



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
(FR2013/414)

MR ENRIGHT

MELBOURNE, 24 JUNE 2014

Reporting unit's financial affairs encompassed by associated State body

[1] On 13 June 2014 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by 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 2013.

[2] On 13 June 2014, the Branch lodged a copy of the audited accounts of the Association with the Fair Work Commission.

[3] 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.

[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;
- 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 2013, 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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POLICE FEDERATION OF AUSTRALIA NEW SOUTH WALES POLICE BRANCH

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PR:SW

Ref: PFA Rules

13 June 2014

The General Manager
Fair Work Australia
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

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 long horizontal line extending to the right.

Scott Weber
Branch President

POLICE FEDERATION OF AUSTRALIA – NSW POLICE BRANCH

Operating Report for year ended 31 December 2013 – 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 Branch. s254(2)(a)

Significant Changes

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

Significant Changes to Financial Affairs

There were no significant changes in the nature of the Branch's financial affairs during the reporting period. s254 (b)

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 16,077.

Number of Employees

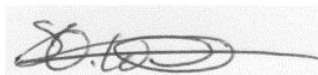
The number of persons who were, measured on a full time equivalent basis at the end of the reporting period, employees of the Branch was zero.

Members of Committee of Management

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

President	Scott Weber	1 January 2013 to 31 December 2013
Vice President	Patrick Gooley	1 January 2013 to 31 December 2013

Treasurer	Prudence Burgun	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Michael Aalders	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Allanah Anson	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Michael Connor	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Robert Dunn	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Jason Hogan	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Anthony King	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Dean Koenig	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Stephen McDonald	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Sameh Morgan	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Gerard O'Connor	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Craig Partridge	1 January 2013 to 6 June 2013
Ordinary Branch Executive	Oliver Behrens	2 August 2013 to 31 December 2013
Ordinary Branch Executive	Michael Plotecki	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Craig Sowinski	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Malcolm Sutherland	1 January 2013 to 31 December 2013
Ordinary Branch Executive	Stuart Thompson	29 January 2013 to 31 December 2013



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

Date: ...30 May 2014.....

POLICE ASSOCIATION OF NEW SOUTH WALES

EXECUTIVE CERTIFICATE

We, the undersigned members of the Executive of the Police Association of NSW hereby certify in respect of the financial year ended December 2013 that:

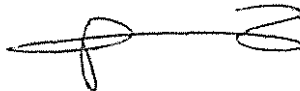
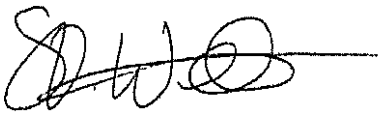
(i) in the opinion of the Executive the accounts prepared show a true and fair view of the financial affairs of the organisation as at the end of the financial year to which they relate; and

(ii) in the opinion of the Executive, during the financial year to which the accounts relate, meetings of the Executive were, in the opinion of the Executive, held in accordance with the rules of the organisation; and

(iii) to the knowledge of any member of the Executive, there have not been, during the financial year to which the accounts relate, instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation 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 organisation, have not been furnished, or made available, to members of the organisation in accordance with the Act, this Regulation or the rules of the organisation, as the case may be; and

(iv) in relation to the report prepared in accordance with section 514 of the 1991 Act, as applied by section 282(3) of the Industrial Relations Act 1996, by the auditor of the organisation in respect of the financial year immediately preceding the financial year to which the accounts relate [i.e. 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 organisation has complied with section 517 (1) of the 1991 Act and whichever of subsections (5) and (6) of that section of that Act is applicable.

This certificate is in accordance with a resolution passed by the Executive of the organisation in relation to the matters to be stated in the certificate and is signed on behalf of the Executive by at least 2 members of the Executive.



Scot Weber

Pat Gooley

Date 12 May 2014

POLICE ASSOCIATION OF NEW SOUTH WALES
ABN 86 047 021 267
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2013

2012	<u>ACCUMULATED FUNDS</u>	<u>NOTE</u>	2013
\$			\$
14,854,497.52	Retained Earnings		18,260,238.40
1,939,700.93	Reserves	13	2,229,700.93
<u>16,794,198.45</u>	Balance as at 31st December 2013		<u>20,489,939.33</u>
	 <u>REPRESENTED BY</u>		
	<u>CURRENT ASSETS</u>		
143.60	Cash on Hand		5.75
10,493.18	Other Debtors		41,774.91
6,243,603.97	Cash at Bank		9,360,504.13
69,058.14	Prepayments		111,662.15
14,665.45	Stock of Wall Plaques and Association Jewellery	11	16,450.00
<u>6,337,964.34</u>			<u>9,530,396.94</u>
	 <u>NON CURRENT ASSETS</u>		
487,000.00	Level 3, 32/154 Elizabeth Street, Sydney	2	504,000.00
855,000.00	Level 2, 24/154 Elizabeth Street, Sydney	2	870,000.00
863,000.00	Level 1, 20/154 Elizabeth Street, Sydney	2	892,000.00
950,000.00	Level 1, 22/154 Elizabeth Street, Sydney	2	982,000.00
1,330,000.00	Level 3, 12, 30, 31/154 Elizabeth Street, Sydney	2	1,350,000.00
2,870,000.00	Level 4, 15/154 Elizabeth Street, Sydney	2	2,977,000.00
3,480,000.00	Ground floor, 1&2/58 Pitt Street, Sydney	2	3,500,000.00
2,800,000.00	Level 3, 19/33-35 Belmont Street, Sutherland	2	2,850,000.00
	Motor Vehicles - at cost	3	452,166.49
391,256.00	Less accumulated depreciation		<u>93,213.49</u>
	Office Equipment - at cost	3	217,519.72
65,921.00	Less accumulated depreciation		<u>168,169.72</u>
	Office Furniture - at cost	3	385,996.74
169,513.00	Less accumulated depreciation		<u>245,129.74</u>
	Staff amenities	3	15,461.00
914.00	Less accumulated depreciation		<u>15,461.00</u>
<u>14,262,604.00</u>			<u>14,474,170.00</u>
<u>20,600,568.34</u>	TOTAL ASSETS		<u>24,004,566.94</u>
	 <u>LESS CURRENT LIABILITIES</u>		
1,705,365.95	Trade Creditors and accruals		1,632,021.23
32,947.34	Receipts in Advance		31,109.52
485,843.33	Provision for Annual Leave	4	421,745.26
1,582,213.27	Provision for Long Service Leave	5	1,429,751.60
<u>3,806,369.89</u>	TOTAL LIABILITIES		<u>3,514,627.61</u>
<u>16,794,198.45</u>	NET ASSETS		<u>20,489,939.33</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 2013

2012		<u>NOTE</u>	2013
\$			
<u>Income</u>			
13,292,091.60	Subscriptions - Membership fees		14,309,588.19
285,923.27	- Associate Membership		297,481.16
221,853.61	Rentals Received - Elizabeth Street, Sydney		204,185.94
243,335.05	- Pitt Street, Sydney		256,230.70
245,900.46	- Belmont Street, Sutherland		279,869.22
18,261.93	Advertising fees received		6,736.26
243,823.99	Interest received		299,125.78
347,191.83	Other Income		202,595.64
<u>14,898,381.74</u>			<u>15,855,812.89</u>
 <u>Administration</u>			
431,761.89	Annual leave	4	401,880.58
79,580.00	Audit & accounting	6	75,160.00
1,724.12	Bank charges		3,766.45
89,360.02	Computer systems		38,757.32
117,961.50	Consultancy fee	7	107,997.96
9,082.66	Courier fees		8,472.54
138,791.00	Depreciation		135,735.00
134,833.15	Donations		134,576.40
318,539.58	FBT		258,729.59
200,835.68	Insurance		173,534.23
106,811.81	Lease of equipment	8	113,349.90
262,939.81	Long service leave	5	2,417.26
-	Loss on sale of assets		11,804.63
9,907.10	Motor vehicle expenses		7,834.53
37,343.75	Office electricity		44,290.65
10,512.52	Office equipment/repairs/service		8,477.76
-	Online Media		5,330.30
310,060.49	Payroll tax		366,809.57
60,819.65	Postage/printing/stationery		66,768.94
367,433.04	Property expenses	9	406,088.52
252.36	Representation/promotion		1,684.45
4,911,488.00	Salaries, allowances & packaging - Association		5,063,704.87
97,081.13	Seconded officers' expenses		104,240.65
15,945.48	Staff amenities		15,925.32
16,046.54	Sundry office		5,083.72
528,735.12	Superannuation contribution - Employee - AMP/SASS		608,869.62
78,572.39	Superannuation contribution - Employee - Police Dept.		70,597.29
89,908.32	Telephone/fax/internet		112,596.16
2,097.17	Telephone		2,157.02
15,729.82	Travelling -local area		20,091.77
<u>8,444,154.10</u>			<u>8,376,733.00</u>
 <u>Affiliated Union Subscriptions</u>			
61,328.94	Unions NSW		67,783.96
241,289.71	Police Federation of Australia		280,250.29
<u>302,618.65</u>			<u>348,034.25</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 2013

	<u>Branch Expenses</u>		
2,219.71	Petty cash/stationery/sundry expenses	3,011.03	
51,815.76	Regional branch meeting	92,558.41	
<u>54,035.47</u>			95,569.44
	<u>Conference Expenses</u>		
278,462.68	Conference expenses	-	
13,544.69	Printing/recording/badge/sundries	12,855.00	
<u>292,007.37</u>			12,855.00
	<u>Executive Expenses</u>		
34,224.97	Branch visits and airfares	32,063.93	
30,282.83	Executive expenses allowance & committee expenses	26,760.11	
82,982.98	Executive meeting & representation promotions	91,217.57	
-	Police Federation Australia Support	25,700.66	
7,350.28	Training & education	5,514.65	
35,541.65	Telephone, drycleaning & internet	24,349.28	
27,645.38	Travel & motor vehicle expenses	25,311.58	
<u>218,028.09</u>			230,917.78
	<u>Industrial</u>		
11,793.22	Motor vehicle expenses	3,251.01	
145.10	Representation/promotion	224.15	
625.83	Telephone	896.12	
4,800.46	Training - seminars - TUTA	4,990.70	
256.92	Travel - allied costs	312.90	
<u>17,621.53</u>			9,674.88
	<u>Legal</u>		
3,094.59	Branch visits	685.44	
142,009.88	CARE Training	87,267.20	
13,941.78	Clothing/telephone	7,874.73	
18,837.57	Motor vehicle expenses	12,522.03	
1,019.20	Representation/promotion	791.41	
1,585.04	Travel - allied costs	1,277.95	
20,833.77	Training - seminars	28,239.40	
<u>201,321.83</u>			138,658.16
	<u>Members' Benefits</u>		
10,030.19	Associate benefits	6,478.64	
141,836.06	Death benefits	280,503.12	
1,507.03	Hospital amenities	2,885.25	
2,497,601.09	Legal assistance	2,026,736.22	10
20,741.18	Monthly magazine - 'Police News'	20,630.30	
28,088.39	Pocket diaries	41,197.14	
12,161.64	Rule books & publications	-	
63,300.00	Scholarships	78,000.00	
168,000.00	Trust funds under death benefit scheme	252,000.00	
25,311.51	Wall plaques & Association jewellery	39,238.71	11
21,030.00	Member benefit programs & representation	13,139.00	
44,415.44	Welfare assistance	27,612.01	
<u>3,034,022.53</u>			2,788,420.39

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 2013

2012		<u>NOTE</u>	2013
\$			\$
	<u>Organisers</u>		
45,387.56	Branch visits	52,865.31	
25,442.96	Clothing/telephone	24,257.96	
-	Loss on sale of asset	11,556.00	
129,037.92	Motor vehicle expenses	105,869.65	
6,616.64	Representation/promotion	9,599.81	
2,348.33	Travel & allied costs	938.18	
10,355.06	Training - seminars	2,959.90	
<u>219,188.47</u>			208,046.81
	<u>Resources/Research</u>		
121.36	Branch visits	-	
53,067.61	Library & publications	89,772.29	
6,264.36	Motor vehicle expenses	4,139.22	
455.18	Representation/Promotion	373.01	
783.45	Travel & allied costs	336.18	
2,516.38	Training / Education	1,952.09	
1,785.59	Telephone	1,549.79	
79,713.53	Work Cover	84,592.55	
<u>144,707.46</u>			182,715.13
	<u>Secretary</u>		
36.36	Branch Visits	-	
233,524.97	Media consultancy & campaigns	44,368.25	
4,305.69	Motor vehicle expenses	5,418.35	
2,329.55	Representation/promotion	1,478.10	
303.20	Training/education	3,645.65	
2,560.57	Telephone	2,693.56	
1,043.57	Travel - allied costs	843.26	
<u>244,103.91</u>			58,447.17
<u>13,171,809.41</u>	TOTAL EXPENDITURE		<u>12,450,072.01</u>
<u>1,726,572.33</u>	Operating Surplus for the year		<u>3,405,740.88</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 2013**

	Retained Earning	Asset Revaluation	TOTAL
Balance as at 1st January 2011	\$ 10,636,355.83	\$ 1,590,271.76	\$ 12,226,627.59
Profit for the year 2011	\$ 2,491,569.36	-	\$ 2,491,569.36
Revaluation increment 2011	-	\$ 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>\$ 14,854,497.52</u>	<u>\$ 1,939,700.93</u>	<u>\$ 16,794,198.45</u>
Profit for the year 2013	\$ 3,405,740.88	-	\$ 3,405,740.88
Revaluation increment 2013	-	\$ 290,000.00	\$ 290,000.00
Balance as at 31st December 2013	<u>\$ 18,260,238.40</u>	<u>\$ 2,229,700.93</u>	<u>\$ 20,489,939.33</u>

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

CASH FLOWS STATEMENT

For the year ended 31st December 2013

2012		2013
\$		\$
	<u>Cash from Operating Activities</u>	
14,977,126.76	Receipts from members	16,169,689.62
812,203.62	Receipts from rentals	738,448.04
243,823.99	Interest Received	299,125.78
401,999.13	Other incomes and grants	180,149.90
< 14,104,173.65 >	Payments to suppliers, employees and members' benefits	< 14,184,168.03 >
<u>2,330,979.85</u>	Net cash provided by operating activities	<u>3,203,245.31</u>
	<u>Cash flows from Investing Activities</u>	
83,510.00	Proceeds from sales of assets	132,609.00
< 4,260.00 >	Payment re purchase of plant and equipment	< 19,707.00 >
< 145,246.00 >	Payment re purchase of motor vehicles	< 199,385.00 >
< <u>65,996.00</u> >	Net cash provided by investing activity	< <u>86,483.00</u> >
	<u>Cash flows from Financing Activities</u>	
< 50.00 >	Repayment of borrowing	< - >
< <u>50.00</u> >	Net cash used from financing activities	< - >
2,264,933.85	Net increase/<decrease> in cash held	<u>3,116,762.31</u>
3,978,813.72	Cash at the beginning of the financial year	<u>6,243,747.57</u>
<u>6,243,747.57</u>	Cash at the end of the financial year	<u>9,360,509.88</u>

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

CASH FLOWS STATEMENT

For the year ended 31st December 2013

2012		2013
\$		\$
	<u>Cash flows reconciliation</u>	
	Reconciliation of cash and cash equivalents as per statement of financial positions to cash flows statement.	
1,726,572.33	Profit (deficit) from ordinary activities	3,405,740.88
	<u>Adjustment for non cash items</u>	
138,791.00	Depreciation	135,735.00
37,256.00	Loss from disposals of motor vehicles	24,487.00
-	Loss from disposals of other assets	4,695.00
	<u>Changes in assets / liabilities</u>	
39,919.09	Increase (decrease) in receivables	< 31,281.73 >
< 35,146.03 >	Increase (decrease) in other assets	< 42,604.01 >
1,314.25	Increase (decrease) in inventories	< 1,784.55 >
333,203.24	Increase (decrease) in payables	< 73,344.72 >
24,913.63	Increase (decrease) in other payables	< 1,837.82 >
64,156.34	Increase (decrease) in provisions	< 216,559.74 >
<u>2,330,979.85</u>		<u>3,203,245.31</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

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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.

Key estimates

Impairment

The strata properties were independently valued on 19.2.2014 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 demands, recent sales data for similar properties in the same area. The valuations resulted in a valuation increment of \$290,000 being recognised for the year ended 31.12.2013

At 31.12.2013, the Executive Management Committee reviewed the key assumptions made by the valuers on the 19.2.2014. The committee concluded that these assumptions remain materially unchanged and are satisfied that the carrying values do not exceed the recoverable amounts at 31.12.2013.

The committee has obtained confirmation from the valuer in relation to market value as at 31.12.2013. The valuer confirmed that the commercial property values in Sydney did not change materially between 31.12.2013 and at the date of valuation at the date 19.2.2014. Hence market value as reported on the valuation report has been adopted in the accounts at 31.12.2013.

POLICE ASSOCIATION OF NEW SOUTH WALES

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Notes to the Financial Statements

Note 2: Strata Titled Properties

2012		2013
\$		\$
863,000.00	Level 1, 20/154 Elizabeth Street, Sydney	
	Balance as at 1/1/2013	863,000.00
-	Valuation increment(decrement)	29,000.00
<u>863,000.00</u>	Market value at independent valuation 31/12/2013	<u>892,000.00</u>
950,000.00	Level 1, 22/154 Elizabeth Street, Sydney	
	Balance as at 1/1/2013	950,000.00
-	Valuation increment(decrement)	32,000.00
<u>950,000.00</u>	Market value at independent valuation 31/12/2013	<u>982,000.00</u>
855,000.00	Level 2, 24/154 Elizabeth Street, Sydney	
	Balance as at 1/1/2013	855,000.00
-	Valuation increment(decrement)	15,000.00
<u>855,000.00</u>	Market value at independent valuation 31/12/2013	<u>870,000.00</u>
1,330,000.00	Level 3, 12, 30, 31/154 Elizabeth Street, Sydney	
	Balance as at 1/1/2013	1,330,000.00
-	Valuation increment(decrement)	20,000.00
<u>1,330,000.00</u>	Market value at independent valuation 31/12/2013	<u>1,350,000.00</u>
2,870,000.00	Level 4, 154 Elizabeth Street, Sydney	
	Balance as at 1/1/2013	2,870,000.00
-	Valuation increment(decrement)	107,000.00
<u>2,870,000.00</u>	Market value at independent valuation 31/12/2013	<u>2,977,000.00</u>
3,480,000.00	Ground floor 12/58 Pitt Street, Sydney	
	Balance as at 1/1/2013	3,480,000.00
-	Valuation increment(decrement)	20,000.00
<u>3,480,000.00</u>	Market value at independent valuation 31/12/2013	<u>3,500,000.00</u>
2,800,000.00	Level 3, 19/33-35 Belmont Street, Sutherland	
	Balance as at 1/1/2013	2,800,000.00
-	Valuation increment(decrement)	50,000.00
<u>2,800,000.00</u>	Market value at independent valuation 31/12/2013	<u>2,850,000.00</u>
487,000.00	Level 3, 32/152 Elizabeth Street, Sydney - At cost	
	Balance as at 1/1/2013	487,000.00
-	Valuation increment	17,000.00
<u>487,000.00</u>	Market value at independent valuation 31/12/2013	<u>504,000.00</u>

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

Notes to the Financial Statements

Note 2: Strata Titled Properties

**Movement of Cost & Valuation
as at 31st December 2013**

	At Cost	Year to date valuation	Carrying Cost As At 1/12/13	2013 increment	Carrying Cost As At 31/12/13
Lvl 1, 20/154 Elizabeth Street, Sydney	649,200.62	242,799.38	863,000.00	29,000.00	892,000.00
Lvl 1, 22/154 Elizabeth Street, Sydney	719,544.70	262,455.30	950,000.00	32,000.00	982,000.00
Lvl 2, 24/154 Elizabeth Street, Sydney	809,495.45	60,504.55	855,000.00	15,000.00	870,000.00
Lvl 3, 12, 30, 31/154 Elizabeth Street, Sydney	1,295,888.12	54,111.88	1,330,000.00	20,000.00	1,350,000.00
Lvl 4, 154 Elizabeth Street, Sydney	3,422,456.35 <	445,456.35 >	2,870,000.00	107,000.00	2,977,000.00
Ground Floor 1 and 2 /58 Pitt Street	2,679,876.00	820,124.00	3,480,000.00	20,000.00	3,500,000.00
Lvl 3, 19/33-35 Belmont Street, Sutherland	1,633,267.00	1,216,733.00	2,800,000.00	50,000.00	2,850,000.00
Lvl 3, 32/154 Elizabeth Street, Sydney	485,570.83	18,429.17	487,000.00	17,000.00	504,000.00
	<u>11,695,299.07</u>	<u>2,229,700.93</u>	<u>13,635,000.00</u>	<u>290,000.00</u>	<u>13,925,000.00</u>

Note 3: Property, Plant, Equipment & Motor Vehicles

Movement in Carrying Amounts

	Balance as at 1/1/2013	Sale	Profit/<Loss>	Additions/ Refurbishment s	Valuation/ Increment	Depreciation	Carrying Amount 31/12/2013
Strata properties	13,635,000.00				290,000.00		13,925,000.00
Motor vehicles	391,256.00 <	132,273.00 >	< 24,487.00 >	199,385.00		< 74,928.00 >	358,953.00
Office equipment	65,921.00	-	< 1,285.00 >	-		< 15,286.00 >	49,350.00
Office furniture	169,513.00 <	336.00 >	< 3,410.00 >	19,707.00		< 44,607.00 >	140,867.00
Staff amenities	914.00					< 914.00 >	-
TOTAL	<u>14,262,604.00</u> <	<u>132,609.00</u> >	<u>< 29,182.00 ></u>	<u>219,092.00</u>	<u>290,000.00</u>	<u>< 135,735.00 ></u>	<u>14,474,170.00</u>

POLICE ASSOCIATION OF NEW SOUTH WALES

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Notes to the Financial Statements

2012
\$

2013
\$

Note 4 - Provision for Annual Leave

Balance as at 01/01/13

485,843.33

Add additional provision for the year

401,880.58

543,636.14

431,761.89

975,398.03

887,723.91

Less paid during the year

465,978.65

Balance as at 31/12/13

421,745.26

Note 5 - Provision for Long Service Leave

Balance as at 01/01/13

1,582,213.29

Add additional provision for the year

2,417.26

1,460,264.12

262,939.81

1,723,203.93

1,584,630.55

Less paid during the year

154,878.93

Balance as at 31/12/13

1,429,751.62

Note 6 - Auditor's Remuneration

Total amounts receivable by the auditor of the Association

(a) Audit of Accounts

16,000.00

(b) Other services

59,160.00

16,000.00

63,580.00

79,580.00

75,160.00

The auditor did not receive any other benefits.

Note 7 - Consultancy Fees

IT Logic - Office IT

30,710.64

Attkey Solutions - Accounting software training

4,160.00

PANSW contribution to supportive leadership program

-

Mutual Solutions - Workplace safety assessment

-

Suntool Solutions - Financial analytics

36,575.00

Employee Assistance program

994.00

PSAC/MDRP consultancy

24,438.77

Nexia Court & Co - Tax advice

3,500.00

Mercer Human Resources -Independent job evaluations

6,315.00

Accounting system review

1,304.55

42,600.00

920.00

2,000.00

2,492.50

38,205.00

390.00

25,979.00

2,750.00

2,625.00

-

117,961.50

107,997.96

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>
2014	131,889.16	249,110.18
2015	125,925.38	123,184.80
2016	91,582.80	31,602.00
2017	31,602.00	-

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

Notes to the Financial Statements

2012		2013
\$		\$
	<u>Note 9 - Property Expenses</u>	
240,427.37	Elizabeth Street, Sydney	266,261.02
72,351.56	Pitt Street Property Expenses	80,699.38
54,654.11	Sutherland Property Expenses	59,128.12
<u>367,433.04</u>		<u>406,088.52</u>
	<u>Note 10- Contingent Liabilities</u>	
	Legal liabilities estimated by the Association's solicitors existed at 31st December, 2013. The liabilities represent approved legal assistance for matters in the hands of solicitors and barristers as at 31st December 2013.	
<u>1,496,967.00</u>		<u>1,099,205.00</u>
	<u>Note 11 - Wall Plaques and Association Jewellery</u>	
15,979.70	Stock on hand - 1/1/2013	14,665.45
27,815.22	Add purchases during the year	41,709.37
43,794.92		56,374.82
< 3,817.96 >	Less Sales	< 686.11 >
< 14,665.45 >	Stock on hand 31/12/2013	< 16,450.00 >
<u>25,311.51</u>		<u>39,238.71</u>
	<u>Note 12 - Related Party Transactions</u>	
	There are no related party transactions for the year ended 31st December 2013	
	<u>Note 13 - Reserves</u>	
		Asset Revaluation Reserve
1,590,271.76	Balance as at 1/1/2011	1,590,271.76
349,429.17	Revaluation of land and building 2011	349,429.17
1,939,700.93	Balance as at 31/12/2011	1,939,700.93
-	Revaluation of land and building 2012	-
1,939,700.93	Balance as at 31/12/2012	1,939,700.93
-	Revaluation of land and building 2013	290,000.00
<u>1,939,700.93</u>	Balance as at 31st December 2013	<u>2,229,700.93</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 2013.

Operating Report

Members are advised that Fair Work Australia have determined that s 254 of the Fair Work (Registered Organisations) Act required 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 9265 6777.

**CERTIFICATE BY ACCOUNTING OFFICER*
OF A STATE ORGANISATION**

[The provisions of section 510 (2) of the *Industrial Relations Act 1991* and clause 59(l)(a) of the *Industrial Relations Regulation 1992* apply as regulations under section 282(3) of the *Industrial Relations Act 1996*]

I.....Julia Gard....., the accounting officer
(insert name of accounting officer*)

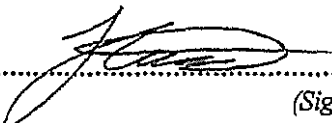
of the Police Association of NSW
(insert name of the organisation)

hereby certify that to the best of my knowledge and belief that:

there were16, 007.....persons that were members of the
(state number)
organisation as at the end of the financial year ended31 December 2013.....

and in my opinion:

- (i) the accounts show a true and fair view of the financial affairs of the organisation as at the end of the financial year; and
- (ii) a record has been kept of all money paid by, or collected from, members of the organisation, and all money so paid or collected has been credited to the bank account or accounts to which the money is to be credited, in accordance with the rules of the organisation; and
- (iii) before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation; and
- (iv) *[Please indicate whichever of the following statements is applicable]*
 - no payment was made out of a fund referred to in clause 57 (b) (xiii) or (xv) of the Regulation for a purpose other than the purpose for which the fund was operated;
 - OR payment was made out of a fund referred to in clause 57(b)(xiii) or (xv) of the 1992 Regulation, as applied by section 282(3), for a purpose other than the purpose for which the fund was operated only when approved in accordance with the rules of the organisation; and
- (v) all loans or other financial benefits granted to persons holding office in the organisation were authorised in accordance with the rules of the organisation; and
- (vi) the register of members of the organisation was maintained in accordance with the Act.

.....

(Signature of accounting officer)

23/4/2014
(Date)

*"Accounting Officer" means the officer of the organisation responsible for the keeping of the accounting records of the organisation.

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 2013 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 2013, 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 2013 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 2013, 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 providedand are in accordance with the Statements of Accounting Concepts and Applicable Accounting Standards.

SIGNED AT SYDNEY this 12th day of May 2014



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