



FAIR WORK
AUSTRALIA

24 August 2011

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

Dear Mr Weber

Re: Application for certificate stating financial affairs of Branch are encompassed by financial affairs of associated State body for year ended 31 December 2010 (FR2010/2815)

I refer to your application pursuant to s.269 of the *Fair Work (Registered Organisations) Act 2009*, lodged in Fair Work Australia on 23 May 2011, in respect of the New South Wales Police Branch of the Police Federation of Australia for the financial year ended 31 December 2010. I also refer to the further information dated 21 July 2011 lodged with Fair Work Australia.

I have granted the application. My certificate is enclosed.

If you wish to discuss this matter, please contact Kevin Donnellan on (03) 8661 7764 or by email to kevin.donnellan@fwa.gov.au.

Yours sincerely,


T. Nassios

Delegate of the General Manager
Fair Work Australia



FAIR WORK
AUSTRALIA

CERTIFICATE

Fair Work (Registered Organisations) Act 2009

s.269(2)(a) - Reporting unit's financial affairs encompassed by associated State body

Police Federation of Australia
(FR2010/2815)

T. NASSIOS

MELBOURNE, 24 AUGUST 2011

Reporting unit's financial affairs encompassed by associated State body

[1] On 23 May 2011 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (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 NSW (the Association), an associated State body, in respect of the financial year ending 31 December 2010.

[2] On 23 May 2011, the Branch lodged a copy of the audited accounts of the Association with Fair Work Australia. By correspondence dated 21 July 2011 the Branch provided further information in support of the application.

[3] 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.

[4] I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the accounts with the relevant State authority; 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 s.254 of the Act has been prepared in respect of those activities of the Branch and has been provided to the members of the Branch with copies of the accounts.

[5] I am satisfied that the financial affairs of the Branch in respect of the financial year ending 31 December 2010 are encompassed by the financial affairs of the Association and I certify accordingly under s.269(2)(a) of the Act.



DELEGATE OF THE GENERAL MANAGER
FAIR WORK AUSTRALIA

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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
21 July 2011

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

Dear Sir/Madam

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

I write with reference to the application made on 23 May 2011 regarding the above matter.

Please be advised that the State Union (the Police Association of NSW) has complied with the financial reporting requirements of the Industrial Relations Act 1991 (NSW). All members as well as the State Industrial Registrar have been provided with a copy of the Statement of Financial Position and the Committee of Management statement for the 2010 financial year pursuant to the requirements of the State Act and in accordance with the Association's rules. The State Industrial Registrar has filed this material without comment. A copy of this document was supplied to you as part of our application.

I have been advised in the above mentioned annual accounts, references were erroneously made to provisions of the Commonwealth legislation rather than the State Act and Regulations under which the documents were prepared. These clerical errors appear to have arisen while drafting the financial statements and were regrettably not discovered before the documents were distributed to members, presented to a meeting and lodged in the New South Wales Industrial Registry. We have taken steps to advise members of the error by the provision of an E mail and placing an amended Committee of Management statement on the Police Association of NSW Web Site. I have attached a copy of each for your information.

In all respects the State Association has complied with its financial reporting requirements and we seek that the Branch be taken to have satisfied Part 3 of Chapter 8 of the Act as per our application. I have also ensured via discussions with the Auditor that there will be no recurrence of this error in the future.

My apologies for any inconvenience this may have caused.

Kind regards

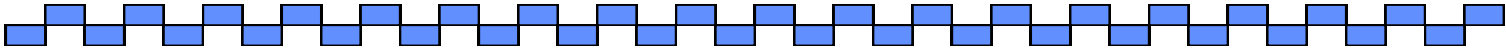


Scott Weber
Branch President

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
23 May 2011

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

Dear Sir/Madam

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

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 2010 – 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 and Awards 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 Rule11.

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 16,076.

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:

Scott Weber	Branch President	17 May 2010 - 31 December 2010
	Branch Vice President	1 January 2010 - 16 May 2010
Robert Pritchard	Branch President	1 January 2010 - 16 May 2010
Patrick Gooley	Branch Vice President	17 May 2010 - 31 December 2010
Prudence Burgun	Branch Treasurer	17 May 2010 - 31 December 2010
	Branch Executive	1 January 2010 - 16 May 2010
Kel Graham	Branch Treasurer	1 January 2010 - 16 May 2010
Anthony Bear	Branch Executive	1 January 2010 - 31 December 2010
Jennifer Hilder	Branch Executive	1 January 2010 - 31 December 2010

Duncan Gray	Branch Executive	1 January 2010 - 31 December 2010
Robert Dunn	Branch Executive	1 January 2010 - 31 December 2010
Anthony King	Branch Executive	1 January 2010 - 31 December 2010
Trent Atkins	Branch Executive	17 May 2010 - 3 December 2010
Jason Hogan	Branch Executive	1 January 2010 - 31 December 2010
Michael Plotecki	Branch Executive	1 January 2010 - 31 December 2010
Michael Connor	Branch Executive	1 January 2010 - 31 December 2010
Stephen McDonald	Branch Executive	1 January 2010 - 31 December 2010
Michael Aalders	Branch Executive	1 January 2010 - 31 December 2010
Mark Ward	Branch Executive	1 January 2010 - 31 December 2010
Richard McDonald	Branch Executive	17 May 2010 - 31 December 2010
Barry Mullan	Branch Executive	17 May 2010 - 31 December 2010
Andrew Tull	Branch Executive	1 January 2010 - 5 May 2010
Dean Koenig	Branch Executive	27 September 2010 - 31 December 2010
Richard Long	Branch Executive	1 January 2010 - 16 May 2010



.....
Signed Scott Weber
(Branch President)
Date: ...10 May 2011.....

POLICE ASSOCIATION OF NEW SOUTH WALES
ABN 86 047 021 267

COMMITTEE OF MANAGEMENT STATEMENT

On 25th March 2011 the Committee of Management of the Police Association of NSW passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 31st December 2010.

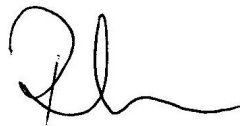
The Committee of management declares in relation to the general purpose financial report that in its opinion:

- (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; and
 - ii the financial affairs of the reporting unit have been managed in accordance with the rules of the Association; and
 - iii the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the Association; and
 - v the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member of Registrar; and
 - vi there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) In relation to the recovery of wages activity
 - i There were no recovery of wages activity for the Police Association of NSW for the year ended 31st December 2010

For the Committee of management



PRUDENCE BURGUN
Treasurer



RAFF DEL VECCHIO
Head of Administrative Services

Dated at Sydney this 25th day of March 2011

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2010

2009	<u>ACCUMULATED FUNDS</u>	<u>NOTE</u>	2010
\$			\$
9,563,194	Retained Earnings		10,636,355.83
1,590,272	Reserves	14	1,590,271.76
11,153,466	Balance as at 31st December 2010		12,226,627.59
	 <u>REPRESENTED BY</u>		
	<u>CURRENT ASSETS</u>		
541	Cash on Hand		94.72
11,510	Other Debtors		12,282.22
1,227,022	Cash at Bank		2,161,997.31
28,687	Prepayments		99,866.49
10,435	Stock of Wall Plaques and Association Jewellery	12	14,073.80
1,278,195			2,288,314.54
	 <u>NON CURRENT ASSETS</u>		
-	Level 3, 32/154 Elizabeth Street, Sydney	3	485,570.83
755,000	Level 2, 24/154 Elizabeth Street, Sydney	3	755,000.00
800,000	Level 1, 20/154 Elizabeth Street, Sydney	3	800,000.00
866,000	Level 1, 22/154 Elizabeth Street, Sydney	3	866,000.00
1,279,000	Level 3, 12, 30, 31/154 Elizabeth Street, Sydney	3	1,279,000.00
3,000,000	Level 4, 15/154 Elizabeth Street, Sydney	3	3,000,000.00
3,400,000	Ground floor, 1&2/58 Pitt Street, Sydney	3	3,400,000.00
2,700,000	Level 3, 19/33-35 Belmont Street, Sutherland	3	2,700,000.00
	Motor Vehicles - at cost	4	582,679.38
397,500	Less accumulated depreciation		112,520.38
	Office Equipment - at cost	4	193,779.49
51,670	Less accumulated depreciation		140,221.49
	Office Furniture - at cost	4	372,767.66
290,599	Less accumulated depreciation		116,472.66
	Staff amenities	4	15,461.00
8,362	Less accumulated depreciation		8,195.00
13,548,131			14,072,848.83
14,826,326	TOTAL ASSETS		16,361,163.37
	 <u>LESS CURRENT LIABILITIES</u>		
1,832,142	Trade Creditors and accruals		1,943,014.88
-	Police Credit Union Loan Account - Secured		249,853.34
-	Receipts in Advance		51,023.73
510,796	Provision for Annual Leave	6	484,772.89
1,329,922	Provision for Long Service Leave	7	1,405,870.94
3,672,860	TOTAL LIABILITIES		4,134,535.78
11,153,466	NET ASSETS		12,226,627.59

To be read in conjunction with the notes attached

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2010

2009		<u>NOTE</u>	2010
\$	<u>Income</u>		\$
12,291,482	Subscriptions - Membership fees		12,891,410.51
269,554	- Associate Membership		279,336.99
136	- Magazine "Police News"		140.40
208,795	Rentals Received - Elizabeth Street, Sydney		220,420.92
629,772	- Pitt Street, Sydney		200,863.08
267,176	- Belmont Street, Sutherland		229,647.84
8,762	Advertising fees received		25,991.68
8,029	Interest received		38,911.77
349,023	Other Income		346,502.41
14,032,729			14,233,225.60
<u>Administration</u>			
387,147	Annual Leave	6	385,015.38
69,000	Audit & Accounting	8	69,600.00
3,935	Bank Charges		2,240.52
-	Branch Visits		372.45
113,775	Computer Systems		81,148.37
140,023	Consultancy Fee		133,315.00
6,607	Courier Fees		6,421.54
136,705	Depreciation		144,677.00
67,464	Donations		66,285.04
275,946	FBT		287,044.61
121,718	Insurance		111,696.32
94,530	Lease of Equipment	9	110,928.51
62,931	Long Service Leave	7	164,022.31
< 2,499 >	Loss on Sale of Assets	<	2,014.09 >
10,866	Motor Vehicle Expenses		9,376.86
31,978	Office Electricity		26,038.59
16,553	Office Equipment/Repairs/Service		15,283.83
295,862	Payroll Tax		318,472.94
80,624	Postage/Printing/Stationery		68,356.18
346,809	Property Expenses	10	318,747.46
1,469	Representation/Promotion		1,191.26
4,623,858	Salaries, Allowances & Packaging - Association		5,038,663.79
133,112	Seconded Officers' Expenses		50,152.34
14,011	Staff Amenities		16,644.87
20,644	Sundry Office		13,105.49
483,088	Superannuation Contribution - Employee - AMP/SASS		458,022.92
79,551	Superannuation Contribution - Employee - Police Dept.		88,731.64
114,382	Telephone/Fax/Internet		103,122.17
4,861	Telephone		2,362.75
29,240	Travelling - Local Area		20,287.66
7,764,190			8,109,313.71
295,694	<u>Affiliated Union Subscriptions</u>		315,940.03
<u>Branch Expenses</u>			
2,623	Petty Cash/Stationery/Sundry Expenses		2,607.18
71,884	Regional Branch Meeting		126,240.94
74,507			128,848.12

To be read in conjunction with the notes attached.

2009 \$		<u>NOTE</u>	2010 \$
	<u>Conference Expenses</u>		
40,257	Conference Expenses	304,351.71	
-	Delegates Expenses & Allowances	21,834.74	
-	Printing/Recording/Badge/Sundries	4,234.52	
40,257			330,420.97
	<u>Executive Expenses</u>		
27,188	Branch visits and airfares	34,741.20	
23,115	Executive expenses allowance & committee expenses	30,971.80	
101,425	Executive meeting & representation promotions	98,623.84	
17,473	Training & education	2,478.45	
33,202	Telephone, drycleaning & internet	40,089.77	
35,736	Travel & motor vehicle expenses	35,858.38	
-	Loss on disposal of motor vehicle	11,972.91	
238,139			254,736.35
	<u>Industrial</u>		
339	Branch Visits	212.18	
3,613	Motor Vehicle Expenses	3,808.81	
1,625	Representation/Promotion	2,583.65	
1,314	Telephone	1,348.53	
4,127	Training - Seminars - TUTA	3,521.20	
982	Travel - Allied Costs	303.41	
4,698	Loss on disposal of Assets	-	
16,698			11,777.78
	<u>Legal</u>		
44	Branch Visits	330.05	
14,229	Clothing/Telephone	22,352.61	
7,977	Motor Vehicle Expenses	7,903.87	
2,599	Representation/Promotion	4,726.73	
4,632	Travel - Allied Costs	5,327.77	
21,559	Training - Seminars	27,105.24	
-	Loss on disposal of assets	1,473.73	
51,040			69,220.00
	<u>Members' Benefits</u>		
4,408	Associate Benefits	4,525.89	
152,128	Death Benefits	114,950.26	
4,666	Hospital Amenities	2,377.52	
2,241,792	Legal Assistance	12 2,943,137.80	
9,874	Monthly Magazine - 'Police News'	9,275.30	
33,594	Pocket Diaries	30,958.90	
-	Rule Books & Publications	745.00	
41,900	Scholarships	52,000.00	
216,000	Trust Funds under Death Benefit Scheme	24,000.00	
14,456	Wall Plaques & Association Jewellery	13 6,006.34	
16,484	Member Benefit programs & representation	6,197.39	
10,527	Welfare Assistance	38,132.52	
2,745,828			3,232,306.92
	<u>Organisers</u>		
30,465	Branch Visits	50,392.33	
28,966	Clothing/Telephone	29,290.46	
30,642	Loss on Sale of Asset	< 4,237.40 >	
103,950	Motor Vehicle Expenses	96,831.48	
3,983	Representation/Promotion	5,421.79	
4,422	Travel & Allied Costs	1,747.81	
8,747	Training - Seminars	22,197.77	
211,174			201,644.24

2009 \$		<u>NOTE</u>	2010 \$
	<u>Resource/Research</u>		
125	Branch Visits	-	
42,582	Library & Publications	22,893.66	
7,362	Motor Vehicle Expenses	6,350.40	
2,118	Representation/Promotion	618.40	
2,899	Travel & Allied Costs	4,109.32	
4,611	Telephone	4,533.87	
59,697			38,505.65
	<u>Secretary</u>		
390,868	Media Consultancy & Campaigns	283,523.10	
3,248	Motor Vehicle Expenses	4,237.99	
614	Representation/Promotion	1,413.07	
454	Training/Education	5,982.58	
2,775	Telephone	2,630.47	
3,113	Travel - Allied Costs	4,398.06	
8,600	Loss on Disposal of Goods	-	
409,672			302,185.27
	<u>Training Coordinator</u>		
22,669	Member Associated Costs	781.25	
9,433	Training	8,170.82	
45,867	Work Cover	156,212.49	
77,969			165,164.56
11,984,866	TOTAL EXPENDITURE		13,160,063.60
2,047,863	Operating Surplus for the year		1,073,162.00

To be read in conjunction with the notes attached.

POLICE ASSOCIATION OF NEW SOUTH WALES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2010

	Retained Earning	Asset Revaluation	TOTAL
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 1st January 2010	\$ 9,563,193.83	\$ 1,590,271.76	\$ 11,153,465.59
<hr/>			
Profit for the year 2010	\$ 1,073,162.00		\$ 1,073,162.00
Revaluation	\$ -	\$ -	\$ -
Balance as at 31st December 2010	<u>\$ 10,636,355.83</u>	<u>\$ 1,590,271.76</u>	<u>\$ 12,226,627.59</u>

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

CASH FLOWS STATEMENT

For the year ended 31st December 2010

2009		2010
	<u>Cash from Operating Activities</u>	
13,817,139	Receipts from members	14,487,204.47
1,216,317	Receipts from rentals	767,048.75
8,029	Interest Received	38,911.77
393,713	Other incomes and grants	409,743.50
< 13,550,425 >	Payments to suppliers, employees and members' benefits	< 14,341,642.56 >
<u>1,884,773</u>	Net cash provided by operating activities	<u>1,361,265.93</u>
	<u>Cash flows from Investing Activities</u>	
83,650	Proceeds from sales of assets	132,726.00
-	Payment re purchase of property	< 485,570.83 >
< 312,782 >	Payment re purchase of plant and equipment	< 28,900.00 >
< 226,114 >	Payment re purchase of motor vehicles	< 294,845.00 >
< 526,794 >	Payment re office refurbishments	-
< <u>982,040</u> >	Net cash used from investing activities	< <u>676,589.83</u> >
	<u>Cash flows from Financing Activities</u>	
-	Proceeds from borrowing	494,844.52
< 441,517 >	Repayment of borrowing	< 244,991.18 >
< <u>441,517</u> >	Net cash used from financing activities	<u>249,853.34</u>
461,216	Net increase/<decrease> in cash held	934,529.44
766,346	Cash at the beginning of the financial year	<u>1,227,562.59</u>
<u>1,227,562</u>	Cash at the end of the financial year	<u><u>2,160,092.03</u></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 and the *Fairwork (Registered Organisations) Act 2009*.

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.

ACCOUNTING POLICIES

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:

Class of Fixed Assets	Depreciation Rate
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 outflow 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. Bank loans are shown within borrowings in current liabilities in The Statement of Financial Position.

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 and credited to the bank account.

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. Rentals paid in advance are recognised as income in the next financial year. These amounts are shown as receipts in advance on the financial report.

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 flows 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 confirm 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 Registrar

- 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

2009		2010
\$		\$
	Level 1, 20/154 Elizabeth Street, Sydney	
849,831	Balance as at 1/1/2010	800,000.00
12,373	Refurbishments	-
< 62,204 >	Valuation increment(decrement)	-
<u>800,000</u>	Market value at independent valuation 31/12/2010	<u>800,000.00</u>
	Level 1, 22/154 Elizabeth Street, Sydney	
866,000	Balance as at 1/1/2010	866,000.00
-	Valuation increment(decrement)	-
<u>866,000</u>	Market value at independent valuation 31/12/2010	<u>866,000.00</u>
	Level 2, 24/154 Elizabeth Street, Sydney	
809,495	Balance as at 1/1/2010	755,000.00
< 54,495 >	Valuation increment(decrement)	-
<u>755,000</u>	Market value at independent valuation 31/12/2010	<u>755,000.00</u>
	Level 3, 12, 30, 31/154 Elizabeth Street, Sydney	
1,200,200	Balance as at 1/1/2010	1,279,000.00
381,526	Refurbishment	-
< 302,726 >	Valuation increment(decrement)	-
<u>1,279,000</u>	Market value at independent valuation 31/12/2010	<u>1,279,000.00</u>
	Level 4, 154 Elizabeth Street, Sydney	
3,673,013	Balance as at 1/1/2010	3,000,000.00
85,496	Refurbishment	-
< 758,509 >	Valuation increment(decrement)	-
<u>3,000,000</u>	Market value at independent valuation 31/12/2010	<u>3,000,000.00</u>
	Ground floor 12/58 Pitt Street, Sydney	
3,940,000	Balance as at 1/1/2010	3,400,000.00
< 540,000 >	Valuation increment(decrement)	-
<u>3,400,000</u>	Market value at independent valuation 31/12/2010	<u>3,400,000.00</u>
	Level 3, 19/33-35 Belmont Street, Sutherland	
2,770,000	Balance as at 1/1/2010	2,700,000.00
< 70,000 >	Valuation increment(decrement)	-
<u>2,700,000</u>	Market value at independent valuation 31/12/2010	<u>2,700,000.00</u>
	Level 3, 32/152 Elizabeth Street, Sydney - At cost	
-	Contract cost	465,000.00
-	Stamp Duty	18,235.00
-	Legal fee and outgoings	2,335.83
<u>-</u>	Contract exchanged on 16.7.2010 & settled on 1.9.2010	<u>485,570.83</u>

Note 4: Property, Plant, Equipment & Motor Vehicles

Movement in Carrying Amounts

	Balance as at 1/1/2010	Sale	Profit/<Loss>	Additions/ Refurbishments	Valuation/ Decrement	Depreciation	Carrying Amount 31/12/2010
Strata properties	12,800,000.00			485,570.83			13,285,570.83
Motor vehicles	397,500.00	< 132,726.00 >	< 7,195.00 >	294,845.00		< 82,265.00 >	470,159.00
Office equipment	51,670.00	< >		16,681.00		< 14,793.00 >	53,558.00
Office furniture	290,599.00			9,096.00		< 43,400.00 >	256,295.00
Staff amenities	8,362.00			3,123.00		< 4,219.00 >	7,266.00
TOTAL	<u>13,548,131.00</u>	<u>< 132,726.00 ></u>	<u>< 7,195.00 ></u>	<u>809,315.83</u>		<u>< 144,677.00 ></u>	<u>14,072,848.83</u>

Note 5: Strata Titled Properties

Movement of Cost & Valuation as at 31st December 2010

	Independent Valuation	Carrying Cost As At 1/12/10	Acquisition	Carrying Cost As At 31/12/10
Lvl 1, 20/154 Elizabeth Street, Sydney	✓	800,000.00		800,000.00
Lvl 1, 22/154 Elizabeth Street, Sydney	✓	866,000.00		866,000.00
Lvl 2, 24/154 Elizabeth Street, Sydney	✓	755,000.00		755,000.00
Lvl 3, 12, 30, 31/154 Elizabeth Street, Sydney	✓	1,279,000.00		1,279,000.00
Lvl 4, 154 Elizabeth Street, Sydney	✓	3,000,000.00		3,000,000.00
Ground Fl, 12/58 Pitt Street, Sydney	✓	3,400,000.00		3,400,000.00
Lvl 3, 19/33-35 Belmont Street, Sutherland	✓	2,700,000.00		2,700,000.00
Lvl 3, 32/154 Elizabeth Street, Sydney - At Cost	At cost	-	485,570.83	485,570.83
		<u>12,800,000.00</u>	<u>485,570.83</u>	<u>13,285,570.83</u>

2009		2010												
\$		\$												
	<u>Note 6 - Provision for Annual Leave</u>													
440,718	Balance as at 01/01/10	510,796.21												
<u>387,147</u>	Add additional provision for the year	<u>385,015.38</u>												
827,865		895,811.59												
< <u>317,069</u> >	Less paid during the year	< <u>411,038.70</u> >												
<u>510,796</u>	Balance as at 31/12/10	<u>484,772.89</u>												
	 <u>Note 7 - Provision for Long Service Leave</u>													
1,296,773	Balance as at 01/01/10	1,329,922.40												
<u>62,931</u>	Add additional provision for the year	<u>164,022.31</u>												
1,359,704		1,493,944.71												
< <u>29,782</u> >	Less paid during the year	< <u>88,073.77</u> >												
<u>1,329,922</u>	Balance as at 31/12/10	<u>1,405,870.94</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												
<u>53,000</u>	(b) Other services	<u>53,600.00</u>												
<u>69,000</u>		<u>69,600.00</u>												
	The auditor did not receive any other benefits.													
	 <u>Note 9 - Lease Commitments</u>													
	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.													
	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Year</u></th> <th style="text-align: left;"><u>Yearly Payment</u></th> <th style="text-align: left;"><u>Balance</u></th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>117,027.32</td> <td>158,976.60</td> </tr> <tr> <td>2012</td> <td>112,033.28</td> <td>46,943.32</td> </tr> <tr> <td>2013</td> <td>46,943.32</td> <td>0</td> </tr> </tbody> </table>	<u>Year</u>	<u>Yearly Payment</u>	<u>Balance</u>	2011	117,027.32	158,976.60	2012	112,033.28	46,943.32	2013	46,943.32	0	
<u>Year</u>	<u>Yearly Payment</u>	<u>Balance</u>												
2011	117,027.32	158,976.60												
2012	112,033.28	46,943.32												
2013	46,943.32	0												
	 <u>Note 10 - Property Expenses</u>													
149,353	Elizabeth Street, Sydney	183,799.71												
141,203	Pitt Street Property Expenses	75,297.21												
<u>56,253</u>	Sutherland Property Expenses	<u>59,650.54</u>												
<u>346,809</u>		<u>318,747.46</u>												
	 <u>Note 11 - Contingent Liabilities</u>													
	Legal liabilities estimated by the Association's solicitors existed at 31st December, 2010. The liabilities represent approved legal assistance for matters in the hands of solicitors and barristers as at 31st December 2010.													
<u>1,519,753</u>		<u>1,246,723.00</u>												
	 <u>Note 12 - Wall Plaques and Association Jewellery</u>													
18,779	Stock on hand - 1/1/2010	10,434.70												
<u>6,922</u>	Add purchases during the year	<u>10,607.16</u>												
25,701		21,041.86												
< 810 >	Less Sales	< 961.72 >												
< <u>10,435</u> >	Stock on hand 31/12/2010	< <u>14,073.80</u> >												
<u>14,456</u>		<u>6,006.34</u>												

Note 13 - Related Party Transactions

There are no related party transactions for the year ended 31st December 2010

Note 14 - Reserves

	Asset Revaluation Reserve
Balance as at 1/1/2008	3,378,206.59
Revaluation of land and building	-
Balance as at 31/12/2008	<u>3,378,206.59</u>
Revaluation of land and building	< <u>1,787,934.83</u> >
Balance as at 31/12/2009	<u>1,590,271.76</u>
Revaluation of land and building	-
Balance as at 31/12/2010	<u>1,590,271.76</u>

Note 15 - Events after the Balance Date

Since the end of the financial year, there are no known events, financial or otherwise that would impact materially on the financial statements of the entity at 31st December 2010.

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

INDEPENDENT AUDIT 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 2010 which comprises the balance sheet, the income statement, the statement of changes in equity, statement of cash flows, 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 Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that 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

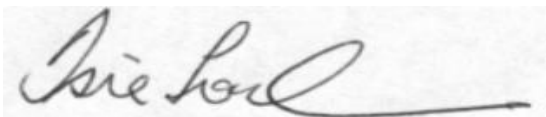
In conducting my audit, I have complied with the applicable independence requirements of the Australian professional ethical pronouncements.

Audit Opinion

In my opinion, I report that:

1. There were kept by the Association, in respect of the year ended 31st December 2010, satisfactory accounting records detailing the sources and nature of the income of the Association (including income from members) and the nature and purpose of expenditure; and
2. The attached financial reports and statements, including the Statement by Committee of Management are in accordance with the requirement imposed by Part 3 of Chapter 8 of the RAO Schedule of the *Fair Work (Registered Organisations) Act 2009*, including:
 - a) giving a true and fair view of the Association's financial position as at 31st December 2010 and its performance and its cash flows for the year ended on that date; and
 - b) complying with Australian Accounting Standards (including Australian Accounting interpretations).

SIGNED AT SYDNEY this 25th day of March, 2011



LOI KAH TSIA, B.Com, F.C.A.
Chartered Accountant
Registered Company Auditor
Suite 201, 2nd Floor
309 Pitt Street
SYDNEY NSW 2000