



FAIR WORK  
AUSTRALIA

12 July 2010

Mr Scott Weber  
Branch President  
Police Federation of Australia, New South Wales Police Branch  
Level 4, 154 Elizabeth Street  
SYDNEY NSW 2000

BY EMAIL: [scott.weber@pansw.org.au](mailto:scott.weber@pansw.org.au)

Dear Mr Weber,

**Application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 31 December 2009**

**(FR2009/10205)**

I refer to your application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* in respect of New South Wales Police Branch of the Police Federation of Australia for the financial year ended 31 December 2009. The application was lodged with Fair Work Australia on 18 June 2010.

I have granted the application. My certificate is enclosed.

Yours sincerely,

  
Terry Nassios  
Delegate of the General Manager  
Fair Work Australia

**Police Federation of Australia**

**CERTIFICATE**

On 18 June 2010 an application was made under s269(2)(a) of the Act by the New South Wales Police Branch ('the Branch') of the abovenamed organisation for a certificate stating that the financial affairs of the Branch are encompassed by the financial affairs of the Police Association of New South Wales ('the Association'), an associated State body, in respect of the financial year ended 31 December 2009.

On 18 June 2010, the Branch lodged a copy of the audited accounts of the Association with Fair Work Australia.

I am satisfied that the Association:

- is registered under the *Industrial Relations Act 1996* (NSW), a prescribed State Act; and
- is, or purports to be, composed of substantially the same members as the Branch; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the Branch; and
- is an associated State body.

I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited and provided a copy of the audited accounts to its members; and
- any members of the Branch who are not also members of the Association have been provided with copies of the accounts at substantially the same time as the members of the Branch who are members of the Association; and
- a report under s254 of the Act has been prepared in respect of the activities of the Branch and has been provided to members of the Branch with copies of the accounts.

I am satisfied that the financial affairs of the Branch in respect of the financial year ended 31 December 2009 are encompassed by the financial affairs of the Association and I certify accordingly under s269(2)(a) of the Act.

  
T. Nassios  
Delegate of the General Manager  
Fair Work Australia

12 July 2010

# POLICE FEDERATION OF AUSTRALIA NEW SOUTH WALES POLICE BRANCH

Level 4  
154 Elizabeth Street  
SYDNEY NSW 2000

Telephone : (02) 9265 6777  
Facsimilie : (02) 9265 6789



PR:SW  
Ref: PFA Rules  
18 June 2010

The General Manager  
Fair Work Australia  
Attn Mr Mark Elliott  
Tribunal Services and Organisations Branch  
GPO Box 1994  
Melbourne VIC 3001

Dear Sir

**SUBJECT: APPLICATION PURSUANT TO s.269 OF THE FAIR WORK  
(REGISTERED ORGANISATIONS) ACT 2009**

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The Police Federation of Australia NSW Police Branch makes application, pursuant to s.269 of Fair Work (Registered Organisations) Act 2009,

## RELIEF SOUGHT

- That the Registrar issue a certificate stating that the financial affairs of the reporting unit are encompassed by the financial affairs of the associated State body.
- That the Reporting Unit is taken to have satisfied Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009

## GROUND AND REASONS

S.269 applies to the PFA, NSW Police Branch (hereinafter referred to as "Reporting Unit") on the following basis:

1. The Police Association of NSW (hereinafter referred to as the "associated State body") is registered as an industrial organisation under the *Industrial Relations Act (NSW) 1996*.
2. The associated State body is composed of substantially the same members as the Reporting Unit.

3. The officers of the associated State body are substantially the same as the officers of the Reporting Unit.

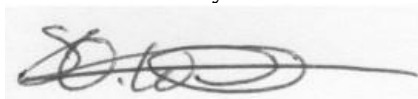
The Reporting Unit is taken to have satisfied Part 3 of Chapter 8 of the Act on the following basis:

- a. The associated State body has, in accordance with the *Industrial Relations Act (NSW) 1996*, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members, and lodged the audited accounts with the Registry of the New South Wales Industrial Relations Commission and
- b. A copy of the audited accounts are attached hereto (See Attachment 1);
- c. All members of the Reporting Unit and the associated State body, at substantially the same time, have been provided a copy of the audited accounts, free of charge, in accordance with s.510 of the *Industrial Relations Act (NSW) 1996*, by publishing the Reports in the Reporting Unit and Associated State Body's monthly Journal.
- d. All members of the Reporting Unit have been provided with a copy of the Operating Report by publishing on the Reporting Unit and the Associated State Body's Web Site and notifying members that this report has been published by stating the report can be obtained on the web site and within the audited accounts published in the Associated State Body's monthly Journal (See Attachment 1)
- e. A copy of the Operating Report is attached hereto (see Attachment 2)

The Police Federation of Australia, NSW Police Branch, submits that based on the grounds and reasons stated herein and the supporting documentation, the Branch satisfies s.269 and consequently seeks the relief as sought in this application.

If you have any queries with regard to this application or seek further supporting evidence, please contact this office.

Yours faithfully



Scott Weber  
Branch President

# **POLICE FEDERATION OF AUSTRALIA – NSW POLICE BRANCH**

## **Operating Report** for year ended 31 December 2009 – s254

### Principal Activities

The principal activities of the Branch during the reporting period were to provide industrial and organizing services to the members, consistent with the objects of the Federation, and particularly the object of protecting and improving the interests of the members. s254(2)(a)

The Branch's principal activities results in maintaining and improving the wages and conditions of employment of the membership, particularly for those members in collective enterprise agreements negotiated by the Association. s254(2)(a)

### Significant Changes

There were no significant changes in the nature of the Association's principal activities during the reporting period. s254(2)(a)

### Manner of Resignation

Members may resign from the Branch in accordance with Rule 11

### Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme s254(2)(d)

No officers of the branch held positions of Trustee or director of Trustee Company of a superannuation entity or exempt public sector superannuation scheme.

### 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 15,622.

### Number of Employees

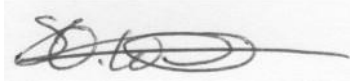
The number of persons who were, at the end of the reporting period, employees of the Branch was one.

### Members of Committee of Management

The persons who held office as members of the Committee of Management of the Association during the reporting period are:

Robert Pritchard (Branch President)  
Scott Weber (Branch Vice President)  
Kel Graham (Branch Treasurer)  
Anthony Bear (Branch Executive)  
Jennifer Hilder (Branch Executive)  
Prudence Burgun (Branch Executive)  
Duncan Gray (Branch Executive)  
Robert Dunn (Branch Executive)  
Tony King (Branch Executive)  
Melissa Cooper (Branch Executive) until December 2009  
Jason Hogan (Branch Executive) from December 2009  
Michael Plotecki (Branch Executive)  
Mick Connor (Branch Executive)

Richard Long (Branch Executive)  
Stephen McDonald (Branch Executive)  
Mick Aalders (Branch Executive)  
Mark Ward (Branch Executive)  
Colin McCarthy (Branch Executive) until January 2009  
Andrew Tull (Branch Executive) from May 2009



.....  
Signed Scott Weber  
(Branch President)

Date: ...15 June 2010.....

# POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

## FINANCIAL STATEMENT OF ACCOUNTS

### COMMITTEE OF MANAGEMENT STATEMENT

On 31st March 2010 the Committee of Management passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 31st December 2009.


The Committee of management declares in relation to the general purpose financial report 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 Industrial Registrar
- (c) the financial statements and notes give a true and fair view of the financial performances, the financial position and cash flow 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.
- (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 Association
  - ii the financial affairs of the reporting unit have been managed in accordance with the rules of the Association; and
  - iii there have not been, during the financial year to which the financial report relates, instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under section 512(2) of the 1991 Act, as applied by Section 282(3) of the Industrial Relations Act 1996, or copies of those records or other documents, or copies of the rules of the Association) have not been furnished or made available to members of the Association in accordance with the Act, the Regulation or the rules of the Association, as the case may be; and
  - iv In relation to the financial report prepared in accordance with Section 514 of the 1991 Act as applied by Section 282(3) of the Industrial Relation Act 1996, by the auditor of the Association in respect of financial year immediately preceding the financial year to which the financial report relates (ie. the second most recently concluded financial year) and in relation to any accounts and statements prepared in accordance with Section 510 (1) of the 1991 Act to which that report relates, the Association has complied with Section 517(1) of the 1991 Act and whichever of the subsections (5) and (6) of that section of the Act is applicable.

For the Committee of management



**KEL GRAHAM**  
Treasurer



**RAFF DEL VECCHIO**  
Head of Administrative Services

Dated at Sydney this 31st day of March 2010

# POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

## BALANCE SHEET AS AT 31ST DECEMBER, 2009

| 2008          | <u>ACCUMULATED FUNDS</u>                         | <u>NOTE</u> | 2009                 |
|---------------|--|-------------|----------------------|
| \$            |  |             | \$                   |
| \$ 7,515,331  | Retained Earnings                                |             | 9,563,193.83         |
| \$ 3,378,207  | Reserves   |             | 1,590,271.76         |
| \$ 10,893,538 | <b>Balance as at 31st December 2009</b>          |             | <b>11,153,465.59</b> |
|               | <b><u>REPRESENTED BY</u></b>                     |             |                      |
|               | <b><u>CURRENT ASSETS</u></b>                     |             |                      |
| \$ 25,000     | The Police Shop - Loan                           |             | -                    |
| \$ 616        | Cash on Hand                                     |             | 540.87               |
| \$ 963        | Other Debtors                                    |             | 11,510.30            |
| \$ 766,346    | Cash at Bank                                     |             | 1,227,021.79         |
| \$ 47,394     | Prepayments                                      |             | 28,687.58            |
| \$ 18,779     | Stock of Wall Plaques and Association Jewellery  |             | 10,434.70            |
| \$ 859,098    |  |             | 1,278,195.24         |
|               | <b><u>NON CURRENT ASSETS</u></b>                 |             |                      |
| \$ 809,495    | Level 2, 24/154 Elizabeth Street, Sydney         | 3           | 755,000.00           |
| \$ 849,831    | Level 1, 20/154 Elizabeth Street, Sydney         | 3           | 800,000.00           |
| \$ 866,000    | Level 1, 22/154 Elizabeth Street, Sydney         | 3           | 866,000.00           |
| \$ 1,200,200  | Level 3, 12, 30, 31/154 Elizabeth Street, Sydney | 3           | 1,279,000.00         |
| \$ 3,673,013  | Level 4, 15/154 Elizabeth Street, Sydney         | 3           | 3,000,000.00         |
| \$ 3,940,000  | Ground floor, 1&2/58 Pitt Street, Sydney         | 3           | 3,400,000.00         |
| \$ 2,770,000  | Level 3, 19/33-35 Belmont Street, Sutherland     | 3           | 2,700,000.00         |
|               | Motor Vehicles - at cost                         | 4           | 537,995.00           |
| \$ 389,680    | Less accumulated depreciation                    |             | 140,495.00           |
|               | Office Equipment - at cost                       | 4           | 182,438.49           |
| \$ 25,876     | Less accumulated depreciation                    |             | 130,768.49           |
|               | Office Furniture - at cost                       | 4           | 363,671.66           |
| \$ 90,850     | Less accumulated depreciation                    |             | 73,072.66            |
|               | Staff amenities                                  | 4           | 12,338.00            |
| \$ 5,611      | Less accumulated depreciation                    |             | 3,976.00             |
| \$ 14,620,556 |  |             | 13,548,131.00        |
| \$ 15,479,654 | <b>TOTAL ASSETS</b>                              |             | <b>14,826,326.24</b> |
|               | <b><u>LESS CURRENT LIABILITIES</u></b>           |             |                      |
| \$ 2,407,108  | Trade Creditors and accruals                     |             | 1,832,142.04         |
| \$ 441,516    | Police Credit Union Loan Account - Secured       |             | -                    |
| \$ 440,718    | Provision for Annual Leave                       | 6           | 510,796.21           |
| \$ 1,296,774  | Provision for Long Service Leave                 | 7           | 1,329,922.40         |
| \$ 4,586,116  | <b>TOTAL LIABILITIES</b>                         |             | <b>3,672,860.65</b>  |
| \$ 10,893,538 | <b>NET ASSETS</b>                                |             | <b>11,153,465.59</b> |

*To be read in conjunction with the notes attached*



# POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

## INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2009

| 2008          |   | NOTE |              | 2009          |
|---------------|---|------|--------------|---------------|
| \$            |   |      |              | \$            |
|               | <b><u>Income</u></b>                                  |      |              |               |
| \$ 11,535,925 | Subscriptions - Membership fees                       |      |              | 12,291,482.47 |
| \$ 150,828    | - Associate Membership                                |      |              | 269,554.01    |
| \$ 207        | - Magazine "Police News"                              |      |              | 135.72        |
| \$ 187,221    | Rentals Received - Elizabeth Street, Sydney           |      |              | 208,795.12    |
| \$ 299,907    | - Pitt Street, Sydney                                 |      |              | 629,771.81    |
| \$ 241,654    | - Belmont Street, Sutherland                          |      |              | 267,175.87    |
| \$ 14,785     | Advertising fees received                             |      |              | 8,762.05      |
| \$ 41,136     | Interest received                                     |      |              | 8,028.69      |
| \$ 315,200    | Other Income  |      |              | 349,023.10    |
| \$ 12,786,863 |   |      |              | 14,032,728.84 |
|               | <br><u>Administration</u>                             |      |              |               |
| \$ 295,436    | Annual Leave  | 6    | 387,147.43   |               |
| \$ 68,350     | Audit & Accounting                                    | 8    | 69,000.00    |               |
| \$ 3,072      | Bank Charges  |      | 3,935.39     |               |
| \$ 9,956      | Branch Visits   |      | -            |               |
| \$ 51,228     | Computer Systems                                      |      | 113,775.22   |               |
| \$ 112,067    | Consultancy Fee                                       |      | 140,023.09   |               |
| \$ 6,974      | Courier Fees  |      | 6,607.41     |               |
| \$ 120,616    | Depreciation  |      | 136,705.00   |               |
| \$ 55,699     | Donations   |      | 67,464.04    |               |
| \$ 300,770    | FBT   |      | 275,945.94   |               |
| \$ 89,749     | Insurance   |      | 121,718.18   |               |
| \$ 111,317    | Lease of Equipment                                    | 9    | 94,530.17    |               |
| \$ 201,197    | Long Service Leave                                    | 7    | 62,930.89    |               |
| \$ 50,118     | Loss on Sale of Assets                                | <    | 2,499.51     | >             |
| \$ 9,998      | Motor Vehicle Expenses                                |      | 10,866.13    |               |
| \$ 38,053     | Office Electricity                                    |      | 31,978.30    |               |
| \$ 20,812     | Office Equipment/Repairs/Service                      |      | 16,553.18    |               |
| \$ 343,807    | Payroll Tax   |      | 295,861.54   |               |
| \$ 71,262     | Postage/Printing/Stationery                           |      | 80,623.92    |               |
| \$ 312,530    | Property Expenses                                     | 10   | 346,809.25   |               |
| \$ 3,207      | Representation/Promotion                              |      | 1,469.03     |               |
| \$ 4,227,307  | Salaries, Allowances & Packaging - Association        |      | 4,623,858.30 |               |
| \$ 89,852     | Seconded Officers' Expenses                           |      | 133,111.69   |               |
| \$ 18,181     | Staff Amenities                                       |      | 14,011.19    |               |
| \$ 24,562     | Sundry Office   |      | 20,643.84    |               |
| \$ 424,734    | Superannuation Contribution - Employee - AMP/SASS     |      | 483,087.69   |               |
| \$ 84,291     | Superannuation Contribution - Employee - Police Dept. |      | 79,550.68    |               |
| \$ 116,141    | Telephone/Fax/Internet                                |      | 114,381.93   |               |
| \$ 2,865      | Telephone   |      | 4,860.78     |               |
| \$ 19,644     | Travelling - Local Area                               |      | 29,239.58    |               |
| \$ 7,283,796  |   |      | 7,764,190.28 |               |
| \$ 323,423    | <u>Affiliated Union Subscriptions</u>                 |      |              | 295,693.85    |
|               | <br><u>Branch Expenses</u>                            |      |              |               |
| \$ 3,030      | Petty Cash/Stationery/Sundry Expenses                 |      | 2,622.67     |               |
| \$ 82,951     | Regional Branch Meeting                               |      | 71,884.54    |               |
| \$ 85,981     |   |      | 74,507.21    |               |

*To be read in conjunction with the notes attached.*

| 2008                |  | <u>NOTE</u>     | 2009         |
|---------------------|--|-----------------|--------------|
| \$                  |  |                 | \$           |
|                     | <u>Conference Expenses</u>               |                 |              |
| \$ 273,634          | Conference Expenses                      | 40,257.27       |              |
| \$ 2,222            | Delegates Expenses & Allowances          | -               |              |
| \$ 6,063            | Printing/Recording/Badge/Sundries        | -               |              |
| <u>\$ 281,919</u>   |  |                 | 40,257.27    |
|                     | <u>Executive Expenses</u>                |                 |              |
| <u>\$ 243,332</u>   | Executive Expenses & Allowances          |                 | 238,138.95   |
|                     | <u>Industrial</u>                        |                 |              |
| \$ 295              | Branch Visits                            | 339.01          |              |
| \$ 3,854            | Motor Vehicle Expenses                   | 3,612.58        |              |
| \$ 1,624            | Representation/Promotion                 | 1,624.97        |              |
| \$ 1,003            | Telephone                                | 1,314.16        |              |
| \$ 6,460            | Training - Seminars - TUTA               | 4,126.99        |              |
| \$ 2,942            | Travel - Allied Costs                    | 982.13          |              |
| -                   | Loss on disposal of Assets               | 4,698.00        |              |
| <u>\$ 16,178</u>    |  |                 | 16,697.84    |
|                     | <u>Legal</u>                             |                 |              |
| \$ 150              | Branch Visits                            | 44.27           |              |
| \$ 17,263           | Clothing/Telephone                       | 14,229.06       |              |
| \$ 6,268            | Motor Vehicle Expenses                   | 7,977.50        |              |
| \$ 4,957            | Representation/Promotion                 | 2,598.64        |              |
| \$ 3,335            | Travel - Allied Costs                    | 4,632.15        |              |
| \$ 13,508           | Training - Seminars                      | 21,558.65       |              |
| <u>\$ 45,481</u>    |  |                 | 51,040.27    |
|                     | <u>Members' Benefits</u>                 |                 |              |
| \$ 4,401            | Associate Benefits                       | 4,407.73        |              |
| \$ 77,714           | Death Benefits                           | 152,128.18      |              |
| \$ 2,892            | Hospital Amenities                       | 4,666.02        |              |
| \$ 2,162,242        | Legal Assistance                         | 11 2,241,792.15 |              |
| \$ 10,012           | Monthly Magazine - 'Police News'         | 9,873.71        |              |
| \$ 29,504           | Pocket Diaries                           | 33,593.74       |              |
| \$ 9,169            | Rule Books & Publications                | -               |              |
| \$ 32,800           | Scholarships                             | 41,900.00       |              |
| \$ 108,000          | Trust Funds under Death Benefit Scheme   | 216,000.00      |              |
| \$ 20,125           | Wall Plaques & Association Jewellery     | 12 14,455.95    |              |
| \$ 15,746           | Member Benefit programs & representation | 16,483.69       |              |
| \$ 2,835            | Welfare Assistance                       | 10,526.80       |              |
| <u>\$ 2,475,440</u> |  |                 | 2,745,827.97 |
|                     | <u>Organisers</u>                        |                 |              |
| \$ 38,479           | Branch Visits                            | 30,464.63       |              |
| \$ 33,282           | Clothing/Telephone                       | 28,965.73       |              |
| -                   | Loss on Sale of Asset                    | 30,642.00       |              |
| \$ 103,520          | Motor Vehicle Expenses                   | 103,949.62      |              |
| \$ 5,605            | Representation/Promotion                 | 3,983.16        |              |
| \$ 4,881            | Travel & Allied Costs                    | 4,422.53        |              |
| -                   | Training - Seminars                      | 8,746.91        |              |
| <u>\$ 185,767</u>   |  |                 | 211,174.56   |

| 2008                 |                                | <u>NOTE</u>      | 2009                 |
|----------------------|--------------------------------|------------------|----------------------|
| \$                   |                                |                  | \$                   |
|                      | <u>Resource/Research</u>       |                  |                      |
| -                    | Branch Visits                  | 125.00           |                      |
| \$ 38,760            | Library & Publications         | 42,581.43        |                      |
| \$ 8,639             | Motor Vehicle Expenses         | 7,362.25         |                      |
| \$ 1,648             | Representation/Promotion       | 2,118.00         |                      |
| \$ 5,085             | Travel & Allied Costs          | 2,899.10         |                      |
| \$ 3,726             | Telephone                      | 4,610.91         |                      |
| \$ 11,101            | Loss on Sale of Asset          | -                |                      |
| <u>\$ 68,959</u>     |                                | <u>-</u>         | 59,696.69            |
|                      | <u>Secretary</u>               |                  |                      |
| \$ 212,999           | Media Consultancy & Campaigns  | 390,868.32       |                      |
| \$ 5,336             | Motor Vehicle Expenses         | 3,247.73         |                      |
| \$ 2,420             | Representation/Promotion       | 613.83           |                      |
| -                    | Training/Education             | 454.55           |                      |
| \$ 2,780             | Telephone                      | 2,774.97         |                      |
| \$ 6,349             | Travel - Allied Costs          | 3,112.99         |                      |
| -                    | Loss on Disposal of Goods      | 8,600.00         |                      |
| <u>\$ 229,884</u>    |                                | <u>8,600.00</u>  | 409,672.39           |
|                      | <u>Training Coordinator</u>    |                  |                      |
| \$ 30,349            | Member Associated Costs        | 22,668.81        |                      |
| \$ 4,885             | Training                       | 9,433.18         |                      |
| \$ 231,893           | Work Cover                     | 45,866.98        |                      |
| <u>\$ 267,127</u>    |                                | <u>45,866.98</u> | 77,968.97            |
| <u>\$ 11,507,286</u> | TOTAL EXPENDITURE              |                  | <u>11,984,866.27</u> |
| <u>\$ 1,279,577</u>  | Operating Surplus for the year |                  | <u>2,047,862.57</u>  |

*To be read in conjunction with the notes attached.*

# POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2009

|                                  | Retained<br>Earning    | Asset<br>Revaluation   | TOTAL                   |
|----------------------------------|------------------------|------------------------|-------------------------|
| Balance as at 1st January 2006   | \$ 5,185,298.90        | \$ 2,431,206.59        | \$ 7,616,505.49         |
| Loss for the year 2006           | < \$ 80,674.95 >       |                        | < \$ 80,674.95 >        |
| Revaluation Increment            |                        | \$ 947,000.00          | \$ 947,000.00           |
| Balance as at 1st January 2007   | <u>\$ 5,104,623.95</u> | <u>\$ 3,378,206.59</u> | <u>\$ 8,482,830.54</u>  |
| Profit for the Year 2007         | \$ 1,131,130.37        |                        | \$ 1,131,130.37         |
| <hr/>                            |                        |                        |                         |
| Balance as at 1st January 2008   | \$ 6,235,754.32        | \$ 3,378,206.59        | \$ 9,613,960.91         |
| Profit for the Year 2008         | \$ 1,279,576.94        | -                      | \$ 1,279,576.94         |
| <hr/>                            |                        |                        |                         |
| Balance as at 1st January 2009   | \$ 7,515,331.26        | \$ 3,378,206.59        | \$ 10,893,537.85        |
| Profit for the Year 2009         | \$ 2,047,862.57        |                        | \$ 2,047,862.57         |
| Revaluation decrement            | -                      | < \$ 1,787,934.83 >    | < \$ 1,787,934.83 >     |
| Balance as at 31st December 2009 | <u>\$ 9,563,193.83</u> | <u>\$ 1,590,271.76</u> | <u>\$ 11,153,465.59</u> |

# POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

## CASH FLOW STATEMENT

For the year ended 31st December 2009

| 2008             |  | 2009                |
|------------------|--|---------------------|
|                  | <u>Cash from Operating Activities</u>                  |                     |
| 12,855,428       | Receipts from members                                  | 13,817,139.48       |
| 801,660          | Receipts from rentals                                  | 1,216,316.80        |
| 41,136           | Interest Received                                      | 8,028.69            |
| 363,211          | Other incomes and grants                               | 393,712.87          |
| < 12,889,723 >   | Payments to suppliers, employees and members' benefits | < 13,550,424.51 >   |
| <u>1,171,712</u> | Net cash provided by operating activities              | <u>1,884,773.33</u> |
|                  | <u>Cash flows from Investing Activities</u>            |                     |
| 33,880           | Proceeds from sales of assets                          | 83,650.00           |
| < 118,952 >      | Payment re purchase of plant and equipment             | < 312,782.00 >      |
| < 105,017 >      | Payment re purchase of motor vehicles                  | < 226,114.00 >      |
| < 1,036,248 >    | Payment re office refurbishments                       | < 527,334.92 >      |
| < 1,226,337 >    | Net cash outflow from investing activities             | < 982,580.92 >      |
|                  | <u>Cash flows from Financing Activities</u>            |                     |
| < 430,980 >      | Repayment of borrowing                                 | < 441,516.71 >      |
| < 430,980 >      | Net cash outflow from financing activities             | < 441,516.71 >      |
| < 485,605 >      | Net increase/<decrease> in cash held                   | 460,675.70          |
| <u>1,251,951</u> | Cash at the beginning of the financial year            | <u>766,346.09</u>   |
| <u>766,346</u>   | Cash at the end of the financial year                  | <u>1,227,021.79</u> |

# POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

## Notes to the Financial Statements

### Note 1: Statement of Significant Accounting Policies

The financial report covers Police Association of New South Wales as an individual entity registered in New South Wales and domiciled in Australia

#### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board.

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

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

#### a. Income Tax

No provision for income tax is necessary as the Association is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

#### b. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes direct costs and appropriate amounts of variable and fixed overheads.

#### c. Plant, Equipment and Motor Vehicles

Plant, equipment and motor vehicles is carried at cost, less any accumulated depreciation. The carrying amount of plant, equipment and motor vehicles is reviewed for impairment annually by the Association to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

d. Depreciation

The depreciable amount of all fixed assets is depreciated on the straight line method over their useful lives to the Association commencing from the time the asset is held ready for use.

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

| <b>Class of Fixed Assets</b>                 | <b>Depreciation Rate</b> |
|--|--------------------------|
| Office plant and equipment & staff amenities | 7.5-33%                  |
| Motor Vehicles                               | 15%                      |

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e. Leases

All lease payments are for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

f. Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.

Contributions are made by the Association to an employee's superannuation fund and are charged as expenses when incurred

g. Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an overflow of economic benefits will result and that outflow can be reliably measured.

h. Cash and Cash Equivalents

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

i. Revenue

Membership subscription income has been accounted for on an accrual basis. Membership subscriptions outstanding at balance sheet date have been brought to account as receivables where subscriptions are paid by the members' employer through salary deductions. All other membership subscriptions due to be paid are recognised when received. Membership income is deemed earned in the year to which it relates.

Interest revenue is recognised when received.

Investment property revenue is recognised on a straight-line basis over the period of lease term so as to reflect a constant periodic rate of return on the net investment.

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

j. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

k. Comparative Figures

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

l. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year which are unpaid. The amounts shown are inclusive of GST.

**Note 2: Information to be provided to Members or the General Manager**

- a) In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, section 272 (5) the attention of members is drawn to the provisions of subsections (1), (2) and (3)
- i A member of a reporting unit, or the General Manager, may apply in writing to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application
  - ii 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.
  - iii A reporting unit must comply with an application made under subsection (1)



**Note 3: Strata Titled Properties**

|                  |  |                       |
|------------------|--|-----------------------|
| 586,997          | Level 1, 20/154 Elizabeth Street, Sydney         |                       |
| 49,831           | Balance as at 1/1/2009                           | 849,830.62            |
| 213,003          | Refurbishments                                   | 12,373.00             |
| <u>849,831</u>   | Valuation increment(decrement)                   | < <u>62,203.62</u> >  |
|                  | Market value at independent valuation 31/12/2009 | <u>800,000.00</u>     |
| 719,545          | Level 1, 22/154 Elizabeth Street, Sydney         |                       |
| 146,455          | Balance as at 1/1/2009                           | 866,000.00            |
| <u>866,000</u>   | Valuation increment(decrement)                   | -                     |
|                  | Market value at independent valuation 31/12/2009 | <u>866,000.00</u>     |
| 809,495          | Level 2, 24/154 Elizabeth Street, Sydney         |                       |
| -                | Balance as at 1/1/2009                           | 809,495.45            |
| <u>809,495</u>   | Valuation increment(decrement)                   | < <u>54,495.45</u> >  |
|                  | Market value at independent valuation 31/12/2009 | <u>755,000.00</u>     |
| 895,162          | Level 3, 12, 30, 31/154 Elizabeth Street, Sydney |                       |
| 19,200           | Balance as at 1/1/2009                           | 1,200,200.33          |
| 285,838          | Refurbishment                                    | 381,526.09            |
| <u>1,200,200</u> | Valuation increment(decrement)                   | < <u>302,726.42</u> > |
|                  | Market value at independent valuation 31/12/2009 | <u>1,279,000.00</u>   |
| 2,463,947        | Level 4, 154 Elizabeth Street, Sydney            |                       |
| 873,013          | Balance as at 1/1/2009                           | 3,673,013.05          |
| 336,053          | Refurbishment                                    | 85,496.29             |
| <u>3,673,013</u> | Valuation increment(decrement)                   | < <u>758,509.34</u> > |
|                  | Market value at independent valuation 31/12/2009 | <u>3,000,000.00</u>   |
| 2,679,876        | Ground floor 12/58 Pitt Street, Sydney           |                       |
| 1,260,124        | Balance as at 1/1/2009                           | 3,940,000.00          |
| <u>3,940,000</u> | Valuation increment(decrement)                   | < <u>540,000.00</u> > |
|                  | Market value at independent valuation 31/12/2009 | <u>3,400,000.00</u>   |
| 1,633,267        | Level 3, 19/33-35 Belmont Street, Sutherland     |                       |
| 1,136,733        | Balance as at 1/1/2009                           | 2,770,000.00          |
| <u>2,770,000</u> | Valuation increment(decrement)                   | < <u>70,000.00</u> >  |
|                  | Market value at independent valuation 31/12/2009 | <u>2,700,000.00</u>   |

**Note 4: Property, Plant, Equipment & Motor Vehicles**

**Movement in Carrying Amounts**

|                   | Balance as at<br>1/1/2009 | Sale                 | Profit/<Loss>        | Additions/<br>Refurbishment<br>s | Valuation/<br>Decrement | Depreciation          | Carrying<br>Amount<br>31/12/2009 |
|-------------------|---------------------------|----------------------|----------------------|----------------------------------|-------------------------|-----------------------|----------------------------------|
| Strata properties | 14,108,539.45             |                      |                      | 479,395.38                       | < 1,787,934.83 >        |                       | 12,800,000.00                    |
| Motor vehicles    | 389,680.00                | < 73,546.00 >        | < 43,940.00 >        | 205,957.00                       |                         | < 80,651.00 >         | 397,500.00                       |
| Office equipment  | 25,876.00                 | < 2,500.00 >         | 2,500.00             | 40,126.00                        |                         | < 14,332.00 >         | 51,670.00                        |
| Office furniture  | 90,850.00                 |                      |                      | 237,818.00                       |                         | < 38,069.00 >         | 290,599.00                       |
| Staff amenities   | 5,611.00                  |                      |                      | 6,404.00                         |                         | < 3,653.00 >          | 8,362.00                         |
| <b>TOTAL</b>      | <u>14,620,556.45</u>      | < <u>76,046.00</u> > | < <u>41,440.00</u> > | <u>969,700.38</u>                | < <u>1,787,934.83</u> > | < <u>136,705.00</u> > | <u>13,548,131.00</u>             |

**Note 5: Strata Titled Properties**

**Movement of Cost & Valuation  
as at 31st December 2009**

|  | Cost<br>As At 31/12/09 | Valuation<br>Movement | Market Value<br>As At 31/12/09 |
|--|------------------------|-----------------------|--------------------------------|
| Lvl 1, 20/154 Elizabeth Street, Sydney         | 649,200.62             | 150,799.38            | 800,000.00                     |
| Lvl 1, 22/154 Elizabeth Street, Sydney         | 719,544.70             | 146,455.30            | 866,000.00                     |
| Lvl 2, 24/154 Elizabeth Street, Sydney         | 809,495.45             | < 54,495.45 >         | 755,000.00                     |
| Lvl 3, 12, 30, 31/154 Elizabeth Street, Sydney | 1,295,888.12           | < 16,888.12 >         | 1,279,000.00                   |
| Lvl 4, 154 Elizabeth Street, Sydney            | 3,422,456.35           | < 422,456.35 >        | 3,000,000.00                   |
| Ground Fl, 12/58 Pitt Street, Sydney           | 2,679,876.00           | 720,124.00            | 3,400,000.00                   |
| Lvl 3, 19/33-35 Belmont Street, Sutherland     | <u>1,633,267.00</u>    | <u>1,066,733.00</u>   | <u>2,700,000.00</u>            |
|  | <u>11,209,728.24</u>   | <u>1,590,271.76</u>   | <u>12,800,000.00</u>           |

| 2008<br>\$     |  | 2009<br>\$                  |
|----------------|--|-----------------------------|
| 449,481        | <u>Note 6 - Provision for Annual Leave</u>   |                             |
| 295,436        | Balance as at 01/01/09                       | 440,717.76                  |
| <u>744,916</u> | <b>Add</b> additional provision for the year | <u>387,147.43</u>           |
| < 304,199 >    |  | 827,865.19                  |
| <u>440,718</u> | <b>Less</b> paid during the year             | <u>&lt; 317,068.98 &gt;</u> |
|                | Balance as at 31/12/09                       | <u>510,796.21</u>           |

|                  |  |                            |
|------------------|--|----------------------------|
| 1,144,128        | <u>Note 7 - Provision for Long Service Leave</u> |                            |
| 201,197          | Balance as at 01/01/09                           | 1,296,773.66               |
| <u>1,345,325</u> | <b>Add</b> additional provision for the year     | <u>62,930.89</u>           |
| < 48,551 >       |  | 1,359,704.55               |
| <u>1,296,774</u> | <b>Less</b> paid during the year                 | <u>&lt; 29,782.15 &gt;</u> |
|                  | Balance as at 31/12/09                           | <u>1,329,922.40</u>        |

|               |  |                  |
|---------------|--|------------------|
|               | <u>Note 8 - Auditor's Remuneration</u>                     |                  |
|               | Total amounts receivable by the auditor of the Association |                  |
| 16,000        | (a) Audit of Accounts                                      | 16,000.00        |
| 52,350        | (b) Other services   | <u>53,000.00</u> |
| <u>68,350</u> |  | <u>69,000.00</u> |

The auditor did not receive any other benefits.

Note 9 - Lease Commitments

The Association has entered into leasing arrangements with Capital Finance for the lease of computers, accessories and photocopiers. During the year, variations to the lease were made. The figures disclosed incorporated these variations. The following amounts include GST.

| <u>Year</u> | <u>Yearly Payment</u> | <u>Balance</u> |
|-------------|-----------------------|----------------|
| 2010        | 122,021.36            | 276,003.92     |
| 2011        | 117,027.32            | 158,976.60     |
| 2012        | 112,033.28            | 46,943.32      |
| 2013        | 46,943.32             | 0              |

Note 10 - Property Expenses

|                |                               |                   |
|----------------|-------------------------------|-------------------|
| 199,530        | Elizabeth Street, Sydney      | 149,352.48        |
| 75,517         | Pitt Street Property Expenses | 141,203.40        |
| 37,483         | Sutherland Property Expenses  | <u>56,253.37</u>  |
| <u>312,530</u> |                               | <u>346,809.25</u> |

Note 11 - Contingent Liabilities

Legal liabilities estimated by the Association's solicitors existed at 31st December, 2009. The liabilities represent approved legal assistance for matters in the hands of solicitors and barristers as at 31st December 2009.

|                  |  |                     |
|------------------|--|---------------------|
| <u>1,683,947</u> |  | <u>1,519,753.00</u> |
|------------------|--|---------------------|

Note 12 - Wall Plaques and Association Jewellery

|               |                                      |                            |
|---------------|--------------------------------------|----------------------------|
| 20,395        | Stock on hand - 1/1/2009             | 18,779.00                  |
| 19,814        | <b>Add</b> purchases during the year | <u>6,921.68</u>            |
| 40,209        |                                      | 25,700.68                  |
| < 1,305 >     | <b>Less</b> Sales                    | <u>&lt; 810.03 &gt;</u>    |
| < 18,779 >    | Stock on hand 31/12/2009             | <u>&lt; 10,434.70 &gt;</u> |
| <u>20,125</u> |                                      | <u>14,455.95</u>           |

# POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

## INDEPENDENT AUDITOR'S REPORT

To the members of the Police Association of New South Wales

### Report on the Financial Statement

I have audited the accompanying financial report of the Police Association of New South Wales for the year ended 31st December 2009 which comprises the balance sheet, the income statement, the statement of changes in equity, statement of cash flow, a summary of significant accounting policies and other explanatory notes and the Committee of Management statement.

### Committee of Management's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Industrial Relations Act 1991. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that it is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those 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 management as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting my audit, I have complied with the applicable independence requirements of the Australian professional ethical pronouncements, including those of the Institute of Chartered Accountants in Australia.

## Audit Opinion

In my opinion, I reported that:-

1. There were kept by the Association in respect of the year ended 31st December, 2009 satisfactory accounting records detailing the sources and nature of the income of the Association including income from members and the nature and purposes of expenditure, and

2. The attached financial reports and statements, including the Statement by the Committee of Management are prepared in accordance with Section 510 of the Industrial Relations Act 1991. The financial reports have been prepared from accounting records of the Association and are properly drawn so as to give a true and fair view of:

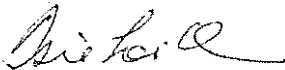
(a) the financial affairs of the Association as at 31st December, 2009 and

(b) the income statement, and the Statement of Changes in Equity, Cash flow statement and the surplus for the year ended 31st December 2009; and

(c) all information, being information which was reasonably wanted for the purpose of this audit, which was required and sought by me or by any person authorized by me for the purpose of the audit, was provided

and are in accordance with the Statements of Accounting Concepts and Applicable Accounting Standards.

SIGNED AT SYDNEY this 31st day of March, 2010



LOI KAH TSIA, B.Com, F.C.A.  
Chartered Accountant  
Registered Company Auditor  
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309 Pitt Street  
SYDNEY NSW 2000