



15 June 2016

Mr Peter Remfrey
Secretary
Police Federation of Australia – New South Wales Police Branch
Level 4, 154 Elizabeth Street
SYDNEY NSW 2000

via email: peter.remfrey@pansw.org.au

Dear Mr Remfrey

Application pursuant to section 269 of the Fair Work (Registered Organisations) Act 2009 for the financial year ended 31 December 2015 (FR2015/363)

I refer to your application pursuant to s269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (RO Act), lodged in the Fair Work Commission (FWC) on 6 June 2016, in respect of the New South Wales Police Branch of the Police Federation of Australia (PFA NSW) for the financial year ended 31 December 2015.

I am satisfied that PFA NSW is a reporting unit and that its financial affairs for the financial year ended 31 December 2015 were encompassed by the Police Association of NSW (the Association), an associated State body registered under the *Industrial Relations Act 1996 (NSW)*. The attached certificate reflects this decision.

If you wish to discuss this matter, please contact Ms Joanne Fenwick on 03) 8656 4681 or by email to joanne.fenwick@fwc.gov.au.

Yours sincerely

Chris Enright
Director
Regulatory Compliance Branch



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
(FR2015/363)

MR ENRIGHT

MELBOURNE, 15 JUNE 2016

Reporting unit's financial affairs encompassed by associated State body

[1] On 6 June 2016 an application was made under s269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the New South Wales Police Branch of the Police Federation of Australia (the reporting unit) for a certificate stating that the financial affairs of the reporting unit are encompassed by the financial affairs of the Police Association of NSW (the Association), an associated State body, in respect of the financial year ended 31 December 2015.

[2] On 6 June 2016, the reporting unit lodged a copy of the audited accounts of the Association with the Fair Work Commission (the Commission).

[3] I am satisfied that the Association:

- is a 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 reporting unit; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the reporting unit; 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 member of the reporting unit 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 reporting unit who are members of the Association;
- a report under s.254 of the Act has been prepared in respect of those activities of the reporting unit and has been provided to the members of the reporting unit with copies of the accounts; and
- a copy of the audited accounts was lodged with the Commission on 6 June 2016.

[5] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ending 31 December 2015, are encompassed by the financial affairs of the Association and I certify accordingly under s269(2)(a) of the Act.



DELEGATE OF THE GENERAL MANAGER

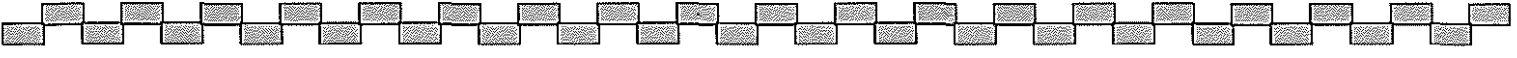
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POLICE FEDERATION OF AUSTRALIA NEW SOUTH WALES POLICE BRANCH

Level 4
154 Elizabeth Street
SYDNEY NSW 2000

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



PR:SW
Ref: PFA Rules
06 June 2016

The General Manager
Fair Work Commission
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 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 (Attachment 2) by publishing on the Reporting Unit and Associated State Body's website. Members have been notified that this report has been published, by advising that the report can be obtained on the website and within the audited accounts (Attachment 1), published in the Associated State Body's monthly Journal.

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 blue 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 2015 – s254

Principal Activities

The principal activities of the Branch during the reporting period were to provide industrial and organising 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, 303.

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 2015 to 31 December 2015
Vice President	Patrick Gooley	1 January 2015 to 31 December 2015
Treasurer	Anthony King	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Michael Aalders	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Allanah Anson	1 January 2015 to 31 December 2015

Ordinary Branch Executive	Michael Connor	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Robert Dunn	1 January 2015 to 9 March 2015
Ordinary Branch Executive	Sue Rose	23 April 2015 to 31 December 2015
Ordinary Branch Executive	Jason Hogan	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Brett Henderson-Smith	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Dean Koenig	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Stephen McDonald	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Nathan Doyle	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Gerard O'Connor	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Oliver Behrens	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Gary Merryweather	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Craig Partridge	27 February 2015 to 31 December 2015
Ordinary Branch Executive	Melissa Cooper	1 January 2015 to 31 December 2015
Ordinary Branch Executive	Ian Johnstone	1 January 2015 to 24 July 2015
Ordinary Branch Executive	Kevin Morton	13 October 2015 to 31 December 2015
Ordinary Branch Executive	Mick Buko	1 January 2015 to 31 December 2015

.....
Signed Scott Weber
(Branch President)
Date: ...9 May 2016.....

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 2015 that:

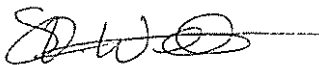
(i) in the opinion of the Executive, the accounts and notes as set out on pages 3 to 23 show a true and fair view of the financial affairs of the organisation as at the end of the financial year to which they relate; and

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

(iii) to the knowledge of any member of the Executive, 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.



Scott Weber - President



Tony King - Treasurer

Date: 14 April 2016

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

[The provisions of section 510 (2) of the *Industrial Relations Act 1991* and clause 59(1)(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)*

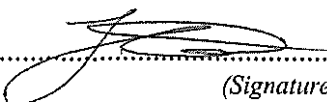
of the Police Association of NSW
(insert name of the organisation)

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

there were 16,303.....persons that were members of the
(state number)
organisation as at the end of the financial year ended31 December 2015.....

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]***
 - [x] 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)

..... 14/04/2016
(Date)

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

POLICE ASSOCIATION OF NSW
ABN 86 047 021 267
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2015

2014	<u>ACCUMULATED FUNDS</u>	<u>NOTE</u>	2015
\$			\$
20,920,893.01	Retained Earnings		25,450,253.10
2,229,700.93	Reserves	15	2,229,700.93
<u>23,150,593.94</u>	Balance as at 31st December 2015		<u>27,679,954.03</u>
	<u>REPRESENTED BY</u>		
	<u>CURRENT ASSETS</u>		
87.10	Cash on Hand		75.05
17,983.49	Other Debtors		600,410.83
12,658,092.30	Cash at Bank		15,870,874.88
68,863.09	Prepayments		14,171.12
31,270.60	Stock of Wall Plaques and Association Jewellery	11	173,015.34
<u>12,776,296.58</u>			<u>16,658,547.22</u>
	<u>NON CURRENT ASSETS</u>		
504,000.00	Level 3, 32/154 Elizabeth Street, Sydney	2	504,000.00
870,000.00	Level 2, 24/154 Elizabeth Street, Sydney	2	870,000.00
892,000.00	Level 1, 20/154 Elizabeth Street, Sydney	2	892,000.00
982,000.00	Level 1, 22/154 Elizabeth Street, Sydney	2	982,000.00
1,350,000.00	Level 3, 12, 30, 31/154 Elizabeth Street, Sydney	2	1,350,000.00
2,977,000.00	Level 4, 15/154 Elizabeth Street, Sydney	2	2,977,000.00
3,500,000.00	Ground floor, 1&2/58 Pitt Street, Sydney	2	3,500,000.00
2,850,000.00	Level 3, 19/33-35 Belmont Street, Sutherland	2	2,850,000.00
	Motor Vehicles - at cost	3	467,906.85
380,230.00	Less accumulated depreciation		<u>81,911.85</u>
	Office Equipment - at cost	3	228,791.67
36,375.00	Less accumulated depreciation		<u>193,920.67</u>
	Office Furniture - at cost	3	390,741.74
95,655.00	Less accumulated depreciation		<u>335,693.74</u>
	Staff amenities	3	16,887.36
-	Less accumulated depreciation		<u>16,084.36</u>
<u>14,437,260.00</u>			<u>14,401,717.00</u>
<u>27,213,556.58</u>	TOTAL ASSETS		<u>31,060,264.22</u>
	<u>LESS CURRENT LIABILITIES</u>		
2,184,399.16	Trade Creditors and accruals		1,680,012.32
10,668.35	Other payables		38,001.99
33,290.30	Receipts in Advance		-
507,165.54	Provision for Annual Leave	4	508,531.31
1,327,439.29	Provision for Long Service Leave	5	<u>1,153,764.57</u>
<u>4,062,962.64</u>	TOTAL LIABILITIES		<u>3,380,310.19</u>
<u>23,150,593.94</u>	NET ASSETS		<u>27,679,954.03</u>

To be read in conjunction with the notes attached

POLICE ASSOCIATION OF NSW

ABN 86 047 021 267

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2015

2014		<u>NOTE</u>		2015
\$				\$
	<u>Income</u>			
15,124,923.77	Membership Fees received- Full membership			15,410,729.45
242,099.57	Membership Fees received- Associate Membership			291,288.67
209,724.06	Rentals Received - Elizabeth Street, Sydney			181,937.32
266,477.30	Rentals Received - Pitt Street, Sydney			271,774.33
287,348.12	Rentals Received - Belmont Street, Sutherland			253,591.39
5,961.80	Advertising fees received			21,362.34
316,335.86	Interest received			653,487.51
239,528.55	Other Income			252,281.27
16,692,399.03				17,336,452.28
	<u>Administration</u>			
457,694.15	Annual leave	4	446,259.21	
69,500.00	Audit & accounting	6	75,500.00	
1,657.15	Bank charges		1,344.90	
113,764.26	Computer systems		98,809.55	
95,816.47	Consultancy fee	7	116,692.95	
9,011.27	Courier fees		7,488.38	
128,355.00	Depreciation		127,815.31	
70,261.04	Donations & Sponsorship		105,166.17	
271,394.80	FBT		222,932.87	
67,158.64	Insurance		107,459.92	
1,875.00	Legal Fees		4,552.50	
119,899.28	Lease of equipment	8	71,806.72	
286,474.19	Long service leave	5	184,010.99	
-	Loss on sale of assets		3,451.64	
36,320.69	Office electricity		23,744.94	
14,224.84	Office equipment/repairs/service		28,745.38	
33,175.39	Online Media		64,496.86	
312,880.47	Payroll tax		357,747.62	
60,438.80	Postage/printing/stationery		56,285.66	
504,038.43	Property expenses	9	442,298.90	
4,948,379.86	Salaries, allowances & packaging - Association		4,803,632.44	
169,955.60	Seconded officers' expenses		227,158.73	
13,412.94	Staff amenities		18,745.48	
26,895.33	Sundry office		4,918.79	
510,442.99	Superannuation contribution - Employee - AMP/SASS		618,996.13	
78,947.79	Superannuation contribution - Employee - Police Dept.		54,808.56	
61,519.89	Telephone/fax/internet		54,717.19	
446.52	Telephone allowance		1,216.05	
14,902.76	Travelling -local area		15,028.92	
8,478,843.55			15,028.92	8,345,832.76
	<u>Affiliated Union Subscriptions</u>			
61,387.41	Unions NSW		56,239.18	
270,226.32	Police Federation of Australia		285,314.90	
-	Other Affiliations		20,881.20	
331,613.73			20,881.20	362,435.28

To be read in conjunction with notes attached.

POLICE ASSOCIATION OF NSW

ABN 86 047 021 267

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2015

2014		2015
\$		\$
	<u>Branch Expenses</u>	
2745.45	Petty cash/stationery/sundry expenses	3,812.74
116,306.19	Regional branch meeting	238,585.72
119,051.64		242,398.46
	<u>Conference Expenses</u>	
368,917.96	Conference expenses	61,357.89
-	Printing/recording/badge/sundries	-
368,917.96		61,357.89
	<u>Executive Expenses</u>	
37,974.15	Branch visits and airfares	40,395.38
24,853.04	Executive expenses allowance & committee expenses	26,931.80
82,868.85	Executive meeting & representation promotions	90,638.24
-	Loss on sale of Motor Vehicle	7,018.81
6,182.06	Police Federation Australia Support	3,841.69
1,793.48	Training & education	6,751.22
38,748.40	Telephone, drycleaning & internet	25,559.39
21,637.97	Travel & motor vehicle expenses	18,389.02
214,057.95		219,525.55
	<u>Industrial</u>	
8,181.63	Loss on disposal of Motor Vehicle	-
3,654.06	Motor vehicle expenses	-
-	Representation/promotion	160.05
482.02	Telephone	200.00
5,578.97	Training - seminars	10,000.55
671.14	Travel - allied costs	1,042.96
18,567.82		11,403.56
	<u>Legal</u>	
-	Branch visits	59.42
5,536.47	Clothing/telephone	5,877.50
7,465.46	Motor vehicle expenses	8,156.06
1,973.76	Representation/promotion	579.77
-	Travel - allied costs	256.15
19,350.18	Training - seminars	23,280.97
34,325.87		38,209.87
	<u>Members' Benefits</u>	
4,615.54	Associate benefits	3,465.62
387,980.96	CARE Training	85,828.58
215,472.72	Death benefits	156,705.67
2,147.65	Hospital amenities	1,158.14
3,220,575.38	Legal assistance	10 2,555,932.43
8,996.02	Monthly magazine - 'Police News'	19,482.10
14,364.78	Pocket diaries	37,325.71
91,000.00	Scholarships	97,000.00
108,000.00	Trust funds under death benefit scheme	96,000.00
10,122.81	Wall plaques & Association jewellery	11 44,601.36
-	Member benefit programs & representation	12,000.00
47,194.50	Welfare assistance	61,305.48
4,110,470.36		3,170,805.09

To be read in conjunction with the notes attached.

POLICE ASSOCIATION OF NSW

ABN 86 047 021 267

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2015

2014			2015
\$			\$
	<u>Organisers</u>		
45,193.63	Branch visits	51,046.88	
32,766.40	Clothing/telephone	23,402.44	
8,529.31	Loss on sale of asset	25,423.53	
127,969.14	Motor vehicle expenses	127,901.18	
12,544.00	Representation/promotion	14,243.50	
7,378.26	Travel & allied costs	15,192.59	
13,029.19	Training - seminars	11,954.88	
<u>247,409.93</u>			269,165.00
	<u>Resources/Research</u>		
-	Loss on Sale of Motor Vehicle	10,341.79	
54,511.94	Library & publications	35,525.21	
8,202.37	Motor vehicle expenses	4,663.00	
135.09	Representation/Promotion	53.82	
340.24	Travel & allied costs	-	
804.54	Training / Education	4,402.65	
1,451.58	Telephone	1,298.11	
<u>65,445.76</u>			56,284.58
	<u>Secretary</u>		
30,600.09	Media consultancy & campaigns	19,686.13	
5,341.08	Motor vehicle expenses	3,825.65	
1,310.02	Representation/promotion	902.73	
1,768.13	Training/education	842.73	
2,797.60	Telephone	2,330.29	
1,222.93	Travel - allied costs	2,086.62	
<u>43,039.85</u>			29,674.15
<u>14,031,744.42</u>	TOTAL EXPENDITURE		<u>12,807,092.19</u>
<u>2,660,654.61</u>	Operating Surplus for the year		<u>4,529,360.09</u>

To be read in conjunction with the notes attached.

POLICE ASSOCIATION OF NEW SOUTH WALES

ABN 86 047 021 267

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2015

	Retained Earning	Asset Revaluation	TOTAL
Balance as at 1st Januaryr 2013	\$14,854,497.52	\$1,939,700.93	\$16,794,198.45
Surplus 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>
Surplus for the year 2014	\$2,660,654.61	-	\$2,660,654.61
Balance as at 31st December 2014	<u>\$20,920,893.01</u>	<u>\$2,229,700.93</u>	<u>\$23,150,593.94</u>
Surplus for the year 2015	\$4,529,360.09	-	\$4,529,360.09
Balance as at 31st December 2015	<u><u>\$25,450,253.10</u></u>	<u><u>\$2,229,700.93</u></u>	<u><u>\$27,679,954.03</u></u>

To be read in conjunction with the notes attached.

POLICE ASSOCIATION OF NSW
ABN 86 047 021 267
CASH FLOWS STATEMENT
For the year ended 31st December 2015

2014		2015
\$		\$
	<u>Cash from Operating Activities</u>	
15,994,166.76	Receipts from members	17,258,584.99
765,730.26	Receipts from rentals	778,033.34
316,335.86	Interest Received	66,711.62
245,490.35	Other incomes and grants	277,509.40
< 13,915,898.71 >	Payments to suppliers, employees and members' benefits	< 15,029,560.74 >
<u>3,405,824.52</u>	Net cash provided by operating activities	<u>3,351,278.61</u>
	<u>Cash flows from Investing Activities</u>	
26,273.00	Proceeds from sales of assets	109,483.06
-	Payment re purchase of plant and equipment	< 17,443.31 >
< 134,428.00 >	Payment re purchase of motor vehicles	< 230,547.83 >
< 108,155.00 >	Net cash provided by investing activity	< 138,508.08 >
	<u>Cash flows from Financing Activities</u>	
-	Repayment of borrowing	-
-	Net cash used from financing activities	-
3,297,669.52	Net increase/<decrease> in cash held	3,212,770.53
9,360,509.88	Cash at the beginning of the financial year	12,658,179.40
<u>12,658,179.40</u>	Cash at the end of the financial year	<u>15,870,949.93</u>

To be read in conjunction with the notes attached.

POLICE ASSOCIATION OF NSW
ABN 86 047 021 267
CASH FLOWS RECONCILIATION
For the year ended 31st December 2015

2014		2015
\$		\$
	<u>Cash flows reconciliation</u>	
	Reconciliation of cash and cash equivalents as per statement of financial positions to cash flows statement.	
2,660,654.61	Surplus (deficit) from ordinary activities	4,529,360.09
	<u>Adjustment for non cash items</u>	
128,355.00	Depreciation	127,815.31
16,710.00	Loss from disposals of motor vehicles	46,235.77
-	Loss from disposals of other assets	-
	<u>Changes in assets / liabilities</u>	
23,791.42	(Increase) decrease in receivables	< 582,427.34 >
42,799.06	(Increase) decrease in other assets	54,691.97
< 14,820.60 >	(Increase) decrease in inventories	< 141,744.74 >
563,046.28	Increase (decrease) in payables	< 504,386.84 >
2,180.78	Increase (decrease) in other payables	< 5,956.66 >
< 16,892.03 >	Increase (decrease) in provisions	< 172,308.95 >
< <u>3,405,824.52</u> >		<u>3,351,278.61</u>

To be read in conjunction with the notes attached.

POLICE ASSOCIATION OF NSW

ABN 86 047 021 267

Notes to the Financial Statements

For the year ended 31st December 2015

Notes 1: Statement of Significant Accounting Policies

The financial report covers The 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 1996.

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. 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 50-15 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 Vehicle

Each class of plant, equipment and motor vehicles are 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 NSW
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Notes to the Financial Statements
For the year ended 31st December 2015

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 rate used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Office, Plant and Equipment & Staff Amenities	7.5 - 33%
Motor Vehicle	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 assets 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. Impairment

At each reporting date, the carrying amounts of Property, Plant and Equipment are reviewed for impairment. When events or changes in circumstances indicate that the carrying value may not be recoverable, impairment loss is recognised in the Statement of Comprehensive Income.

f. 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.

g. 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.

h. 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 NSW

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Notes to the Financial Statements

For the year ended 31st December 2015

i. 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.

j. 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 has been accounted for on an accrual basis

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).

k. 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.

l. Comparative Figures

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

m. 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.

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Notes to the Financial Statements
For the year ended 31st December 2015

n. Financial Instruments

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

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

Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial Assets at Fair Value through Profit or Loss

Financial assets are classified at fair value through profit or loss when they are of the following nature:

- a) They are acquired for trading for the purpose of short term profit taking.
- b) They are derivatives not held for hedging purposes.
- c) They are acquired and determined by the Committee of Management and measured at fair value with changes in carrying amount being included in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the Statement of Comprehensive Income

Held to Maturity Investments

These are non-derivative financial assets that have fixed maturity dates, fixed or determinable payments and the reporting unit with the intentions to hold these investments to maturity. They are measured at amortised cost with gains or losses recognised in profit or loss when the financial asset is derecognised.

Available for Sale Financial Assets

These comprise principally investments in the equity securities with no fixed maturities and fixed or determinable payments, are non-derivatives that are either not capable of being classified into other categories of financial assets due to their nature or they are classified as such by the Committee of Management.

Available for Sale Financial Assets are classified as non current assets when they are not expected to be sold within 12 months after the end of the reporting date.

All other available for sale financial assets are classified as current assets.

When the assets are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains or losses from investment securities.

POLICE ASSOCIATION OF NSW
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Notes to the Financial Statements
For the year ended 31st December 2015

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial Liabilities

Financial liabilities are classified as follows:

- a) Financial liabilities at fair value through profit or loss; or
- b) Other financial liabilities

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

The gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or the assets were transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the assets. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability which is extinguished or transferred to another party and the fair value of consideration paid is recognised in the income statement as gains or losses from investments.

Impairment

At balance date, the Association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset will be deemed to be impaired if there is a significant or prolonged decline in the fair value of the asset below its cost. Impairment losses are recognised in the Statement of Comprehensive Income.

Fair Value

The determination of fair value is based on the current bid prices of quoted market prices at the end of the reporting period. These relate to publicly traded derivatives and trading of available for sale securities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These involve the use of available market data.

(o) Accounting Judgements and Estimates

When preparing the financial statements, the Committee of Management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. These judgements may differ from the actual figures. The procedures taken by the Committee of Management are listed hereunder.

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Notes to the Financial Statements
For the year ended 31st December 2015

Impairment

An impairment loss is recognised if the amount by which the asset's or cash generating item's carrying amount exceeds its recoverable amount. To determine the recoverable amount, the Committee of Management estimates future cash flows from each cash-generating item and uses a suitable interest rate to calculate the present value of those cash flows. In the process of accessing the future cash flows, the Committee of Management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The final outcomes may differ and may cause significant adjustments to the Association within the next financial year. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment asset specific risk factors. No impairment losses have been recorded in the financial year just ended.

Useful Lives of Depreciable Assets

The Committee of Management reviews the useful lives and the asset's residual values. Adjustments are made if appropriate at each reporting date.

Provisions

The Association currently provides for long service leave and annual leave. Estimates are made based on their terms of employment and the length of service. Provisions are calculated with reference to their current salary rate.

(p) Fair Value Measurement of Assets and Liabilities

The Association measures its assets and liabilities at fair value on either a recurring or non-recurring basis.

Fair value is the price the Association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing participants at the measurement date.

As fair value is a market based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustment to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or in the absence of such a market the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability after taking into account transaction cost and transport cost).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best or sell it to another market participant that would put the asset in its highest and best use

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Notes to the Financial Statements
For the year ended 31st December 2015

(p) Fair Value Measurement of Assets and Liabilities (continue)

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued where there is no observable market price in relation to the transfer of such financial instruments by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant are detailed in the respective note to the Financial Statements.

(q) New Australian Accounting Standards

Adoption of new Australian Accounting Standards Requirements.

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year except as follows.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign off date and are applicable to the future reporting period that are expected to have a future financial impact on the Association include:

AASB 9 Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting period commencing on or after 1 January 2018).

This standard will be applicable retrospectively (subject to the provisions on hedge accounting) and includes revised requirements for the classification and measurement of financial instruments, revise recognition and de-recognition requirements for financial instruments and simplified requirements for hedge accounting.

AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. This new standard provide users of Financial Statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

POLICE ASSOCIATION OF NSW

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Notes to the Financial Statements

For the year ended 31st December 2015

Note 2: Strata Titled Properties

2014 \$		2015 \$
892,000.00	Level 1, 20/154 Elizabeth Street, Sydney	
-	Balance as at 1/1/2015	892,000.00
<u>892,000.00</u>	Valuation increment(decrement)	<u>-</u>
	Market value at independent valuation 31/12/2015	<u>892,000.00</u>
982,000.00	Level 1, 22/154 Elizabeth Street, Sydney	
-	Balance as at 1/1/2015	982,000.00
<u>982,000.00</u>	Valuation increment(decrement)	<u>-</u>
	Market value at independent valuation 31/12/2015	<u>982,000.00</u>
870,000.00	Level 2, 24/154 Elizabeth Street, Sydney	
-	Balance as at 1/1/2015	870,000.00
<u>870,000.00</u>	Valuation increment(decrement)	<u>-</u>
	Market value at independent valuation 31/12/2015	<u>870,000.00</u>
1,350,000.00	Level 3, 12, 30, 31/154 Elizabeth Street, Sydney	
-	Balance as at 1/1/2015	1,350,000.00
<u>1,350,000.00</u>	Valuation increment(decrement)	<u>-</u>
	Market value at independent valuation 31/12/2015	<u>1,350,000.00</u>
2,977,000.00	Level 4, 154 Elizabeth Street, Sydney	
-	Balance as at 1/1/2015	2,977,000.00
<u>2,977,000.00</u>	Valuation increment(decrement)	<u>-</u>
	Market value at independent valuation 31/12/2015	<u>2,977,000.00</u>
3,500,000.00	Ground floor 12/58 Pitt Street, Sydney	
-	Balance as at 1/1/2015	3,500,000.00
<u>3,500,000.00</u>	Valuation increment(decrement)	<u>-</u>
	Market value at independent valuation 31/12/2015	<u>3,500,000.00</u>
2,850,000.00	Level 3, 19/33-35 Belmont Street, Sutherland	
-	Balance as at 1/1/2015	2,850,000.00
<u>2,850,000.00</u>	Valuation increment(decrement)	<u>-</u>
	Market value at independent valuation 31/12/2015	<u>2,850,000.00</u>
504,000.00	Level 3, 32/152 Elizabeth Street, Sydney	
-	Balance as at 1/1/2015	504,000.00
<u>504,000.00</u>	Valuation increment	<u>-</u>
	Market value at independent valuation 31/12/2015	<u>504,000.00</u>

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Notes to the Financial Statements

For the year ended 31st December 2015

Note 2: Strata Titled Properties

Movement of Cost & Valuation

as at 31st December 2015

	At Cost	Year to date valuation	Carrying Cost as at 1/1/2015	2015 Movements	Carrying cost as at 31/12/2015
Lvl 1, 20/154 Elizabeth Street, Sydney	649,200.62	242,799.38	892,000.00	-	892,000.00
Lvl 1, 22/154 Elizabeth Street, Sydney	719,544.70	262,455.30	982,000.00	-	982,000.00
Lvl 2, 24/154 Elizabeth Street, Sydney	809,495.45	60,504.55	870,000.00	-	870,000.00
Lvl 3, 12, 30, 31/154 Elizabeth Street, Sydney	1,295,888.12	54,111.88	1,350,000.00	-	1,350,000.00
Lvl 4, 154 Elizabeth Street, Sydney	3,422,456.35 <	445,456.35 >	2,977,000.00	-	2,977,000.00
Ground Floor 1 & 2 /58 Pitt Street, Sydney	2,679,876.00	820,124.00	3,500,000.00	-	3,500,000.00
Lvl 3, 19/33-35 Belmont Street, Sutherland	1,633,267.00	1,216,733.00	2,850,000.00	-	2,850,000.00
Lvl 3, 32/154 Elizabeth Street, Sydney	485,570.83	18,429.17	504,000.00	-	504,000.00
	<u>11,695,299.07</u>	<u>2,229,700.93</u>	<u>13,925,000.00</u>	<u>-</u>	<u>13,925,000.00</u>

Note 3: Property, Plant Equipment & Motor

Movement in Carrying Amounts

	Balance at 1/1/2015	Sale	Profit / <Loss>	Additions / Refurbishments	Valuation / Increment	Depreciation	Carrying amount as at 31/12/15
Strata Properties	13,925,000.00						13,925,000.00
Motor Vehicle	380,230.00 <	109,483.00 >	46,236.00 >	230,549.00	<	69,065.00 >	385,995.00
Office Equipment	36,375.00			11,271.00	<	12,775.00 >	34,871.00
Office Furniture	95,655.00			4,745.00	<	45,352.00 >	55,048.00
Staff Amenities	-			1,426.00		623.00	803.00
TOTAL	<u>14,437,260.00</u> <	<u>109,483.00</u> >	<u>46,236.00</u> >	<u>247,991.00</u>	<u><</u>	<u>127,815.00</u> >	<u>14,401,717.00</u>

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Notes to the Financial Statements

For the year ended 31st December 2015

Note 4: Provision for Annual Leave

2014		2015
\$		\$
421,745.26	Balance as at 01/01/15	507,165.54
457,694.15	Add additional provision for the year	446,259.21
<u>879,439.41</u>		<u>953,424.75</u>
< 372,273.87 >	Less paid during the year	< 444,893.44 >
<u>507,165.54</u>	Balance as at 31/12/15	<u>508,531.31</u>

Note 5 - Provision for Long Service Leave

1,429,751.62	Balance as at 01/01/15	1,327,439.29
286,474.19	Add additional provision for the year	184,010.99
<u>1,716,225.81</u>		<u>1,511,450.28</u>
< 388,786.50 >	Less paid during the year	< 357,685.71 >
<u>1,327,439.31</u>	Balance as at 31/12/15	<u>1,153,764.57</u>

Note 6 - Auditor's Remuneration

Total amounts receivable by the auditor of the Association		
16,000.00	(a) Audit of Accounts	16,000.00
53,500.00	(b) Other services	59,500.00
<u>69,500.00</u>		<u>75,500.00</u>

The auditor did not receive any other benefits.

Note 7 - Consultancy Fees

52,480.00	IT Logic - Office IT	54,038.26
3,700.00	Attkey Solutions - Accounting software training	4,460.00
9,600.00	Timemark - Membership Program	8,000.00
780.00	Suntool Solutions - Financial analytics	-
695.00	Employee Assistance program	-
26,146.47	PSAC/MDRP consultancy	23,973.84
-	Nexia Court & Co - Tax advice	11,750.00
2,415.00	Mercer Human Resources -Independent job evaluations	6,022.25
-	Hays - Staff recruitment	8,448.60
<u>95,816.47</u>		<u>116,692.95</u>

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>
2016	91,582.80	31,602.00
2017	31,602.00	-

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Notes to the Financial Statements

For the year ended 31st December 2015

2014

2015

\$

Note 9- Property Expense

\$

295,773.96	Elizabeth Street, Sydney
137,220.83	Pitt Street Property Expenses
71,043.64	Sutherland Property Expenses
<u>504,038.43</u>	

258,138.50
103,322.19
80,838.21
<u>442,298.90</u>

Note 10- Contingent Liabilities

Legal liabilities estimated by the Association's solicitors existed at 31st December, 2015. The liabilities represent approved legal assistance for matters in the hands of solicitors and barristers as at 31st December 2015.

1,968,778.00

1,991,932.00

Note 11 - Wall Plaques and Association Jewellery

16,450.00	Stock on hand - 1/1/2015
26,344.40	Add purchases during the year
<u>42,794.40</u>	

31,270.60
188,880.58
<u>220,151.18</u>

< 1,400.99 >

Less Sales

< 2,534.48 >

< 31,270.60 >

Stock on hand 31/12/2015

< 173,015.34 >

10,122.81

44,601.36

Note 12 - Financial Risk Management

a) General Objectives, Policies and Processes

This note describes the Association's objectives, policies and processes in managing those risks. The material financial instruments are:

- i. Cash at Bank
- ii. Receivables
- iii. Trade Creditors and Accruals
- iv. Other Payables

There have been no substantive changes in the Association's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods until otherwise stated in this note.

The Association does not have any derivative instruments and does not speculate in any types of financial instruments.

The activities of The Association expose it primarily to the financial risk, associated with its financial instruments, of market risk relating to interest rate risk and other price risk, credit risk and liquidity risk. The Committee of Management is responsible for the monitoring and managing the financial risks of the Association. These risks are monitored by monthly meetings by the Committee of Management where management accounts are presented and analysed. Any issues of concern are discussed. Actions are taken and changes are made and implemented.

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Notes to the Financial Statements

For the year ended 31st December 2015

Market Risk

The risk exposure in relation to interest rate changes on financial assets and financial liabilities recognised at the end of the reporting period is minimal. The financial instruments that exposed the Association to interest rate risk are limited to Cash at Bank.

Price Risk

The Association is not exposed to price risk in relation to the risk that the fair value or future cash flows of a financial instrument may fluctuate because of changes in market prices of securities held as the Association has no direct or indirect investments in such securities for the year ended 31 December 2015.

Credit Risk

Credit risk is the risk relating to financial assets from the contracting entity not able to fulfil its obligations to repay the Association and thus causing the Association to make a financial loss. Credit risk of the Association is minimal as receivables are always paid on time.

Liquidity Risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association manages liquidity risk by maintaining adequate cash reserves by monitoring forecast budget cash flows which reflect the Committee of Management's expectations of the settlement of its financial liabilities.

Fair Value Financial Instruments

The carrying amounts of financial assets and liabilities approximate their fair value

Note 13 - Fair Value Hierarchy

The Police Association of NSW uses various methods in estimating the fair value of a financial instrument by level of the fair value hierarchy which categorises fair value measurements into one of three possible levels.

Level 1 – The fair value is calculated using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3 – The fair value is estimated using inputs for the asset or liability that are not based on observable market data

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Notes to the Financial Statements

For the year ended 31st December 2015

	2015				2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash	15,870,950		-	15,870,950	12,658,179	-	-	12,658,179
Receivables	-	600,411	-	600,411	-	17,983	-	17,983
Prepayments	-	14,171	-	14,171	-	68,863	-	68,863
Stock on Hand	-	173,015	-	173,015	-	31,271	-	31,271
	<u>15,870,950</u>	<u>787,597</u>	<u>-</u>	<u>16,658,547</u>	<u>12,658,179</u>	<u>118,117</u>	<u>-</u>	<u>12,776,296</u>

	2015				2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-Financial Assets								
Property	-	13,925,000	-	13,925,000	-	13,925,000	-	13,925,000
Plant & Equipment	-	90,722	-	90,722	-	132,030	-	132,030
Motor Vehicles	-	385,995	-	385,995	-	380,230	-	380,230
	<u>-</u>	<u>14,401,717</u>	<u>-</u>	<u>14,401,717</u>	<u>-</u>	<u>14,437,260</u>	<u>-</u>	<u>14,437,260</u>

Property – This is based on an independent valuation completed on the 19th of February, 2014.

Plant, Equipment & furniture, and)	Valuation Techniques
Motor Vehicle)	Using cost method

	2015				2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Creditors	-	1,680,012	-	1,680,012	-	2,184,399	-	2,184,399
Other Payables	-	38,002	-	38,002	-	10,668	-	10,668
Receipts in Advance	-	-	-	-	-	33,290	-	33,290
	<u>-</u>	<u>1,718,014</u>	<u>-</u>	<u>1,718,014</u>	<u>-</u>	<u>2,228,357</u>	<u>-</u>	<u>2,228,357</u>

Payables – All payables are expected to be settled within 3 months.

Creditors are repayable within a year.

Other payables are repayable within 1 month.

There were no transfers between Level 1 and Level 2 during the year.

POLICE ASSOCIATION OF NSW
ABN 86 047 021 267
Notes to the Financial Statements
For the year ended 31st December 2015

Note 14 - Related Party Transactions

The Association provides rent free office space to the NSW Police Legacy Ltd on level 1

Note 15 - Reserves

<u>2,229,700.93</u>	Asset Revaluation Reserves	<u>2,229,700.93</u>
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Note 16 - Other Information

Going Concern

The Association's ability to continue as a going concern is not reliant on financial support from another reporting unit.

The Association does not provide financial support to any reporting unit to ensure that it continues as a going concern.

Note 17 - 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 2015.

Note 18 - 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.

POLICE ASSOCIATION OF NSW

ABN 86 047 021 267

INDEPENDENT AUDIT REPORT

To the members of the Police Association of New South Wales

Report of Financial Statement

I have audited the accompanying financial report of the Police Association of New South Wales for the year ended 31st December 2015 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 of the financial reports that gives a true and fair view in accordance with The Australian Accounting Standards and the Industrial Relations Act 1996. This responsibility includes such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial reports based on my audit. I 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 opinions.

Independence

In conducting my audit, I have complied with the applicable independent requirements of the Australian Professional and Ethical Standards Board and the Industrial Relations Act 1996.

Audit Opinion

In my opinion, I report that:

1. There were kept by the Association, in respect of the year ended 31st December 2015, 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 and the Accounting Officer is prepared in accordance with section 510 of the Industrial Relations Act 1991 (NSW) as applied by section 282 (3) of the Industrial Relations Act 1996. 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 2015 and
 - b) The Comprehensive Income Statement, and the Statement of Changes in Equity, Cash Flow Statement and the surplus for the year ended 31st December 2015 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 authorised by me for the purpose of the audit, was provided and are in accordance with Australian Accounting Standards and the Industrial Relations Act 1996.

SIGNED AT SYDNEY this 14th Day of April 2016



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

Chartered Accountant
Registered Company Auditor
Suite 201, 2nd Floor
309 Pitt Street
SYDNEY NSW 2000



12 January 2016

Mr Peter Remfrey
Secretary/Branch Administrator
Police Federation of Australia-New South Wales Police Branch
Sent via email: peter.remfrey@pansw.org.au

Dear Mr Remfrey,

**Re: Lodgement of Financial Report - [FR2015/363]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Police Federation of Australia-New South Wales Police Branch (the reporting unit) ended on 31 December 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 July 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

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

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.