



18 March 2015

Mr Mark Kadziolka  
Chief Executive Officer  
Tasmania Police Branch  
Police Federation of Australia  
[pat@pat.asn.au](mailto:pat@pat.asn.au)

CC: Alison Flakemore, Crowe Horwath, by email [Alison.flakemore@crowehorwath.com.au](mailto:Alison.flakemore@crowehorwath.com.au)

Dear Mr Kadziolka,

**Police Federation of Australia, Tasmania Police Branch  
Financial Report for the year ended 30 June 2014 - [FR2014/76]**

I acknowledge receipt of the financial report of the Police Federation of Australia, Tasmania Police Branch (the branch). The documents were lodged with the Fair Work Commission (the Commission) on 29 January 2015.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

**The Financial Reports**

The content of the financial reports, a series of NIL statements, raised no concerns under a primary review. There were timing issues and it appears that the branch has not complied with its obligation to present the financial return to a meeting as the branch presented its report to a Committee of Management meeting rather than a General Meeting of members.

The branch submitted with its report a request that the Commission consider whether rule 52BR amounts to a "5 percent" rule. A consideration of the branch rules is provided separately and accompanies this correspondence (R2015/39). In summary our advice is that it does not appear that the branch has a current 5 percent rule that meets the requirements of section 266.

**Regulations**

I understand that the inability of the branch to apply for a section 269 certificate stems from the wording of the regulations which does not recognise the requisite Tasmanian Act as a 'prescribed State Act'. This matter has been raised through appropriate channels; we are unable to provide further information as we have not received an update on that process as far as I am aware. However, subject to further legal advice, the branch may be eligible for a section 271 certificate.

**Section 271 Certificate of Exemption - no financial affairs**

A section 271 Certificate will have the same effect as a section 269 Certificate, however, it is granted for a different reason. A section 271 exemption is available to reporting units that the General Manager is satisfied 'did not have any financial affairs in a financial year'.

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It appears that the rules of the Police Federation allow the branch to have its members pay subscriptions to the state associated entity and to have the branch's obligation for capitation met by the state associated entity. Further the report that was lodged this year discloses NIL amounts in every statement and this suggests that the state associated entity collects subscriptions and pays capitation. Therefore, provided this situation does not change, the branch may be entitled to a section 271 Certificate.

The Commission is currently seeking legal advice on the full scope and application of section 271, particularly in relation to organisations that previously held section 269 certificates. While it appears, on our current understanding, that you may be eligible for a section 271 Certificate, should the legal advice inform us otherwise we will notify you as soon as possible.

**The application for the certificate must be made within 90 days of the end of the financial year and ultimately it is up to the General Manager or her Delegate whether a certificate is granted.**

This deadline is fairly strict and I note that the branch was considerably late lodging its financial report this year. If the branch wants to discuss the possibility of a section 271 Certificate, please contact me to arrange a time to discuss this matter by telephone.

If the branch lodges a full report next year, please note that the Commission will be confirming that the legislative time frames have been met prior to filing the report, that it has been presented to a valid section 266 meeting and the report may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at [catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au).

Yours sincerely,



**CATHERINE BEBBINGTON**  
Regulatory Compliance Branch

**FAIR WORK COMMISSION**

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# Police Federation of Australia

The National Voice of Policing

29 January 2015

Mr Chris Enright

Delegate to the General Manager

Fair Work Commission

GPO Box 1994

Melbourne

VIC 3001

## **Fair Work (Registered Organisations) Act 2009**

### **Police Federation of Australia, Tasmania Police Branch financial report**

I refer to the extension in time provided to this organisation and notified by correspondence from the Fair Work Commission dated 2 January 2015. The required financial reports are attached.

I thank you for the extension which provided the opportunity for the Branch to complete this process for the first time. As you are aware the Branch previously sought s.269 certificates as the reporting unit's financial affairs were encompassed by the associated State body, namely the Police Association of Tasmania; this situation has not changed.

I also refer to your correspondence dated 6 May 2014 regarding the Branch's application for a s.269 certificate for the year ending 30 June 2013 and the comment on future requirements, where the FWC was reviewing the circumstances of Tasmanian registered organisations and was to consider an amendment to remedy the recognised anomaly. The Branch, to some extent, was relying on the resolution of the anomaly and delayed attention to this matter in the hopeful expectation that it would be business as usual. The Branch would appreciate advice on the status of this matter and observes that the s.269 process is more informative.

I draw attention to the statement in your 2 January 2015 correspondence that the Branch rules do not enable 5% of Branch members or less to call a general meeting. I refer to the Branch's rule 52BR whereby a resolution by three sub-branches can cause a general meeting to be convened. As the accepted quorum of a sub-branch meeting is seven members, mathematically twelve members (minimum) can generate a general meeting by a majority vote prevailing in three meetings.

The Branch has relied on this to present the financial reports to the committee of management. If this proposition does not correspond with the FWC requirements the Branch will be amenable to amending its rules expeditiously to ensure clarity regarding the number of members required to fulfil the requirements of the Act.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Allen', with a long horizontal flourish extending to the right.

Patrick Allen

BRANCH PRESIDENT

**The Police Federation of Australia, Tasmania Police Branch**


s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate for the period ended 30 June 2014

I Patrick Allen being the Branch President of the Police Federation of Australia, Tasmania Police Branch certify:

- that the documents lodged herewith are copies of the full report for the Police Federation of Australia, Tasmania Police Branch for the period ended 30 June 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 29 January 2015; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 29 January 2015 in accordance with s.266(3) of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: .....



Name of prescribed designated officer: Patrick Allen

Title of prescribed designated officer: Branch President

29 January 2015

# **Police Federation of Australia - Tasmania Police Branch**

## **Financial Report**

**For the Year Ended 30 June 2014**

# Police Federation of Australia - Tasmania Police Branch

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

## **Operating Report** for year ended 30 June 2014 – s254

### Principal Activities

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

The Branch's principal activities result in the maintenance and improvement of wages and conditions of employment of the membership (particularly for those members in collective enterprise agreements negotiated by the Branch/Police Association of Tasmania) and the resolution of employment and industrial disputes and grievances - s254(2)(a)

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

### Manner of Resignation

Members may resign from the Branch in accordance with Rule 11, which reads as follows:

s254(2)(c)

## **11 - TERMINATION OF MEMBERSHIP**

*(a) Membership of the Federation shall be terminated:*

- (i) by resignation in accordance with these Rules, or;*
- (ii) by expulsion in accordance with these Rules, or;*
- (iii) by death of the member, or;*
- (iv) by the member ceasing to be eligible to become a member of the Federation; in accordance with Rule 3.*

*(b) A member may resign from membership of the Federation by notice in writing addressed and delivered to the Secretary of the member's Branch, Zone Secretary or the Chief Executive Officer.*

*(c) A notice of the resignation from membership of the Federation shall take effect:*

- (i) Where the member ceases to be eligible to become a member of the Federation;*
  - (a) on the day upon which the notice is received by the Federation; or*



- (b) *on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or*
- (ii) *in any other case:*
- (a) *at the end of two weeks after the notice is received by the Federation; or*
- (b) *on the day specified in the notice; whichever is later.*
- (d) *A notice delivered to the Secretary of the member's Branch, Zone Secretary or the Chief Executive Officer shall be taken to have been received by the Federation when it was delivered.*
- (e) *A notice of resignation that has been received by the Federation shall not be invalid because it was not addressed and delivered in accordance with Clause (b) of this Rule.*
- (f) *A resignation from membership of the Federation shall be valid even if it is not effected in accordance with this Rule if the member is informed in writing by or on behalf of the Federation that the resignation has been accepted.*
- (g) *Any subscriptions fees or levies payable but not paid by the former member in relation to a period before the member's resignation from the Federation took effect, may be sued for and recovered in the name of the Federation, in a Court of competent jurisdiction, as a debt due to the Federation subject to section 264(A) of the Act.*

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 a trustee company or 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 1180.

Number of Employees

There are no persons directly employed by the Branch. Full time officials are employees of the Associated State Body.

Members of Committee of Management

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

- Branch President – Patrick Allen
- Branch Vice President – Gavin Cashion
- Branch Deputy Vice President – Robert Cooke
- Branch Treasurer – Kelly Cordwell
- Branch Trustees – Allen Skeggs, Matthew Shea, Andrew Bennett
- Officers Sub-branch Chairperson – David Wiss
- Officers Sub-branch Secretary – John Arnold
- Southern Sub-branch Chairperson – Chris McInerney to 5 March 2014 (resigned) and position vacant for remainder of reporting period
- Southern Sub-branch Secretary – Theresa Paterson to 31 December 2013 (did not recontest)
- Southern Sub-branch Secretary – Benjamin Rainbird elected from 1 January 2014
- Northern Sub-branch Chairperson – Melanie Groves
- Northern Sub-branch Secretary – Samantha Radford
- Western Sub-branch Chairperson – Danny Russell
- Western Sub-branch Secretary – Sarah Gray
- Eastern Sub-branch Chairperson – Shane Tilley
- Eastern Sub-branch Secretary – Shane Howard



.....  
Signed Patrick Allen  
(Branch President)

Date: <sup>22</sup>~~16~~ January 2015

pta

**Police Federation of Australia, Tasmania Police Branch**

**COMMITTEE OF MANAGEMENT STATEMENT**

*for the period ended 30 June 2014*

On the 22<sup>nd</sup> January 2015 the Branch Executive of the Police Federation of Australia, Tasmania Police Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2014:

The Branch Executive declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) it is the Branch's understanding that the majority of other Police Federation of Australia branches have been granted s.269 certificates by the FWC and the remaining reporting units of the organisation maintain records consistent with the requirements of the FWC; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:.....



Name and title of designated officer: Patrick Allen, Branch President

Dated: 22 JAN 2015 .....

# Police Federation of Australia - Tasmania Police Branch

## Statement of Comprehensive Income

For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
<b>Income</b>			
Capitation fees received		-	-
Donations & grants		-	-
Levies received		-	-
Membership subscriptions		-	-
<b>Total Income</b>		<u>-</u>	<u>-</u>
<b>Less: Expenses</b>			
Affiliation fees		-	-
Capitation fees		-	-
Consideration to employers for payroll deductions		-	-
Donations & grants		-	-
Employee expenses	2	-	-
Legal fees		-	-
Levies		-	-
Fees/allowances - meetings & conferences		-	-
Penalties via RO Act or RO Regulations		-	-
<b>Total Expenses</b>		<u>-</u>	<u>-</u>
<b>Surplus/(deficit) for the year</b>		<u>-</u>	<u>-</u>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

# Police Federation of Australia - Tasmania Police Branch

## Statement of Financial Position

As At 30 June 2014

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		-	-
Trade and other receivables	3	-	-
Other assets		-	-
<b>TOTAL CURRENT ASSETS</b>		<u>-</u>	<u>-</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	-	-
Short-term provisions	5	-	-
Other liabilities		-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	5	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u>-</u>	<u>-</u>
<b>EQUITY</b>			
Accumulated surpluses		-	-
<b>TOTAL EQUITY</b>		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

# Police Federation of Australia - Tasmania Police Branch

## Statement of Changes in Equity

For the Year Ended 30 June 2014

2014

	<b>Accumulated Surpluses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2013</b>	-	-
Surplus/(deficit) for the year	-	-
<b>Balance at 30 June 2014</b>	-	-

2013

	<b>Accumulated Surpluses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2012</b>	-	-
Surplus/(deficit) for the year	-	-
<b>Balance at 30 June 2013</b>	-	-

The accompanying notes form part of these financial statements.

# Police Federation of Australia - Tasmania Police Branch

## Statement of Cash Flows

For the Year Ended 30 June 2014

	2014	2013
Note	\$	\$
<b>CASH FROM OPERATING ACTIVITIES:</b>		
Receipts from other reporting units	6(c) -	-
Payments to other reporting units	6(c) -	-
Net cash provided by/(used in) operating activities	6(b) -	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net cash provided by/(used in) investing activities	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash provided by/(used in) financing activities	-	-
Net cash increase/(decrease) in cash held	-	-
Cash held at the beginning of the financial year	-	-
Cash held at the end of the financial year	6(a) -	-

The accompanying notes form part of these financial statements.



# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies

The financial report covers the Australian Police Federation Tasmanian Police Branch as an individual entity. The Federation is incorporated and domiciled in Australia. The functional and presentation currency is Australian dollars.

#### (a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*. The Branch is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The following is a summary of the material accounting policies adopted by the Branch in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

#### (b) Comparative Figures

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

#### (c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

#### (d) Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis less, where applicable, any accumulated depreciation. Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimates of the costs of dismantling and restoring the asset where applicable.

##### Depreciation

Property, plant and equipment are depreciated using both the straight line basis and the diminishing value basis over the useful lives of the assets to the Branch commencing from the time the asset is held ready for use.

The depreciation rates used for Property, Plant & Equipment range between 13-40% Diminishing Value and 7.5%-27% Straight Line.

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (d) Property, Plant and Equipment continued

The carrying amount of property, plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

#### (e) Critical Accounting Estimates and Judgments

The Branch evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within Branch.

The Branch assesses impairment at the end of each reporting period by evaluating conditions specific to Branch that may be indicative of impairment triggers. There are no indicators of impairment as at 30 June 2014.

#### (f) Impairment of Assets

At the end of each reporting period, Branch reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

#### (g) Financial Instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (g) Financial Instruments continued

##### Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

Branch does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

#### (i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (g) Financial Instruments continued

##### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

##### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is Branch's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period Branch sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

##### *(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

##### *(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

#### **Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (g) Financial Instruments continued

##### Impairment

At the end of each reporting period, Branch assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

##### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in surplus or loss.

#### (h) Trade and other payables

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities.

#### (i) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Branch to an employee superannuation fund and are charged as expenses when incurred.

#### (j) Provisions

Provisions are recognised when Branch 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.

#### (k) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in Branch are classified as finance leases.

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (k) Leases continued

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

#### (l) Revenue

Interest revenue is recognised over the period for which the funds are invested.

Revenue from the provision of services is recognised when the right to be compensated for the service has been attained.

Rental income is recognised over the the period to which the rent relates.

Revenue received in the form of capital grant funds is recognised as income when received, while the expenditure relating to the capital funds has been capitalised in the Statement of Financial Position for the purpose for which the funds were received.

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

#### (m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the 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 statement of cash flows on a net basis, and the net movement in GST for the period shown as a separate operating cash flow. The GST components of investing and financing activities are disclosed as operating cash flows.

#### (n) Income Tax

No provision for income tax has been raised as the Branch is exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (o) Adoption of new and revised accounting standards

During the current year, Branch adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Police Federation of Australia - Tasmania Police Branch.

Standard Name	Impact
AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	The adoption of this standard has not change the reported financial position and performance of the entity, however the presentation of items in other comprehensive income has changed.
AASB 112 Income Taxes	There has been no impact on the reported financial position and performance.
AASB 2011-3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments	There has been no impact due the entity not being a government department.
AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	There has been no impact on the reported financial position and performance
AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	There has been no impact on the reported financial position and performance
AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities	There has been no impact on the reported financial position and performance
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	There has been no impact on the reported financial position and performance

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (p) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. Branch has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on Branch:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities.  New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	30 June 2015	The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.	The impact of this standard is expected to be minimal.
AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	30 June 2015	The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.	Some disclosures may be required.



# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies continued

#### (p) New accounting standards for application in future periods continued

Standard Name	Effective date for entity	Requirements	Impact
AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting	30 June 2015	This standard amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations.	No expected impact on the entities financial position or performance.

#### (q) Transaction Occurrence

Any transactions required to be specifically disclosed under the *Fair Work (Registered Organisations) Act 2009* that have not been disclosed in this financial report have not occurred during the financial year.

#### (r) Notes to be provided to Members or the General Manager of Fair Work Australia

- i) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- ii) The application must be in writing and must specify the period within which, and the manner in which the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- iii) A reporting unit must comply with an application made under subsection (1).

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 2 Employee Expenses

	2014	2013
	\$	\$
<b>Holders of office</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Total employee expenses holders of office</b>	<b>-</b>	<b>-</b>

	2014	2013
	\$	\$
<b>Employees other than office holders</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Total employee expenses employees other than office holders</b>	<b>-</b>	<b>-</b>

### 3 Trade and Other Receivables

	2014	2013
	\$	\$
<b>Trade Receivables</b>		
Receivables from other reporting units	-	-
	<b>-</b>	<b>-</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 4 Trade and Other Payables

	2014	2013
	\$	\$
<b>Trade Payables</b>		
Payables to other reporting units	-	-
Payables to employers for payroll deductions	-	-
Legal fees payable	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

### 5 Provisions

	2014	2013
	\$	\$
<b>Office Holders</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Employees other than office holders</b>		
Annual leave	-	-
Separations and redundancies	-	-
Long service leave	-	-
Other	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Current</b>	-	-
<b>Non-current</b>	-	-
<b>Total employee provisions</b>	<u>-</u>	<u>-</u>

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 6 Cash Flow Information

#### (a) Reconciliation of cash

	2014	2013
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:		
	-	-

#### (b) Reconciliation of Cash Flow from Operations with Net Surplus/(Deficit)

	2014	2013
	\$	\$
Net surplus/(deficit) for the year	-	-
Non-cash flows in surplus/(deficit)		
Changes in assets and liabilities		
Cashflow from operations	-	-

#### (c) Cash Flows with Other Reporting Units

	2014	2013
	\$	\$
<b>Cash Inflows</b>		
	-	-
<b>Cash Outflows</b>		
	-	-
<b>Total</b>	-	-

### 7 Financial Risk Management

The Branch's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

#### Specific Financial Risk Exposures and Management

The main risks the reporting unit is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and commodity and equity price risk.

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 7 Financial Risk Management continued

#### (a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the reporting unit. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Police Federation of Australia - Tasmania Police Branch does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the reporting unit.

#### (b) Liquidity risk

Liquidity risk arises from the possibility that the reporting unit might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The reporting unit manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring credit facilities;
- obtaining funding from a variety of sources; and
- maintaining a reputable credit risk profile.

The table/s below reflect maturity analysis for financial assets.

#### (c) Interest rate risk

The Branch is not exposed to any significant interest rate risk.

#### (d) Foreign exchange risk

The Branch is not exposed to fluctuations in foreign currencies.

#### (e) Price Risk

The Branch is not exposed to any material commodity price risk.

# Police Federation of Australia - Tasmania Police Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 7 Financial Risk Management continued

#### *Sensitivity Analysis*

The Branch Executive has performed an assessment of its exposure to interest rate risk, liquidity risk and credit risk at balance date. Police Federation of Australia - Tasmania Police Branch is not currently subject to any interest rate risk on its financial liabilities and has assessed that there is no exposure to liquidity risk required to meet its financial obligations. Police Federation of Australia - Tasmania Police Branch's exposure to credit risk has been assessed as not material, due to the nature, collectability and recoverability of amounts owed.

As a result of the risk assessment performed, any positive or negative changes in the interest rate risk, liquidity risk or credit risk would not have a material effect on the financial statements. Hence quantitative disclosures are not required.

### 8 Key Management Personnel Compensation

The totals of remuneration paid to key management personnel of Branch during the year are as follows \$0 (2013:\$0):

### 9 Related Party Transactions

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and which in management's opinion is comparable to amounts that would have been paid to non related parties.

### 10 Auditors' Remuneration

Remuneration of the auditor of the Branch relating to auditing the Financial Report for the year ended 30 June 2014 was \$1,500. (2013: \$0)

### 11 Events After the End of the Reporting Period

There are no events after the statement of financial position date to be disclosed.

### 12 Capital and Leasing Commitments

There are no capital or leasing commitments as at 30 June 2014.

### 13 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets as at reporting date to be disclosed.

# **Police Federation of Australia - Tasmania Police Branch**

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2014**

### **14 Operating Segments**

Branch operates predominately in one business and geographical segment being the provision of services to police officers throughout Tasmania.

### **15 Branch Details**

The registered office of the organisation is:  
Police Federation of Australia - Tasmania Police Branch  
107 New Town Road  
New Town Tasmania 7008

## Police Federation of Australia - Tasmania Police Branch

### Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Accounting Professional Ethical Standards in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



**Crowe Horwath Tasmania**



**Alison Flakemore  
Audit Partner**

Dated this 29<sup>th</sup> day of January 2015.

Hobart, Tasmania.



# Police Federation of Australia - Tasmania Police Branch

## Independent Audit Report to the members of Police Federation of Australia - Tasmania Police Branch

### *Report on the Financial Statements*

We have audited the accompanying financial report of Police Federation of Australia - Tasmania Police Branch, which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by Branch Executive.

### *Branch Executives' Responsibility for the Financial Report*

The Branch Executive of the reporting unit is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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 statements, whether due to fraud or error. In making those risk 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 Branch Executive, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence*

In conducting our audit, we have complied with the independence requirements of Accounting Professional Ethical Standards.

## Police Federation of Australia - Tasmania Police Branch

### Independent Audit Report to the members of Police Federation of Australia - Tasmania Police Branch

#### *Auditor's Opinion*

In our opinion the financial report of the Police Federation of Australia - Tasmania Police Branch present fairly, in all material respects, is in accordance with applicable Australian Accounting Standards and the requirements imposed by the *Fair Work (Registered Organisations) Act 2009*, the financial position of the Police Federation of Australia - Tasmania Police Branch as at 30 June 2014, and of its performance and cash flows for the year then ended.

#### *Emphasis of Matter - Going Concern*

We have assessed that management's use of the going concern basis of accounting in the preparation of the Branch's financial report appears appropriate.



Crowe Horwath Tasmania



Alison Flakemore  
Audit Partner

#### **Auditor Qualifications:**

Bachelor of Commerce with Honours

Registered Company Auditor No. 241220

Institute of Chartered Accountants Australia Member No. 96387

Public Practice Certificate

Dated this 21<sup>st</sup> day of January 2015.

Hobart, Tasmania.