



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 New South Wales Police Branch
(FR2012/516)

MR ENRIGHT

MELBOURNE, 4 DECEMBER 2013

Reporting unit's financial affairs encompassed by associated State body

[1] On 23 May 2013 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the Police Federation of Australia New South Wales Police Branch (the Branch) 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 2012.

[2] On the same day, the Branch lodged a copy of the audited accounts of the Association with Fair Work Commission (FWC).

[3] On the same day, the Branch lodged a copy of the Operating Report prepared under section 254 of the Act with FWC.

[4] I am satisfied that the Association:

- is registered under the *Industrial Relations Act (NSW) 1996*, 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.

[5] 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;
- 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.

[6] I am satisfied that the financial affairs of the Branch in respect of the financial year ending 31 December 2012, 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

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4 December 2013

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

Dear Mr Weber

Certificate of exemption - s269 Fair Work (Registered Organisations) Act 2009 - Police Federation of Australia, New South Wales Police Branch - for year ended 31 December 2012

I refer to the application under section 269 of the *Fair Work (Registered Organisations) Act 2009* which was lodged with the Fair Work Australia on 23 May 2013. A copy of the operation report prepared in accordance with section 254, except for item (b), and provided to members of the reporting unit was received on the same day.

Section 254 (b) requires that the operating report must '*give details of any significant changes in the reporting unit's financial affairs during the year*'. This has not been provided. Please ensure this requirement is addressed in future financial years operating report.

The application has been granted. The Delegate's certificate is enclosed.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

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 2012

The General Manager
Fair Work Commission
Tribunal Services and Organisations Branch
GPO Box 1994
Melbourne VIC 3001

Attn Mr Mark Elliott

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

GROUNDINGS 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 is 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

A handwritten signature in black ink, appearing to read 'S. Weber', with a horizontal line extending to the right.

Scott Weber
Branch President

POLICE FEDERATION OF AUSTRALIA – NSW POLICE BRANCH

Operating Report for year ended 31 December 2012 – 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, based on a full time reporting basis at the end of the reporting period, employees of the Branch was none.

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:

President	Scott Weber	1January 2012 to 31 December 2012
Vice President	Patrick Gooley	1January 2012 to 31 December 2012
Treasurer	Prudence Burgun	1January 2012 to 31 December 2012
Ordinary Branch Executive	Michael Aalders	1January 2012 to 31 December 2012
Ordinary Branch Executive	Allanah Anson	10 May 2012 to 31 December 2012
Ordinary Branch Executive	Jennifer Hilder	1January 2012 to 10 May 2012
Ordinary Branch Executive	Michael Connor	1January 2012 to 31 December 2012
Ordinary Branch Executive	Robert Dunn	1January 2012 to 31 December 2012

Ordinary Branch Executive	Jason Hogan	1January 2012 to 31 December 2012
Ordinary Branch Executive	Anthony King	1January 2012 to 31 December 2012
Ordinary Branch Executive	Dean Koenig	1January 2012 to 31 December 2012
Ordinary Branch Executive	Stephen McDonald	1January 2012 to 31 December 2012
Ordinary Branch Executive	Sameh Morgan	10 May 2012 31 December 2012
Ordinary Branch Executive	Mark Ward	1 January 2011 to 10 May 2012
Ordinary Branch Executive	Richard McDonald	1 January 2011 to 10 May 2012
Ordinary Branch Executive	Gerard O'Connor	10 May 2012 to 31 December 2012
Ordinary Branch Executive	Barry Mullan	1 January 2012 to 10 May 2012
Ordinary Branch Executive	Craig Partridge	1January 2012 to 31 December 2012
Ordinary Branch Executive	Michael Plotecki	1January 2012 to 31 December 2012
Ordinary Branch Executive	Craig Sowinski	10 May 2012 to 31 December 2012
Ordinary Branch Executive	Melissa Cooper	1January 2012 to 22 February 2012
Ordinary Branch Executive	Malcolm Sutherland	10 May 2012 to 31 December 2012
Ordinary Branch Executive	Anthony Bear	1January 2012 to14 November 2012



.....
Signed Scott Weber
(Branch President)
Date: ...22 May 2013.....

POLICE ASSOCIATION OF NEW SOUTH WALES
ABN 86 047 021 267

COMMITTEE OF MANAGEMENT STATEMENT

On 10th April 2013 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 2012.

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 flows of the reporting unit for the financial year to which they relate
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable.
- (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 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.
- (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 2012

For the Committee of management



PRUDENCE BURGUN
Treasurer



RAFF DEL VECCHIO
Head of Administrative Services

Dated at Sydney this 10th day of April 2013

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2012

2011	<u>ACCUMULATED FUNDS</u>	<u>NOTE</u>	2012 \$
13,127,925.19	Retained Earnings		14,854,497.52
<u>1,939,700.93</u>	Reserves	13	<u>1,939,700.93</u>
<u>15,067,626.12</u>	Balance as at 31st December 2012		<u>16,794,198.45</u>
<u>REPRESENTED BY</u>			
<u>CURRENT ASSETS</u>			
500.00	Cash on Hand		143.60
50,412.27	Other Debtors		10,493.18
3,978,313.72	Cash at Bank		6,243,603.97
33,912.11	Prepayments		69,058.14
<u>15,979.70</u>	Stock of Wall Plaques and Association Jewellery	11	<u>14,665.45</u>
<u>4,079,117.80</u>			<u>6,337,964.34</u>
<u>NON CURRENT ASSETS</u>			
487,000.00	Level 3, 32/154 Elizabeth Street, Sydney	2	487,000.00
855,000.00	Level 2, 24/154 Elizabeth Street, Sydney	2	855,000.00
863,000.00	Level 1, 20/154 Elizabeth Street, Sydney	2	863,000.00
950,000.00	Level 1, 22/154 Elizabeth Street, Sydney	2	950,000.00
1,330,000.00	Level 3, 12, 30, 31/154 Elizabeth Street, Sydney	2	1,330,000.00
2,870,000.00	Level 4, 15/154 Elizabeth Street, Sydney	2	2,870,000.00
3,480,000.00	Ground floor, 1&2/58 Pitt Street, Sydney	2	3,480,000.00
2,800,000.00	Level 3, 19/33-35 Belmont Street, Sutherland	2	2,800,000.00
	Motor Vehicles - at cost	3	508,197.50
449,141.00	Less accumulated depreciation		<u>116,941.50</u>
	Office Equipment - at cost	3	226,970.70
79,284.00	Less accumulated depreciation		<u>161,049.70</u>
	Office Furniture - at cost	3	373,020.38
212,797.00	Less accumulated depreciation		<u>203,507.38</u>
	Staff amenities	3	15,461.00
2,423.00	Less accumulated depreciation		<u>14,547.00</u>
<u>14,378,645.00</u>			<u>14,262,604.00</u>
<u>18,457,762.80</u>	TOTAL ASSETS		<u>20,600,568.34</u>
<u>LESS CURRENT LIABILITIES</u>			
1,378,152.71	Trade Creditors and accruals		1,705,365.95
50.00	Police Credit Union Loan Account - Secured		-
8,033.71	Receipts in Advance		32,947.34
543,636.14	Provision for Annual Leave	4	485,843.33
<u>1,460,264.12</u>	Provision for Long Service Leave	5	<u>1,582,213.27</u>
<u>3,390,136.68</u>	TOTAL LIABILITIES		<u>3,806,369.89</u>
<u>15,067,626.12</u>	NET ASSETS		<u>16,794,198.45</u>

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 2012

2011		<u>NOTE</u>		2012
\$				\$
	<u>Income</u>			
13,441,829.05	Subscriptions - Membership fees			13,292,091.60
285,782.83	- Associate Membership			285,923.27
252,920.80	Rentals Received - Elizabeth Street, Sydney			221,853.61
240,050.38	- Pitt Street, Sydney			243,335.05
279,661.05	- Belmont Street, Sutherland			245,900.46
9,438.95	Advertising fees received			18,261.93
166,129.66	Interest received			243,823.99
290,892.87	Other Income			347,191.83
14,966,705.59				14,898,381.74
	 <u>Administration</u>			
428,329.67	Annual leave	4	431,761.89	
69,850.00	Audit & accounting	6	79,580.00	
1,558.16	Bank charges		1,724.12	
446.57	Branch visits		-	
143,831.22	Computer systems		89,360.02	
98,927.78	Consultancy fee	7	117,961.50	
8,695.76	Courier fees		9,082.66	
145,242.00	Depreciation		138,791.00	
117,171.82	Donations		134,833.15	
295,656.60	FBT		318,539.58	
248,113.55	Insurance		200,835.68	
118,427.74	Lease of equipment	8	106,811.81	
273,246.75	Long service leave	5	262,939.81	
622.00	Loss on sale of assets		-	
11,301.96	Motor vehicle expenses		9,907.10	
34,061.85	Office electricity		37,343.75	
12,795.97	Office equipment/repairs/service		10,512.52	
329,511.18	Payroll tax		310,060.49	
77,786.66	Postage/printing/stationery		60,819.65	
389,830.17	Property expenses	9	367,433.04	
671.01	Representation/promotion		252.36	
4,956,603.14	Salaries, allowances & packaging - Association		4,911,488.00	
96,833.57	Seconded officers' expenses		97,081.13	
17,140.53	Staff amenities		15,945.48	
22,590.45	Sundry office		16,046.54	
542,678.21	Superannuation contribution - Employee - AMP/SASS		528,735.12	
77,056.31	Superannuation contribution - Employee - Police Dept.		78,572.39	
99,006.84	Telephone/fax/internet		89,908.32	
3,267.03	Telephone		2,097.17	
18,872.56	Travelling -local area		15,729.82	
8,640,127.06			8,444,154.10	
	 <u>Affiliated Union Subscriptions</u>			
64,266.88	Union of NSW		61,328.94	
260,587.20	Police Federation of Australia		241,289.71	
324,854.08			302,618.65	

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 2012

	<u>Branch Expenses</u>		
3,229.26	Petty cash/stationery/sundry expenses	2,219.71	
97,061.23	Regional branch meeting	51,815.76	
100,290.49			54,035.47
	<u>Conference Expenses</u>		
-	Conference expenses	278,462.68	
-	Printing/recording/badge/sundries	13,544.69	
-			292,007.37
	<u>Executive Expenses</u>		
26,773.49	Branch visits and airfares	34,224.97	
19,597.24	Executive expenses allowance & committee expenses	30,282.83	
89,726.02	Executive meeting & representation promotions	82,982.98	
14,063.85	Training & education	7,350.28	
41,025.76	Telephone, drycleaning & internet	35,541.65	
37,132.19	Travel & motor vehicle expenses	27,645.38	
228,318.55			218,028.09
	<u>Industrial</u>		
4,869.69	Motor vehicle expenses	11,793.22	
226.78	Representation/promotion	145.10	
693.83	Telephone	625.83	
1,886.00	Training - seminars - TUTA	4,800.46	
68.73	Travel - allied costs	256.92	
7,745.03			17,621.53
	<u>Legal</u>		
-	Branch visits	3,094.59	
-	CARE Training	142,009.88	
13,310.06	Clothing/telephone	13,941.78	
12,815.59	Motor vehicle expenses	18,837.57	
1,764.68	Representation/promotion	1,019.20	
11,648.18	Travel - allied costs	1,585.04	
15,462.93	Training - seminars	20,833.77	
55,001.44			201,321.83
	<u>Members' Benefits</u>		
5,205.82	Associate benefits	4,767.22	
110,420.28	Death benefits	141,836.06	
2,013.81	Hospital amenities	1,507.03	
1,553,753.55	Legal assistance	2,497,601.09	10
11,020.71	Monthly magazine - 'Police News'	20,741.18	
29,027.67	Pocket diaries	28,088.39	
4,700.00	Rule books & publications	12,161.64	
64,700.00	Scholarships	63,300.00	
84,000.00	Trust funds under death benefit scheme	168,000.00	
5,356.83	Wall plaques & Association jewellery	25,311.51	11
21,343.00	Member benefit programs & representation	21,030.00	
34,014.70	Welfare assistance	44,415.44	
1,925,556.37			3,028,759.56

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 2012

2011		<u>NOTE</u>	2012
\$			\$
	<u>Organisers</u>		
43,603.56	Branch visits	45,387.56	
30,501.05	Clothing/telephone	25,442.96	
28,852.73	Loss on sale of asset	-	
118,579.42	Motor vehicle expenses	129,037.92	
7,260.38	Representation/promotion	6,616.64	
3,201.30	Travel & allied costs	2,348.33	
4,372.00	Training - seminars	10,355.06	
<u>236,370.44</u>			219,188.47
	<u>Resources/Research</u>		
-	Branch visits	121.36	
82,592.43	Library & publications	53,067.61	
851.22	Loss on sale of assets	-	
7,274.44	Motor vehicle expenses	6,264.36	
660.00	Representation/Promotion	455.18	
2,714.31	Travel & allied costs	783.45	
2,729.09	Training / Education	2,072.74	
2,989.36	Telephone	1,785.59	
<u>99,810.85</u>			64,550.29
	<u>Secretary</u>		
-	Branch Visits	36.36	
706,279.32	Media consultancy & campaigns	233,524.97	
6,672.25	Motor vehicle expenses	4,305.69	
830.05	Representation/promotion	2,329.55	
-	Training/education	303.20	
3,596.87	Telephone	2,560.57	
1,430.22	Travel - allied costs	1,043.57	
4,589.82	Loss on sale assets	-	
<u>723,398.53</u>			244,103.91
	<u>Training Coordinator</u>		
1,207.37	Member associated costs	5,262.97	
-	Training	443.64	
132,456.02	Work Cover	79,713.53	
<u>133,663.39</u>			85,420.14
<u>12,475,136.23</u>	TOTAL EXPENDITURE		13,171,809.41
<u>2,491,569.36</u>	Operating Surplus for the year		<u>1,726,572.33</u>

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 2012

	Retained Earning	Asset Revaluation	TOTAL
Balance as at 1st January 2010	\$ 9,563,193.83	\$ 1,590,271.76	\$ 11,153,465.59
Profit for the Year 2010	\$ 1,073,162.00	-	\$ 1,073,162.00
Balance as at 31st December 2010	<u>\$ 10,636,355.83</u>	<u>\$ 1,590,271.76</u>	<u>\$ 12,226,627.59</u>
Profit for the year 2011	\$ 2,491,569.36	-	\$ 2,491,569.36
Revaluation increment	-	\$ 349,429.17	\$ 349,429.17
Balance as at 31st December 2011	<u>\$ 13,127,925.19</u>	<u>\$ 1,939,700.93</u>	<u>\$ 15,067,626.12</u>
Profit for the year 2012	\$ 1,726,572.33	-	\$ 1,726,572.33
Balance as at 31st December 2012	<u><u>\$ 14,854,497.52</u></u>	<u><u>\$ 1,939,700.93</u></u>	<u><u>\$ 16,794,198.45</u></u>

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

CASH FLOWS STATEMENT

For the year ended 31st December 2012

2011		2012
	<u>Cash from Operating Activities</u>	
15,075,100.43	Receipts from members	14,977,126.76
845,071.81	Receipts from rentals	812,203.62
166,129.66	Interest Received	243,823.99
330,365.00	Other incomes and grants	401,999.13
< 14,213,615.87 >	Payments to suppliers, employees and members' benefits	< 14,104,173.65 >
<u>2,203,051.03</u>	Net cash provided by operating activities	<u>2,330,979.85</u>
	<u>Cash flows from Investing Activities</u>	
64,090.00	Proceeds from sales of assets	83,510.00
< 40,399.00 >	Payment re purchase of plant and equipment	< 4,260.00 >
< 160,217.00 >	Payment re purchase of motor vehicles	< 145,246.00 >
< <u>136,526.00</u> >	Net cash used from investing activities	< <u>65,996.00</u> >
	<u>Cash flows from Financing Activities</u>	
< 249,803.34 >	Repayment of borrowing	< 50.00 >
< <u>249,803.34</u> >	Net cash used from financing activities	< <u>50.00</u> >
1,816,721.69	Net increase/<decrease> in cash held	2,264,933.85
<u>2,162,092.03</u>	Cash at the beginning of the financial year	<u>3,978,813.72</u>
<u><u>3,978,813.72</u></u>	Cash at the end of the financial year	<u><u>6,243,747.57</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 Industrial Relations Act 1991.

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.

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

Notes to the Financial Statements

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. 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. Provisions for Annual Leave and Long Service Leave have been recorded as liabilities. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

Notes to the Financial Statements

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 statement of financial position 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 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 balance is recognised as a current liability in the statement of financial position. The amounts shown are inclusive of GST.

m. Critical Accounting Estimates and Judgements

The Committee of management evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimate assume a reasonable expectation of future events and are based on current and economic data, obtained both externally and within the Association.

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Notes to the Financial Statements

Key estimates

Impairment

The strata properties were independently valued on 8.8.2011 by Australian Valuers Group Pty Ltd. The valuations were based on the fair market values. The critical assumptions adopted in determining the valuations include the locations, market demand, recent sales data for similar properties in the same area. The valuations resulted in a valuation increment of \$349,429 being recognised for the year ended 31.12.2011.

At 31.12.2012, the committee of management reviewed the key assumptions made by the valuers on the 8.8.2011. The management concluded that these assumptions remain materially unchanged and are satisfied that the carrying values do not exceed the recoverable amounts at 31.12.2012.

POLICE ASSOCIATION OF NEW SOUTH WALES

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Notes to the Financial Statements

Note 2: Strata Titled Properties

2011 \$		2012 \$
800,000.00	Level 1, 20/154 Elizabeth Street, Sydney	
63,000.00	Balance as at 1/1/2012	863,000.00
<u>863,000.00</u>	Valuation increment(decrement)	-
	Market value at independent valuation 31/12/2012	<u>863,000.00</u>
866,000.00	Level 1, 22/154 Elizabeth Street, Sydney	
84,000.00	Balance as at 1/1/2012	950,000.00
<u>950,000.00</u>	Valuation increment(decrement)	-
	Market value at independent valuation 31/12/2012	<u>950,000.00</u>
755,000.00	Level 2, 24/154 Elizabeth Street, Sydney	
100,000.00	Balance as at 1/1/2012	855,000.00
<u>855,000.00</u>	Valuation increment(decrement)	-
	Market value at independent valuation 31/12/2012	<u>855,000.00</u>
1,279,000.00	Level 3, 12, 30, 31/154 Elizabeth Street, Sydney	
51,000.00	Balance as at 1/1/2012	1,330,000.00
<u>1,330,000.00</u>	Valuation increment(decrement)	-
	Market value at independent valuation 31/12/2012	<u>1,330,000.00</u>
3,000,000.00	Level 4, 154 Elizabeth Street, Sydney	
< 130,000.00 >	Balance as at 1/1/2012	2,870,000.00
<u>2,870,000.00</u>	Valuation increment(decrement)	< - >
	Market value at independent valuation 31/12/2012	<u>2,870,000.00</u>
3,400,000.00	Ground floor 12/58 Pitt Street, Sydney	
80,000.00	Balance as at 1/1/2012	3,480,000.00
<u>3,480,000.00</u>	Valuation increment(decrement)	-
	Market value at independent valuation 31/12/2012	<u>3,480,000.00</u>
2,700,000.00	Level 3, 19/33-35 Belmont Street, Sutherland	
100,000.00	Balance as at 1/1/2012	2,800,000.00
<u>2,800,000.00</u>	Valuation increment(decrement)	-
	Market value at independent valuation 31/12/2012	<u>2,800,000.00</u>
485,570.83	Level 3, 32/152 Elizabeth Street, Sydney - At cost	
1,429.17	Balance as at 1/1/2012	487,000.00
<u>487,000.00</u>	Valuation increment	-
	Market value at independent valuation 31/12/2012	<u>487,000.00</u>

POLICE ASSOCIATION OF NEW SOUTH WALES

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Notes to the Financial Statements

Note 2: Strata Titled Properties

Movement of Cost & Valuation as at 31st December 2012

	Independent Valuation	Carrying Cost As At 1/12/12	Acquisition	Carrying Cost As At 31/12/12
Lvl 1, 20/154 Elizabeth Street, Sydney	✓	863,000.00	-	863,000.00
Lvl 1, 22/154 Elizabeth Street, Sydney	✓	950,000.00	-	950,000.00
Lvl 2, 24/154 Elizabeth Street, Sydney	✓	855,000.00	-	855,000.00
Lvl 3, 12, 30, 31/154 Elizabeth Street, Sydney	✓	1,330,000.00	-	1,330,000.00
Lvl 4, 154 Elizabeth Street, Sydney	✓	2,870,000.00	-	2,870,000.00
Ground Fl, 12/58 Pitt Street, Sydney	✓	3,480,000.00	-	3,480,000.00
Lvl 3, 19/33-35 Belmont Street, Sutherland	✓	2,800,000.00	-	2,800,000.00
Lvl 3, 32/154 Elizabeth Street, Sydney	✓	487,000.00	-	487,000.00
		<u>13,635,000.00</u>	-	<u>13,635,000.00</u>

Note 3: Property, Plant, Equipment & Motor Vehicles

Movement in Carrying Amounts

	Balance as at 1/1/2012	Sale	Profit/<Loss>	Additions/ Refurbish ments	Valuation/ Decrement	Depreciation	Carrying Amount 31/12/2012
Strata properties	13,635,000.00						13,635,000.00
Motor vehicles	449,141.00	< 75,909.00 >	< 37,256.00 >	132,042.00		< 76,762.00 >	391,256.00
Office equipment	79,284.00			3,873.00		< 17,236.00 >	65,921.00
Office furniture	212,797.00					< 43,284.00 >	169,513.00
Staff amenities	2,423.00					< 1,509.00 >	914.00
TOTAL	<u>14,378,645.00</u>	<u>< 75,909.00 ></u>	<u>< 37,256.00 ></u>	<u>135,915.00</u>		<u>< 138,791.00 ></u>	<u>14,262,604.00</u>

POLICE ASSOCIATION OF NEW SOUTH WALES

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Notes to the Financial Statements

2011		2012
\$		\$
	<u>Note 4 - Provision for Annual Leave</u>	
484,772.89	Balance as at 01/01/12	543,636.14
428,329.67	Add additional provision for the year	431,761.89
913,102.56		975,398.03
< 369,466.42 >	Less paid during the year	< 489,554.70 >
543,636.14	Balance as at 31/12/12	485,843.33
	 <u>Note 5 - Provision for Long Service Leave</u>	
1,405,870.94	Balance as at 01/01/12	1,460,264.12
273,246.75	Add additional provision for the year	262,939.81
1,679,117.69		1,723,203.93
< 218,853.57 >	Less paid during the year	< 140,990.66 >
1,460,264.12	Balance as at 31/12/12	1,582,213.29
	 <u>Note 6 - Auditor's Remuneration</u>	
	Total amounts receivable by the auditor of the Association	
16,000.00	(a) Audit of Accounts	16,000.00
53,850.00	(b) Other services	63,580.00
69,850.00		79,580.00
	The auditor did not receive any other benefits.	
	 <u>Note 7 - Consultancy Fees</u>	
45,000.00	IT Logic - Office IT	42,600.00
1,740.00	Attkey Solutions - Accounting software training	920.00
-	PANSW contribution to supportive leadership program	2,000.00
-	Mutual Solutions - Workplace safety assessment	2,492.50
37,200.00	Suntool Solutions - Financial analytics	38,205.00
895.28	Employee Assistance program	390.00
-	PSAC/MDRP consultancy	25,979.00
7,002.50	Nexia Court & Co - Tax advice	2,750.00
6,090.00	Mercer Human Resources -Independent job evaluations	2,625.00
1,000.00	BDO - Audit and Electoral Funding	-
98,927.78		117,961.50

Note 8 - 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>
2013	103047.28	98130.86
2014	59853.16	38277.70
2015	32014.36	6263.34
2016	4175.56	2087.78
2017	2087.78	0

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Notes to the Financial Statements

2011 \$		2012 \$
	<u>Note 9 - Property Expenses</u>	
236,305.56	Elizabeth Street, Sydney	240,427.37
84,643.82	Pitt Street Property Expenses	72,351.56
68,880.79	Sutherland Property Expenses	54,654.11
<u>389,830.17</u>		<u>367,433.04</u>
	<u>Note 10 - Contingent Liabilities</u>	
	Legal liabilities estimated by the Association's solicitors existed at 31st December, 2012. The liabilities represent approved legal assistance for matters in the hands of solicitors and barristers as at 31st December 2012.	
<u>1,440,286.00</u>		<u>1,496,967.00</u>
	<u>Note 11 - Wall Plaques and Association Jewellery</u>	
14,073.80	Stock on hand - 1/1/2012	15,979.70
<u>8,490.29</u>	Add purchases during the year	<u>27,815.22</u>
22,564.09		43,794.92
< 1,227.56 >	Less Sales	< 3,817.96 >
< 15,979.70 >	Stock on hand 31/12/2012	< 14,665.45 >
<u>5,356.83</u>		<u>25,311.51</u>

Note 12 - Related Party Transactions

There are no related party transactions for the year ended 31st December 2012

Note 13 - Reserves

	Asset Revaluation
Balance as at 1/1/2010	1,590,271.76
Revaluation of land and building 2010	- >
Balance as at 31/12/2010	1,590,271.76
Revaluation of land and building 2011	349,429.17 >
Balance as at 31/12/2011	<u>1,939,700.93</u>
Revaluation of land and building 2012	-
Balance as at 31/12/2012	<u><u>1,939,700.93</u></u>

Note 14 - 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 2012.

Operating Report

Members are advised that Fair Work Australia have determined that s 254 of the Fair Work (Registered Organisations) Act requires that all members of the Police Federation of Australia NSW Police Branch be provided with an Operating Report. A copy of the report has been published on the PANSW website www.pansw.org.au. Alternatively a hard copy can be posted to members free of charge by contacting the Police Association's Information and Organising Centre on 02 92656777.

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 2012 which comprises the statement of financial position, statement of comprehensive income, 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 reports 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 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 reports 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 reports.

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 report that:

1. There were kept by the Association, in respect of the year ended 31st December 2012, 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 report and statements, including the Statement by Committee of Management are prepared in accordance with Section 510 of the Industrial Relations Act 1991. The financial report has 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 2012 and
- b) the comprehensive income statement, and the Statement of Changes in Equity, Cash flows statement and the surplus for the year ended 31st December 2012, 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 10th day of April 2013



LOI KAH TSIA, B.Com, F.C.A.

Chartered Accountant

Registered Company Auditor

Suite 201, 2nd Floor

309 Pitt Street

SYDNEY NSW 2000