143	**142,143**
Other comprehensive income for the year	-	-
Closing balance at 30 June 2016	**4,527,527**	**4,527,527**

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

POLICE FEDERATION OF AUSTRALIA
AUSTRALIAN FEDERAL POLICE ASSOCIATION BRANCH
ABN 95 799 543 741

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
OPERATING ACTIVITIES			
Interest Received		37,302	49,517
Receipts from members		4,542,851	3,901,787
Insurance rebate		1,070,752	-
Other		15,185	62,063
Cash received		**5,666,091**	**4,013,367**
Employees		(1,063,597)	(1,379,045)
Payment to other reporting units	4B	(241,826)	(69,985)
Suppliers		(3,343,096)	(2,726,379)
Cash used		**(4,648,519)**	**(4,175,409)**
Net cash from (used by) operating activities		**1,017,572**	**(162,042)**
INVESTING ACTIVITIES			
Purchase of plant and equipment		(140,866)	(94,443)
Purchase of land and buildings		(24,874)	(1,625,410)
Cash used		**(165,739)**	**(1,719,853)**
Net cash used in investing activities		**(165,739)**	**(1,719,853)**
Net increase (decrease) in cash held		**851,833**	**(1,881,895)**
Cash & cash equivalents at the beginning of the reporting period		1,916,738	3,798,633
Cash & cash equivalents at the end of the reporting period		**2,768,571**	**1,916,738**

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

Index to the Notes of the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

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*. For the purpose of preparing the general purpose financial statements, the Police Federation of Australia – Australian Federal Police Association Branch is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets
The association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision
As discussed in note 1.13, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements
The association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Police Federation of Australia – Australian Federal Police Association Branch.

The incorporated association's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the incorporated association, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The incorporated association will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the incorporated association

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 New Australian Accounting Standards (continued)

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The incorporated association will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the incorporated association.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The incorporated association will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the incorporated association.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.
Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.
Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.
Donation income is recognised when it is received.
Interest revenue is recognised on an accrual basis using the effective interest method.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.6 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Capitation fees and levies

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

1.8 Employee benefits

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

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

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

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

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

1.9 Leases

All the lease are operating leases. Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.10 Cash

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

1.11 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial assets (continued)

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial assets (continued

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment 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 current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial assets (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:
- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13 Financial Liabilities (continued)

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.14 Contingent Liabilities and Contingent Assets

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

1.15 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.15 Land, Buildings, Plant and Equipment (continued)

Revaluations—Land and Buildings

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

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

Depreciation

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

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

	2016	2015
Land & buildings	**3 to 10 years**	3 to 10 years
Plant and equipment	**1 to 10 years**	1 to 10 years

Derecognition

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

1.16 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of [*reporting unit*] intangible assets are:

	2016	2015
Intangibles	**2 to 5 years**	2 to 5 years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.16 Intangibles (continued)

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.17 Taxation

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

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

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

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

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

1.20 Fair value measurement

The association measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2 EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Federal Police Association Branch of the Police Federation of Australia.

NOTE 3 INCOME

	2016	2015
	$	$
Note 3A: Interest		
Deposits	49,329	49,116
Total interest	**49,329**	**49,116**
Note 3B: Other revenue		
Insurance rebate	-	1,070,752
Sale of goods	15,185	26,358
Other income	-	35,651
Total other revenue	**15,185**	**1,132,761**
Total income	**64,514**	**1,181,876**

NOTE 4 EXPENSES

	2016	2015
	$	$
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	420,892	358,997
Superannuation	65,544	33,569
Leave and other entitlements	15,793	30,550
Separation and redundancies	-	-
Other employee expenses	18,569	18,709
Subtotal employee expenses holders of office	**520,798**	**441,825**
Employees other than office holders:		
Wages and salaries	395,794	814,154
Superannuation	58,544	131,324
Leave and other entitlements	1,205	(8,258)
Separation and redundancies	53,894	-
Other employee expenses	5,000	-
Subtotal employee expenses employees other than office holders	**514,438**	**937,220**
Total employee expenses	**1,035,236**	**1,379,045**
Note 4B: Capitation fees		
Police Federation of Australia	67,645	69,985
Total capitation fees	**67,645**	**69,985**

POLICE FEDERATION OF AUSTRALIA
AUSTRALIAN FEDERAL POLICE ASSOCIATION BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	$	$
Note 4C: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	24,776	93,449
Contractors/consultants	215,947	122,748
Property expenses	91,951	198,218
General expenses	265,036	269,065
Information communications technology	65,294	51,395
Travel expenses	105,529	100,871
Marketing	19,896	15,670
Other	2,392	3,828
Subtotal administration expense	**790,821**	**855,245**
Operating lease rentals:		
Minimum lease payments	4,597	6,929
Total administration expenses	**795,418**	**862,174**
Note 4D: Grants or donations		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	1,818	-
Donations:		
Total paid that were $1,000 or less	-	2,482
Total paid that exceeded $1,000	2,727	17,537
Total grants or donations	**4,543**	**20,019**
Note 4E: Depreciation and amortisation		
Depreciation:		
Land & buildings	47,931	35,209
Property, plant and equipment	27,529	15,829
Total depreciation	**75,460**	**51,038**
Amortisation:		
Intangibles	60,942	83,786
Total amortisation	**60,942**	**83,786**
Total depreciation and amortisation	**136,402**	**134,824**

NOTE 4 EXPENSES (CONTINUED)

	2016	2015
	$	$
Note 4F: Legal costs		
Litigation	280,583	33,507
Other legal matters	216,957	300,615
Total legal costs	**497,540**	**334,123**
Note 4G: Net losses from sale of assets		
Land and buildings	1,606	16,050
Total net losses from asset sales	**1,606**	**16,050**
Note 4H: Insurance expenses		
Insurance - Members	1,461,043	1,295,535
Insurance - Association	24,870	31,497
Total insurance expenses	**1,485,913**	**1,327,032**
Note 4I: Other expenses		
Stock purchases	14,260	19,672
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	**14,260**	**19,672**

NOTE 5 CURRENT ASSETS

	2016 $	2015 $
Note 5A: Cash and Cash Equivalents		
Cash on hand	141	250
Cash at bank	1,816,105	989,245
Short term deposits	952,325	927,243
Total cash and cash equivalents	**2,768,571**	**1,916,738**

	2016 $	2015 $
Note 5B: Trade and Other Receivables		
Receivables from other reporting unit[s]	-	-
Total receivables from other reporting unit[s]	-	-
Other receivables:		
Interest receivables	15,905	3,878
Insurance rebate receivables	-	1,070,752
Accrued membership income	15,575	122,509
Receivable from ATO	140,437	-
Others	34,074	-
Total other receivables	205,991	1,197,139
Total trade and other receivables (net)	**205,991**	**1,197,139**

	2016 $	2015 $
Note 5C: Other Current Assets		
Prepayments	24,688	40,958
Other	7,784	5,892
Total other current assets	**32,472**	**46,850**

NOTE 6 NON-CURRENT ASSETS

Note 6A. Land and Buildings

	2016	2015
	$	$
Land and buildings:		
Cost	1,729,034	1,704,161
Accumulated depreciation	(79,932)	(32,000)
Total land and buildings	**1,649,102**	**1,672,160**

Reconciliation of the Opening and Closing Balances of Land and Buildings

As at 1 July		
Gross book value	1,704,161	113,320
Accumulated depreciation and impairment	(32,000)	(15,312)
Net book value 1 July	**1,672,160**	**98,008**
Additions:		
By purchase	24,874	1,625,410
Depreciation expense	(47,931)	(35,209)
Other	-	(16,049)
Net book value 30 June	**1,649,102**	**1,672,160**
Net book value as of 30 June represented by:		
Gross book value	1,729,034	1,704,161
Accumulated depreciation and impairment	(79,932)	(32,000)
Net book value 30 June	**1,649,102**	**1,672,160**

NOTE 6 NON-CURRENT ASSETS

Note 6B. Plant and equipment

	2016	2015
	$	$
Plant and equipment:		
Cost	250,447	121,212
Accumulated depreciation	(81,097)	(54,123)
Total plant and equipment	**169,350**	**67,089**

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 July 2015		
Gross book value	121,212	84,558
Accumulated depreciation and impairment	(54,123)	(38,294)
Net book value 1 July 2015	**67,089**	**46,264**
Additions:		
By purchase	129,791	36,654
Depreciation expense	(27,529)	(15,829)
Net book value 30 June 2016	**169,351**	**67,089**
Net book value as of 30 June 2016 represented by:		
Gross book value	250,448	121,212
Accumulated depreciation and impairment	(81,097)	(54,123)
Net book value 30 June 2016	**169,351**	**67,089**

NOTE 6 NON-CURRENT ASSETS

Note 6C. Intangibles

	2016	2015
	$	$
Computer software at cost:		
Purchased	320,926	309,851
Accumulated amortisation	(194,076)	(133,134)
Total intangibles	**126,850**	**176,717**

Reconciliation of the Opening and Closing Balances of Intangibles

As at 1 July		
Gross book value	309,851	252,062
Accumulated amortisation and impairment	(133,134)	(49,348)
Net book value 1 July	**176,717**	**202,714**
Additions:		
By purchase	11,075	57,789
Amortisation	(60,942)	(83,786)
Net book value 30 June	**126,850**	**176,717**
Net book value as of 30 June represented by:		
Gross book value	320,926	309,851
Accumulated amortisation and impairment	(194,076)	(133,134)
Net book value 30 June	**126,850**	**176,717**

NOTE 7 CURRENT LIABILITIES

Note 7A: Trade payables

Trade creditors and accruals	273,081	328,981
Subtotal trade creditors	**273,081**	**328,981**
Payables to other reporting **unit[s]**	-	-
Subtotal payables to other reporting unit[s]	-	-
Total trade payables	**273,081**	**328,981**

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	7,703	36,064
Superannuation	34,858	25,719
Consideration to employers for payroll deductions	-	-
Legal costs:		
Litigation	24,599	-
Other legal matters	1,430	6,477
PAYG Withholdings payable	35,500	35,995
GST payable	29,800	40,032
Total other payables	**133,890**	**144,287**
Total other payables are expected to be settled in:		
No more than 12 months	133,890	144,287
More than 12 months	-	-
Total other payables	**133,890**	**144,287**

NOTE 8 PROVISIONS

Note 8A: Employee Provisions

	2016	2015
	$	$
Office Holders:		
Annual leave	4,366	124,489
Long service leave	55	32,794
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	**4,421**	**157,283**
Employees other than office holders:		
Annual leave	13,084	41,043
Long service leave	334	19,714
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	**13,417**	**60,757**
Total employee provisions	**17,839**	**218,040**
Current	17,450	205,828
Non Current	389	12,212
Total employee provisions	**17,839**	**218,040**

NOTE 9 OPERATING LEASES

Total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

Not later than one year	6,929	6,929
Later than one year and not later than five year	-	6,929
Later than five years	-	-
	6,929	**13,858**

NOTE 10 CASH FLOW

Note 10A: Cash Flow Reconciliation

	2016	2015
	$	$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	2,768,571	1,916,738
Balance sheet	2,768,571	1,916,738
Difference	-	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit for the year	142,143	653,403
Adjustments for non-cash items		
Depreciation/amortisation	136,402	134,824
Loss on disposal of assets	-	16,050
Changes in assets/liabilities		
(Increase)/decrease in net receivables	991,148	(1,099,085)
(Increase)/decrease in inventories	(1,893)	4,237
(Increase)/decrease in prepayments	16,270	-
Increase/(decrease) in supplier payables	(55,900)	150,368
Increase/(decrease) in other payables	(10,398)	-
Increase/(decrease) in employee provisions	(200,201)	(21,839)
Net cash from (used by) operating activities	**1,017,572**	**(162,042)**

Note 10B: Cash flow information

	2016	2015
Cash inflows		
AFPA Ltd	-	-
Total cash inflows	-	-
Cash outflows		
AFPA Ltd	(60,958)	-
AUSPOL - Police Welfare Foundation	(2,000)	-
Total cash outflows	**(62,958)**	-

NOTE 11 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

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

Smith & Ors ats Hunt-Sharman (ACT Supreme Court No. SC 325/2016) – litigation in the ACT Supreme Court Commenced by the former National President, Mr Hunt-Sharman, against the AFPA. Potential liability is in excess of $300,000 plus legal costs (solicitor and Counsel). The case is still ongoing as at the date of the report.

During the prior year a matter arose concerning the authorisation and payment of potential anomalous transactions by a member of senior management of the organisation, some of which have subsequently been reimbursed to the organisation. When these transactions came to the attention of the executive committee the matter was referred to the organisation's auditors RSM, for independent examination of the transactions. As a result of this examination, certain matters have been referred to the AFP for further investigation. Legal advice has been sought to recover any funds still remaining outstanding which are able to be recovered from the party involved.

NOTE 12 RELATED PARTY DISCLOSURES

Note 12A: Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2016	2015
	$	$
Amounts receivable from payments on behalf of AFPA Limited:		
Griffin Legal	54,535	-
ASIC	1,473	-
Hardy Rix Media Services	4,950	-
Amounts outstanding from AUSPOL		
Hardship assistance grant	2,000	-

Terms and conditions of transactions with related parties

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for purchases at the year-end are unsecured and interest free and settlement occurs in cash.

NOTE 12 RELATED PARTY DISCLOSURES (CONTINUED)

Note 12B: Key Management Personnel Remuneration for the Reporting Period

	2016	2015
	$	$
Short-term employee benefits		
Salary (including annual leave taken)	420,892	358,997
Annual leave accrued	15,738	30,550
Performance bonus	-	-
Other major categories	18,569	18,709
Total short-term employee benefits	**455,199**	**408,256**
Post-employment benefits:		
Superannuation	65,544	33,569
Total post-employment benefits	**65,544**	**33,569**
Other long-term benefits:		
Long-service leave	55	-
Total other long-term benefits	**55**	-
Termination benefits	-	-
Total	**520,798**	**441,825**

Note 12C: Transactions with key management personnel and their close family members

There are no loans to or from key management personnel as at 30 June 2016.

NOTE 13 REMUNERATION OF AUDITORS

Value of the services provided		
Financial statement audit services	35,000	36,400
Other services	-	27,600
Total remuneration of auditors	**35,000**	**64,000**

No other services were provided by the auditors of the financial statements

NOTE 14 FINANCIAL INSTRUMENTS

Note 14A: Categories of Financial Instruments

	2016	2015
	$	$
Financial Assets		
Held-to-maturity investments:		
Term Deposits	952,325	927,243
Total	**952,325**	**927,243**
Carrying amount of financial assets	**952,325**	**927,243**

Note 14B: Net Income and Expense from Financial Assets

Held-to-maturity		
Interest revenue	42,242	49,060
Net gain/(loss) held-to-maturity	**42,242**	**49,060**
Net gain/(loss) from financial assets	**42,242**	**49,060**

The net income/expense from financial assets not at fair value from profit and loss is $42,242 (2015: $49,060).

Financial risk management objectives
The association's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

Market risk

Foreign currency risk
The incorporated association is not exposed to any significant foreign currency risk.

Price risk
The incorporated association is not exposed to any significant price risk.

Interest rate risk
The incorporated association is not exposed to any significant interest rate risk.

Credit risk
The incorporated association is not exposed to any significant credit risk.

NOTE 14 FINANCIAL INSTRUMENTS (CONTINUED)

Note 14C: Credit Risk

The following table illustrates the entity's gross exposure to credit risk.

		2016	2015
		$	$
Financial assets			
	Term Deposits	952,325	927,243
Financial **liabilities**		-	-

Credit quality of financial instruments not past due or individually determined as impaired

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2016 $	Past due or impaired 2016 $	Not Past Due Nor Impaired 2015 $	Past due or impaired 2015 $
Term Deposits	**952,325**	-	**927,243**	-
Total	**952,325**	-	**927,243**	-

NOTE 14D: Market Risk

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk variable	Change in risk variable	Effect on	
			Profit and loss	Equity
		%	$	$
Interest rate risk	-	1%	9,523	9,523
Interest rate risk	-	-1%	(9,523)	(9,523)

Sensitivity analysis of the risk that the entity is exposed to for 2015

	Risk variable	Change in risk variable	Effect on	
			Profit and loss	Equity
		%	$	$
Interest rate risk	-	1%	9,272	9,272
Interest rate risk	-	-1%	(9,272)	(9,272)

NOTE 14 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk
Vigilant liquidity risk management requires the incorporated association to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The association manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the association's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
2016	%	$	$	$	$
Non-derivatives					
Floating Interest rate					
Other payables	-	-	-	-	-
Non-interest bearing					
Trade payables	-	273,081	-	-	-
Other payables	-	133,890	-	-	-
Total non-derivatives		**406,971**	-	-	-

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
2015	%	$	$	$	$
Non-derivatives					
Floating Interest rate					
Other payables	-	10,615	-	-	-
Non-interest bearing					
Trade payables	-	396,902	-	-	-
Other payables	-	65,751	-	-	-
Total non-derivatives		**473,268**	-	-	-

NOTE 14 FINANCIAL INSTRUMENTS (CONTINUED)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 15 FAIR VALUE MEASUREMENT

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2016 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2016 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The management consider that the carrying values of assets and liabilities as stated on the statement of financial position are a reasonable indication of their fair value balance date

NOTE 16 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

Information to be provided to members or General Manager:

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

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

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

FairWork Commission

15 July 2016

Ms Angela Smith
President
Police Federation of Australia-Australian Federal Police Association Branch
By email: afpa@afpa.org.au

Dear Ms Smith,

Re: Lodgement of Financial Report - [FR2016/304]
***Fair Work (Registered Organisations) Act 2009* (the RO Act)**

The financial year of the Police Federation of Australia-Australian Federal Police Association Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under Financial Reporting in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding $1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at sample documents.

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding financial reporting timelines and loans, grants and donations.

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to $54,000 for a body corporate and $10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch

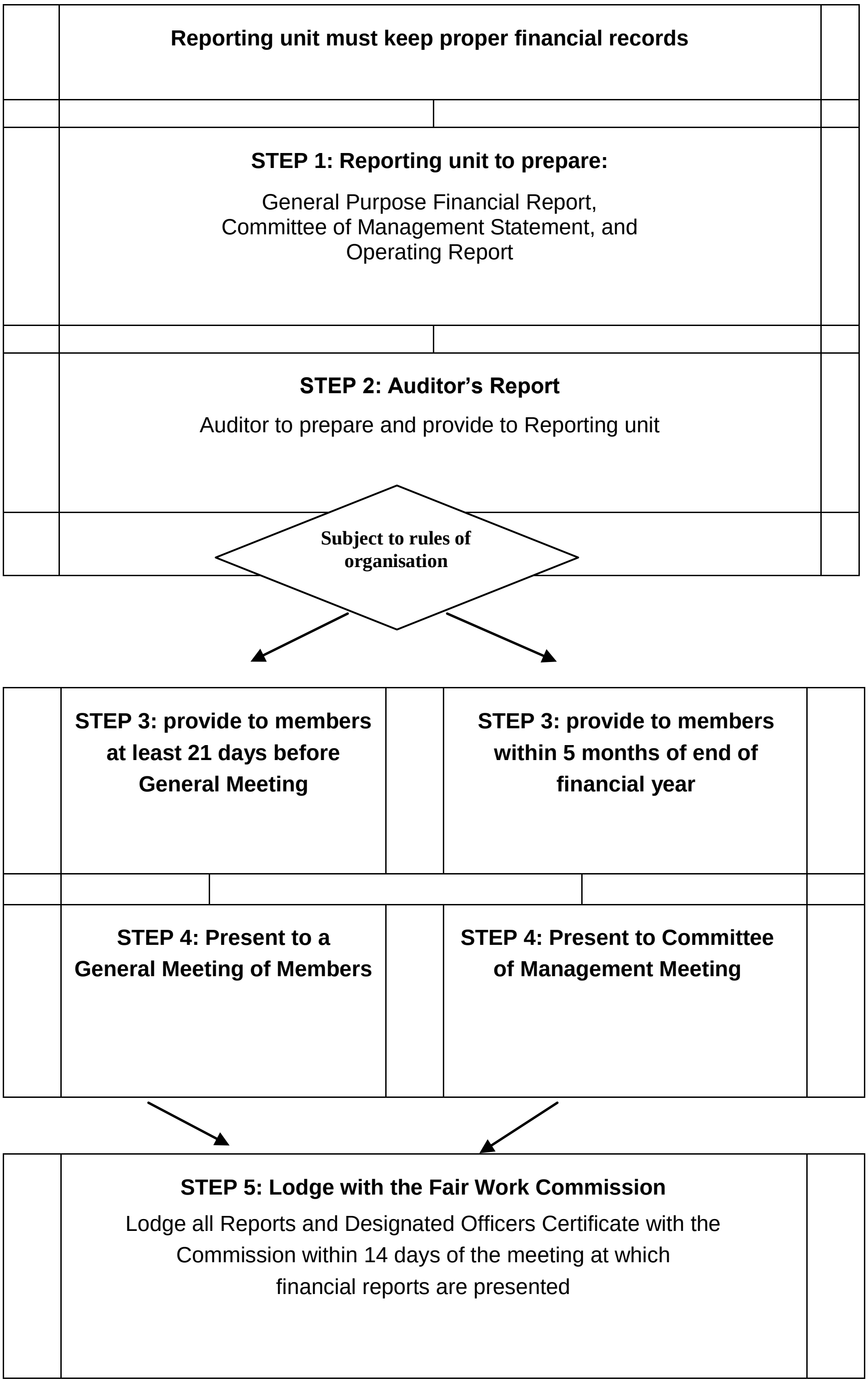
11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed $1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and

the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a Template Loans, Grants and Donations Statement on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✓ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✓ The statement must be signed by an elected officer of the relevant branch.
✘ Statements can be lodged with the financial report.	✓ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the General Manager's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were $1000 or less and those that exceeded $1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the Commission's Model Statements the note appears as follows:

Note 4E: Grants or donations*

	2016	2015
Grants:		
Total paid that were $1,000 or less	**-**	-
Total paid that exceeded $1,000	**-**	-
Donations:		
Total paid that were $1,000 or less	**-**	-
Total paid that exceeded $1,000	**-**	-
Total grants or donations	**-**	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the Commission's website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au