



**Australian Government**  
**Registered Organisations Commission**

11 December 2019

Harry Arnott  
WA Branch President  
Police Federation of Australia-Western Australia Police Branch  
Sent via email: [admin@wapu.org.au](mailto:admin@wapu.org.au)  
[pfa@pfa.org.au](mailto:pfa@pfa.org.au)

Dear Harry Arnott,

**Section 269 application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 30 June 2019 (FR2019/228)**

I refer to the application lodged pursuant to section 269 of the Fair Work (Registered Organisations) Act 2009 in respect of the Police Federation of Australia-Western Australia Police Branch for the financial year ended 30 June 2019. The application was lodged with the Registered Organisations Commission on 29 November 2019.

I have granted the application. The certificate is attached.

If you wish to discuss this matter, please contact Kylie Ngo on (03) 9603 0764 or by email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours faithfully

A handwritten signature in blue ink, appearing to be 'CE', with a small dash at the end.

**Chris Enright**  
**Registered Organisations Commission**



## 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-Western Australia Police Branch**  
(FR2019/228)

MR ENRIGHT

MELBOURNE, 11 DECEMBER 2019

*Reporting unit's financial affairs encompassed by associated State body*

[1] On 29 November 2019 an application was made under s.269(2)(a) of the Fair Work (Registered Organisations) Act 2009 (**the Act**) by the Police Federation of Australia-Western Australia Police Branch (**the reporting unit**) for a certificate stating that the financial affairs of the reporting unit are encompassed by the financial affairs of The Western Australian Police Union of Workers (**the Association**), an associated State body, in respect of the financial year ending 30 June 2019.

[2] On 29 November 2019, the reporting unit lodged a copy of the audited accounts of the Association with the Registered Organisations Commission.

[3] On 29 November 2019, the reporting unit lodged a copy of the operating report of the reporting unit in respect of the financial year ending 30 June 2019.

[4] I am satisfied that the Association:

- is registered under the Industrial Relations Act 1979, 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.

[5] I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the accounts with the relevant State authority;
- any members of the 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; and
- 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.

[6] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ending 30 June 2019, are encompassed by the financial affairs of the Association and I certify accordingly under s.269(2)(a) of the Act.



DELEGATE OF THE COMMISSIONER

Printed by authority of the Commonwealth Government Printer



# Police Federation of Australia

Our Ref: C0457

29 November 2019

Western Australia Police Branch  
639 Murray Street  
WEST PERTH WA 6005  
Telephone: 08 9321 2155  
Email: admin@wapu.org.au

Commissioner  
Registered Organisations Commission  
GPO Box 2983  
MELBOURNE VIC 3001

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

The Police Federation of Australia Western Australia Police Branch makes application pursuant to s.269 of the Fair Work (Registered Organisations) Act 2009, to be taken to have satisfied Part 3 of the Act.

### **RELIEF SOUGHT**

- That the Commissioner 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 the *Fair Work (Registered Organisations) Act 2009*

### **GROUNDINGS AND REASONS**

S.269 of the Act applies to the Police Federation of Australia Western Australia Police Branch (hereinafter referred to as "Reporting Unit") on the following basis:

1. The Western Australian Police Union of Workers (hereinafter referred to as the "associated State body") is registered as an industrial organization under the *Industrial Relations Act 1979*, that Act being the Western Australian legislation.
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 the Act based on the following basis:

- a) The associated State body has, in accordance with the Industrial Relations Act 1979, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members on and lodged the audited accounts with the Registrar of the Western Australian Industrial Relations Commission; and
- b) A copy of the audited accounts has already been submitted;
- c) All members of the Reporting Unit and the associated State body, may inspect the Auditors Report, Balance Sheet and Statement of Income and Expenditure, free of charge at the office of the Registrar, in accordance with s.63 (6) of the *Industrial Relations Act 1979*
- d) The audited accounts and operating report have been made available to Branch Members
- e) A copy of the Operating Report is attached

The Police Federation of Australia Western Australia Police Branch submits that based on the grounds and reasons stated herein and the supporting documentation, the Branch satisfies s.269 of the Act and consequently seeks the relief as sought in this application.

If you have any questions with regard to this application or seek further supporting evidence, please contact the Secretary Mr Paul Hunt email on [paul.hunt@wapu.org.au](mailto:paul.hunt@wapu.org.au) or by phone on (08) 9321 2155.

Yours sincerely

A handwritten signature in black ink, appearing to be 'H. Arnott', written over a horizontal line.

**Harry Arnott**  
**Branch President**



# Police Federation of Australia

Western Australia Police Branch  
639 Murray Street  
WEST PERTH WA 6005  
Telephone: 08 9321 2155  
Facsimile: 08 9321 2177  
Email: admin@wapu.org.au

## **POLICE FEDERATION OF AUSTRALIA WESTERN AUSTRALIA POLICE BRANCH**

**Operating Report for year ended 30 June 2019**

**Made pursuant to s.254 of the Fair Work (Registered Organisations) Act 2009**

### **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. S.254(2)(a)

There were no significant changes in the nature of the Branch's principal activities during the reporting period. (s.254)(2)(a)

There were no significant changes in the reporting unit's financial affairs during the financial year. (s.254)(2)(b)

### **Manner of Resignation**

Members may resign from the Branch in accordance with Rule 11.

### **Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme s.254(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 6,470.

## Number of employees

The number of persons who were, at the end of the reporting period, employees of the branch was Nil.

## Members of Committee Management

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

TILBURY	George	Branch President [Until 20 November 2018 – not re-elected]
ARNOTT	Harry	Branch President [Elected 20 November 2018]
SHORTLAND	Brandon	Branch Senior Vice President [Until 20 November 2018 – not re-elected]
KELLY	Michael	Branch Senior Vice President [Elected 20 November 2018]
ARNOTT	Harry	Branch Vice President [Until 20 November 2018 – elected President]
SHORTLAND	Brandon	Branch Vice President [Elected 20 November 2018]
KELLY	Michael	Branch Treasurer [Until 20 November 2018 – elected Senior Vice President]
ADAMSON	Ward	Branch Treasurer [Elected 20 November 2018]
ADAMSON	Ward	Branch Executive [Until 20 November 2018 – elected Treasurer]
CURTIS	Dave	Branch Executive [Deceased 31 January 2019]
MCDONALD	Kevin	Branch Executive [Until 20 September 2018 – Resigned]
POTTHOFF	Peter	Branch Executive [Until 20 November 2018 – not re-elected]
GARRATT	Lindsay	Branch Executive [Until 20 November 2018 – not re-elected]
MCGEE	Peter	Branch Executive [Until 20 November 2018 – not re-elected]
CASHMORE	Antoinette	Branch Executive [Until 26 November 2018 – resigned]
HENDERSON	Michael	Branch Executive [Until 20 November 2018 – not re-elected]
JOHNSON	Mark	Branch Executive
TILBURY	George	Branch Executive
GILL	Michael	Branch Executive
RUSSELL	Harry	Branch Executive
GENTILLI	Jason	Branch Executive [Elected 20 November 2018]
MORA	Jason	Branch Executive [Elected 20 November 2018]
HUTCHINSON	Debra	Branch Executive [Elected 20 November 2018]
WHALLEY	Clint	Branch Executive [Elected 20 November 2018]
GALE	Paul	Branch Executive [Elected 20 November 2018]
GREEN	Michael	Branch Executive [Elected 31 May 2019]



**Harry Arnott**  
**Branch President**

29 November 2019

# **Western Australian Police Union of Workers**

**ABN: 11 005 082 386**

## **Financial Statements**

**For the Year Ended 30 June 2019**



**Western Australian Police Union of Workers**

ABN: 11 006 082 386

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**Western Australian Police Union of Workers**

ABN: 11 006 082 386

**Statement by the Board of Directors**

In accordance with a resolution of the directors of the Western Australian Police Union of Workers declare that:

1. The financial statements and notes, as set out on pages 3 to 21:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Western Australian Police Union of Workers will be able to pay its debts as and when they become due and payable.

President .....  
Harry Amott

Treasurer .....  
Ward Adamson

Dated this 1<sup>st</sup> day of NOVEMBER 2019  
West Perth, WA

**Western Australian Police Union of Workers**

ABN: 11 005 082 386

**Secretary's Statutory Declaration**

**Regulation 79**

I, Paul Hunt being Secretary of the Western Australian Police Union of Workers sincerely declare that:

1. All relevant books and documents in relation to the financial affairs of the Union that were require to be provided, were provided.

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular

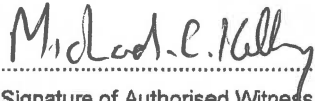
This declaration is made under the Oaths, Affidavits and Statutory Declarations Act 2005.

Declared at West Perth on this 1st day of November 2019 by



.....  
Paul Hunt (Secretary)

In the presence of:



.....  
Signature of Authorised Witness

Michael Craig KELLY Police officer

Name of authorised witness and qualification of such witness

Senior Sergeant 8193

**Western Australian Police Union of Workers**

ABN: 11 005 082 386

**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2019**

	2019	2018
Note	\$	\$
Revenue	3 <b>6,908,355</b>	6,778,153
Employee Benefits	4 <b>(1,960,440)</b>	(1,942,546)
Members Insurance	<b>(1,125,500)</b>	(1,058,611)
Buildings Expenses	<b>(751,469)</b>	(785,488)
Legal Expense	<b>(636,992)</b>	(862,701)
Administrative Expenses	<b>(268,624)</b>	(309,580)
Depreciation Expense	<b>(207,026)</b>	(184,358)
Annual Conference	<b>(192,644)</b>	(161,594)
Australian Federation Dues	<b>(118,721)</b>	(118,719)
Travel Expenses	<b>(84,648)</b>	(79,506)
Branch Expenses	<b>(63,052)</b>	(53,011)
Industrial Expenses	<b>(57,250)</b>	(223,002)
Motor Vehicle Expenses	<b>(53,986)</b>	(54,769)
Finance Costs	<b>(3,887)</b>	(6,475)
Other Member Expenses	<b>(460,653)</b>	(505,549)
Other Expenses	<b>(280,107)</b>	(278,244)
<b>Net current year surplus</b>	<b>643,356</b>	154,000
<b>Other comprehensive income for the year</b>		
<b>Total comprehensive income for the year</b>	<b>643,356</b>	154,000

The accompanying notes form part of these financial statements.

**Western Australian Police Union of Workers**

ABN: 11 006 082 386

**Statement of Financial Position**  
As At 30 June 2019

		2019	2018
	Note	\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	4,859,329	4,308,341
Trade and other receivables	7	18,249	13,628
Other assets	8	146,440	162,930
<b>TOTAL CURRENT ASSETS</b>		<u>5,024,018</u>	<u>4,484,899</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	4,541,077	4,673,627
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,541,077</u>	<u>4,673,627</u>
<b>TOTAL ASSETS</b>		<u>9,565,095</u>	<u>9,158,526</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	388,739	488,396
Employee benefits	11	168,532	259,787
<b>TOTAL CURRENT LIABILITIES</b>		<u>557,271</u>	<u>748,183</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	11	106,019	151,894
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>106,019</u>	<u>151,894</u>
<b>TOTAL LIABILITIES</b>		<u>663,290</u>	<u>900,077</u>
<b>NET ASSETS</b>		<u>8,901,805</u>	<u>8,258,449</u>
<b>EQUITY</b>			
Reserves		1,456,386	1,353,782
Retained earnings		7,445,419	6,904,667
<b>TOTAL EQUITY</b>		<u>8,901,805</u>	<u>8,258,449</u>

The accompanying notes form part of these financial statements.

**Western Australian Police Union of Workers**

ABN: 11 005 082 386

**Statement of Changes in Equity  
For the Year Ended 30 June 2019**

**2019**

	<b>Retained Earnings</b>	<b>Asset Revaluation Surplus</b>	<b>Asset Realisation Reserve</b>	<b>Capital Profits Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2018</b>	<b>6,904,667</b>	<b>73,000</b>	<b>419,135</b>	<b>861,647</b>	<b>8,258,449</b>
Net surplus for the year	643,356	-	-	-	643,356
Capital profit on sale of freehold property transferred from retained earnings	(102,604)	-	-	102,604	-
<b>Balance at 30 June 2019</b>	<b>7,445,419</b>	<b>73,000</b>	<b>419,135</b>	<b>964,251</b>	<b>8,901,805</b>

**2018**

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Asset Realisation Reserve</b>	<b>Capital Profits Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2017</b>	<b>6,750,667</b>	<b>73,000</b>	<b>419,135</b>	<b>861,647</b>	<b>8,104,449</b>
Net surplus for the year	154,000	-	-	-	154,000
<b>Balance at 30 June 2018</b>	<b>6,904,667</b>	<b>73,000</b>	<b>419,135</b>	<b>861,647</b>	<b>8,258,449</b>

For a description of each reserve, refer to Note 13.

The accompanying notes form part of these financial statements.

Western Australian Police Union of Workers

ABN: 11 005 082 386

**Statement of Cash Flows**  
**For the Year Ended 30 June 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Member's income and other receipts		6,712,216	6,703,593
Payments to suppliers and employees		(5,968,780)	(6,305,485)
Interest received		85,256	90,778
Finance costs		-	(2,280)
Net cash provided by operating activities	18	<u>828,692</u>	<u>486,606</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of property, plant and equipment		305,771	18,360
Purchase of property, plant and equipment		(583,475)	(547,190)
Net cash (used in) investing activities		<u>(277,704)</u>	<u>(528,830)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of borrowings		-	(250,000)
Net cash (used in) financing activities		<u>-</u>	<u>(250,000)</u>
Net increase/(decrease) in cash and cash equivalents held		550,988	(292,224)
Cash and cash equivalents at beginning of year		4,308,341	4,600,565
Cash and cash equivalents at end of financial year	6	<u>4,859,329</u>	<u>4,308,341</u>

The accompanying notes form part of these financial statements.

# Western Australian Police Union of Workers

ABN: 11 005 082 386

## Notes to the Financial Statements For the Year Ended 30 June 2019

The financial report was authorised for issue on by the Board.

### 1 Basis of Preparation

The Western Australian Police Union of Workers (the Union) applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB). The Union 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 the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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 amounts presented in the financial statements have been rounded to the nearest dollar.

### 2 Summary of Significant Accounting Policies

#### (a) Union's financial Statements

The accompanying financial statements reflect the assets and liabilities and operating results of the Union and exclude assets and liabilities held by any branches which are associated with the Union.

#### (b) Income Tax

The Union is exempt from income tax under current tax legislation and accordingly no provision for income tax is included in the financial statements.

#### (c) Fair Value of Assets and Liabilities

The Union measures some of its assets at fair value on a recurring basis.

Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market 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. Adjustments 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 (ie 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 (ie 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 costs and transport costs). 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 use, or



**Western Australian Police Union of Workers**

ABN: 11 005 082 386

**Notes to the Financial Statements  
For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies**

**(c) Fair Value of Assets and Liabilities**

to sell it to another market participant that would use the asset in its highest and best use.

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 instrument, 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

**(d) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**(e) Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members, as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(h) for further discussion on the determination of impairment losses.

**(f) Property, plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

The cost of fixed assets constructed within the Union includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 Union and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the assets useful life to the Union, commencing when the asset is ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

# Western Australian Police Union of Workers

ABN: 11 005 082 386

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies

#### (f) Property, plant and equipment

Fixed asset class	Depreciation rate
Buildings and Building Improvements	2.5% - 20%
Furniture, Fixtures and Fittings	10% - 20%
Motor Vehicles	22.5%
Computer Equipment	20% - 33.33%
Computer Software	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

#### (g) Leases

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.

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 the Union are classified as finance leases.

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 their estimated useful lives where it is likely that the Union will obtain ownership of the asset or ownership over the term of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### (h) Financial Instruments

##### Initial recognition and measurement

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Union becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Classification and subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

On initial recognition, the Union classifies its financial assets into the following categories, those measured at:

## Western Australian Police Union of Workers

ABN: 11 006 082 386

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 2 Summary of Significant Accounting Policies

##### (h) Financial instruments

###### Classification and subsequent measurement

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Union changes its business model for managing financial assets.

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method

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 amount with a consequential recognition of an income or expense item in profit or loss.

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

## Western Australian Police Union of Workers

ABN: 11 005 082 386

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 2 Summary of Significant Accounting Policies

##### (h) Financial instruments

###### *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 arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

###### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the Union to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

###### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Union's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. Any changes to the carrying amount of the investment are recognised in profit or loss.

###### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed determinable payments.

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

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

## Western Australian Police Union of Workers

ABN: 11 005 082 386

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 2 Summary of Significant Accounting Policies

##### (h) Financial Instruments

###### Impairment of Financial Assets

At the end of the reporting period the Union assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Union recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

###### Derecognition

Financial assets are derecognised when the contractual right 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 when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount 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 profit or loss.

## Western Australian Police Union of Workers

ABN: 11 006 082 386

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 2 Summary of Significant Accounting Policies

##### (i) Impairment of Assets

At the end of each reporting period the Union determines whether there is an evidence of an impairment indicator for non-financial assets. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

##### (j) Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Union during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability

##### (k) Provisions

Provisions are recognised when the Union 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

##### (l) Employee Provisions

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. This includes wages, salaries and sick leave. Employee benefits that are expected to be wholly settled within one year have been measured at the (undiscounted) amounts expected to be paid when the liability is settled.

The Union's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the

## Western Australian Police Union of Workers

ABN: 11 005 082 386

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 2 Summary of Significant Accounting Policies

##### (l) Employee Provisions

reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Union's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Union does not have an unconditional right to defer settlement for at least 12 months after the reporting period, in which case the obligations are presented as current provisions

##### (m) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Union and specific criteria relating to the type of revenue as noted below, has been satisfied.

Non - reciprocal grant revenue is recognised in profit or loss when the Union obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Union and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Union incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

The Union receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

##### (n) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

## Western Australian Police Union of Workers

ABN: 11 005 082 386

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 2 Summary of Significant Accounting Policies

##### (o) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position, until such time as the assets are substantially ready for their intended use or sale.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

##### (p) Comparative Figures

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

#### 3 Revenue and Other Income

##### Revenue from continuing operations

	2019	2018
	\$	\$
Operating activities		
- Member subscriptions	6,243,070	6,163,024
- Member promotions	123,559	145,673
- Rental income	256,602	273,436
- Other operating income	86,024	106,859
	<u>6,709,255</u>	<u>6,688,992</u>
Non-operating activities		
- Interest received	85,114	89,161
- Gain on sale of assets	113,986	-
<b>Total Revenue</b>	<u>6,908,355</u>	<u>6,778,153</u>



**Western Australian Police Union of Workers**

ABN: 11 005 082 386

**Notes to the Financial Statements  
For the Year Ended 30 June 2019**

**4 Surplus for the Year**

**Expenses**

	2019	2018
	\$	\$
<b>Employee benefit expenses</b>		
Salaries	1,766,781	1,631,935
Superannuation	150,692	148,976
Leave accruals and on-costs	(87,119)	4,335
Payroll tax	82,661	72,043
Employment agency costs	47,425	85,257
<b>Total employee benefit expenses</b>	<b>1,960,440</b>	<b>1,942,546</b>

**5 Key Management Personnel Remuneration**

The totals of remuneration paid to the key management personnel of Western Australian Police Union of Workers during the year are as follows:

Short-term employee benefits	595,158	481,961
------------------------------	---------	---------

**6 Cash and Cash Equivalents**

Cash at bank	1,173,163	1,428,765
Cash on hand - petty cash	1,558	632
Short-term deposits	3,684,608	2,878,944
	<b>4,859,329</b>	<b>4,308,341</b>

**7 Trade and Other Receivables**

Accounts receivable	18,249	13,628
<b>Total current trade and other receivables</b>	<b>18,249</b>	<b>13,628</b>

**8 Other Assets**

<b>Current</b>		
Prepayments	127,896	144,510
Accrued income	18,544	18,420
	<b>146,440</b>	<b>162,930</b>

Western Australian Police Union of Workers

ABN: 11 005 082 386

Notes to the Financial Statements  
For the Year Ended 30 June 2019

9 Property, plant and equipment

	2019	2018
	\$	\$
Land and Buildings		
At cost	7,286,042	7,252,680
Accumulated depreciation	(3,238,879)	(3,087,457)
<b>Total land and buildings</b>	<b>4,047,163</b>	<b>4,165,223</b>
Furniture, fixtures and fittings		
At cost	429,863	440,861
Accumulated depreciation	(248,852)	(214,534)
<b>Total furniture, fixtures and fittings</b>	<b>181,011</b>	<b>226,327</b>
Motor vehicles		
At cost	266,672	257,247
Accumulated depreciation	(72,261)	(88,939)
<b>Total motor vehicles</b>	<b>194,411</b>	<b>168,308</b>
Computer equipment		
At cost	271,243	223,545
Accumulated depreciation	(152,751)	(109,776)
<b>Total computer equipment</b>	<b>118,492</b>	<b>113,769</b>
<b>Total property, plant and equipment</b>	<b>4,541,077</b>	<b>4,673,627</b>

Movements In Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2019</b>					
Balance at 1 July 2018	4,165,223	226,327	168,308	113,769	4,673,627
Additions	399,544	16,675	119,558	47,698	583,475
Disposals	(146,322)	(8,185)	(34,390)	-	(188,897)
Depreciation expense	(371,282)	(53,806)	(59,065)	(42,975)	(527,128)
<b>Balance at the end of the year</b>	<b>4,047,163</b>	<b>181,011</b>	<b>194,411</b>	<b>118,492</b>	<b>4,541,077</b>

**Western Australian Police Union of Workers**

ABN: 11 005 082 386

**Notes to the Financial Statements  
For the Year Ended 30 June 2019**

**10 Trade and Other Payables**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade payables	<b>230,468</b>	337,714
GST payable	<b>65,625</b>	58,657
Accrued expenses	<b>18,949</b>	16,732
Amounts received in advance	<b>73,697</b>	75,293
	<b>388,739</b>	488,396

**11 Employee Benefits**

**Current liabilities**

Provision for long service leave entitlements	<b>56,013</b>	53,464
Provision for annual leave entitlements	<b>112,519</b>	206,323
	<b>168,532</b>	259,787

**Non-current liabilities**

Provision for long service leave entitlements	<b>106,019</b>	151,894
	<b>106,019</b>	151,894

**Employee provisions - leave entitlements**

The provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Union does not expect the full amount of the long service leave balance to be settled within the next 12 months. These amounts however, must be classified as current liabilities since the Union does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of employees completing the required period of service is based on historical data. The measurement and recognition criteria for provision of employee benefits is discussed in Note 1(l).

## Western Australian Police Union of Workers

ABN: 11 005 082 386

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 12 Capital and Leasing Commitments

##### (a) Operating lease commitments

	2019	2018
	\$	\$
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments:		
- not later than one year	47,705	19,354
- between one year and five years	128,161	26,814
- later than five years	56,916	-
	<u>232,782</u>	<u>46,168</u>

Operating leases commitments relate to holiday homes and office equipment rental.

#### 13 Reserves

##### (a) Asset revaluation reserve

The asset revaluation reserve records the increase in value of land and buildings which were revalued in 1995.

##### (b) Asset realisation reserve

The asset realisation reserve records realised gains on sale of non-current assets.

##### (c) Capital profits reserve

The capital profits reserve records the gain on disposal of land and buildings.

#### 14 Contingencies

##### (a) Contingent liabilities

The Western Australian Police Union of Workers has the following contingent liabilities at the end of the reporting year:

- In accordance with Rule 11.5, death benefits payable to retired members are funded annually from the collection of death levy fees from current members, with any surplus/shortfall per annum covered by the Death Benefit Fund. There may be unfunded death benefits payable to retired members for which it is impractical to quantify the amount; and

- Legal fees in respect of legal actions on behalf of members which may be incurred by the Union if costs are not recoverable. These are believed to be minimal.

#### 15 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

**Western Australian Police Union of Workers**

ABN: 11 005 082 386

**Notes to the Financial Statements  
For the Year Ended 30 June 2019**

**16 Related Parties**

**(a) Transactions with related parties**

	2019	2018
	\$	\$
Affiliation fees paid to the Police Federation of Australia	118,721	118,719

There have been no related party transactions during the year other than payments to Directors for attendance Board meetings which are included in key management personnel remuneration disclosed at Note 4.

**17 Financial Risk Management**

The Union is exposed to a variety of financial risks through its use of financial instruments. The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and bank loans.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
<b>Financial assets</b>			
Cash and cash equivalents	6	4,859,329	4,308,341
Trade and other receivables	7	18,249	13,628
<b>Total financial assets</b>		<b>4,877,578</b>	<b>4,321,969</b>
<b>Financial liabilities</b>			
Accounts payable and other payables	10	388,739	488,396
<b>Total</b>		<b>4,488,839</b>	<b>3,833,573</b>

The Union has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Carrying amounts of financials assets and liabilities recorded in the financial statements represent their net fair value as determined in accordance with the accounting policies described in Note 1 (d) (e) (d) and (i).

## Western Australian Police Union of Workers

ABN: 11 006 082 386

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 18 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Profit for the year	643,356	154,000
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- Depreciation and amortisation	527,127	478,179
- net (gain)/loss on disposal of property, plant and equipment	(113,986)	3,449
- (increase)/decrease in trade and other receivables	4,623	4,522
- (increase)/decrease in prepayments	4,359	(4,456)
- increase/(decrease) in trade and other payables	(99,657)	(153,422)
- increase/(decrease) in employee benefits	(137,130)	4,334
Cashflows from operations	<u>828,692</u>	<u>486,606</u>

#### 19 Union Details

The principal place of business of the Union is:

Western Australian Police Union of Workers  
639 Murray Street  
West Perth  
WA 6005



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WESTERN AUSTRALIAN POLICE UNION OF WORKERS**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of The Western Australian Police Union of Workers, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Board of Directors.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of The Western Australian Police Union of Workers as at 30 June 2019 and its financial performance and cash flows for the year then ended, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Industrial Relations Act 1979 (WA).

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Information Other than the Financial Report and Auditor's Report Thereon**

The Board of Directors is responsible for the other information. The other information comprises the information included in the Union's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Board for the Financial Report**

The Board of Directors is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and for such internal control as the Board of Directors determines 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.

In preparing the financial report, the Board of Directors is responsible for assessing the ability of the association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE WESTERN AUSTRALIAN POLICE UNION OF WORKERS (CONTINUED)**

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian

Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

**Report on Compliance with Section 74 of the Industrial Relations Act 1979 (WA)**

**Opinion**

We have audited the compliance of the finance officials with the requirements of section 74 of the Industrial Relations Act 1979 (WA). The Board of Directors and management of the Western Australian Police Union of Workers are responsible for compliance with the requirements of section 74 of the Industrial Relations Act 1979 (WA). Our responsibility is to express an opinion on the compliance of the finance officials with the requirements of section 74 of the Industrial Relations Act 1979 (WA), based on our audit conducted in accordance with Australian Auditing.

In our opinion the finance officials of the Western Australian Police Union of Workers have complied with section 74 of the Industrial Relations Act 1979 (WA).

MGI Perth

**MGI Perth Audit Services Pty Ltd**



**Clayton Lawrence**  
Director

Perth, Western Australia  
1 November 2019



**Police Federation of Australia**  
**Western Australian Police Branch**

**Registration Number R 2003/326**

**Financial report for the year ended 30 June 2019**

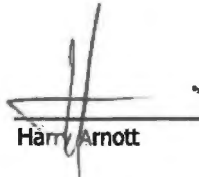
# **Police Federation of Australia Western Australia Police Branch**


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**Police Federation of Australia Western Australia Police Branch  
Statement by the Board of Directors**

In our opinion, the attached financial statements have been drawn up in accordance with the accounting policies laid down by the Police Federation of Australia Western Australia Police Branch (the 'Branch') and to the best of our knowledge and belief they present fairly the state of affairs of the Branch as at 30 June 2019 and the results for the year then ended.

Director:   
Harry Arnott

Director:   
Ward Adamson

Dated this **13** day of November 2019  
West Perth, WA



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE POLICE FEDERATION OF AUSTRALIA WESTERN AUSTRALIA POLICE BRANCH

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The Police Federation of Australia Western Australia Police Branch (the 'Branch'), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements presents fairly, in all material respects, the financial position of the Police Federation of Australia Western Australia Police Branch as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards - Reduced Disclosure requirements and the financial reporting requirements of Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of the Board for the Financial Report

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Board of Directors determines is necessary to enable the preparation and fair presentation of financial statements that are free from material Misstatement, whether due to fraud or error.

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian

Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



MGI Perth Audit Services Pty Ltd  
ABN: 90 608 551 113  
Level 1 322 Hay Street Subiaco, WA 6008  
PO Box 1554 Subiaco WA 6904  
T: (08) 9388 9744  
F: (08) 9388 9755  
E: [audit@mgiperth.com.au](mailto:audit@mgiperth.com.au)  
W: [www.mgiperth.com.au](http://www.mgiperth.com.au)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE POLICE FEDERATION OF AUSTRALIA WESTERN AUSTRALIA POLICE BRANCH (CONT.)**

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

*MGI Perth*  
**MGI Perth Audit Services Pty Ltd**

A handwritten signature in black ink, appearing to read 'Clayton Lawrence', enclosed within a circular scribble.

**Clayton Lawrence**  
Director

Perth, Western Australia  
13 November 2019

**Police Federation of Australia Western Australia Police Branch  
Statement of Profit or Loss and Other Comprehensive Income  
for the year ended 30 June 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Net current year surplus		-	-
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>-</u>
Net current year surplus attributable to members of the entity		<u>-</u>	<u>-</u>
Total comprehensive income attributable to members of the entity		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

**Police Federation of Australia Western Australia Police Branch  
Statement of Financial Position as at 30 June 2019**

	Note	2019	2018
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		-	-
<b>TOTAL CURRENT ASSETS</b>		-	-
<b>TOTAL ASSETS</b>		-	-
<b>EQUITY</b>			
Reserves		-	-
<b>TOTAL EQUITY</b>		-	-

The accompanying notes form part of these financial statements.

**Police Federation of Australia Western Australia Police Branch  
Statement of Changes in Equity for the year ended 30 June 2019**

	<b>Retained Surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2017</b>	-	-
<b>Comprehensive income</b>		
Net surplus for the year	-	-
<b>Total comprehensive income attributable to members of the entity for the year</b>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
<b>Balance at 30 June 2018</b>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
<b>Balance at 1 July 2018</b>		-
<b>Comprehensive income</b>		
Net surplus for the year	-	-
<b>Total comprehensive income attributable to members of the entity for the year</b>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
<b>Balance at 30 June 2019</b>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

The accompanying notes form part of these financial statements.



**Police Federation of Australia Western Australia Police Branch  
Statement of Cash Flows for the year ended 30 June 2019**

	Note	2019 \$	2018 \$
<b>Cash Flows from Operating Activities</b>			
Net cash generated from operating activities		-	-
<b>Cash Flows from Investing Activities</b>			
Net cash used in investing activities		-	-
<b>Cash Flows from Financing Activities</b>			
Net cash used in financing activities		-	-
Net increase in cash held		-	-
Cash and cash equivalents at beginning of financial year		-	-
<b>Cash and cash equivalents at end of financial year</b>		-	-

The accompanying notes form part of these financial statements.

# **Police Federation of Australia Western Australia Police Branch**

## **Notes to the Summary Financial Statements for the year ended 30 June 2019**

### **Note 1: Basis of preparation of the Financial Statements**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and to satisfy the financial reporting requirements of Part 3 of Chapter 8 of 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 to which they apply.

As the Branch has not yet commenced to trade, there have been no financial transactions during the year since incorporation on 3 February 2004.

The Branch is exempt from income tax.



2 July 2019

Harry Arnott  
WA Branch President  
Police Federation of Australia-Western Australia Police Branch  
Sent via email: [admin@wapu.org.au](mailto:admin@wapu.org.au)

Dear Harry Arnott,

**Re: Lodgement of Financial Report - FR2019/228  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Police Federation of Australia-Western Australia Police Branch (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

### **Loans Grants and Donations Statement**

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

### **Financial report**

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. 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.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Auditor's report**

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,  
**Kylie Ngo**  
**Registered Organisations Commission**

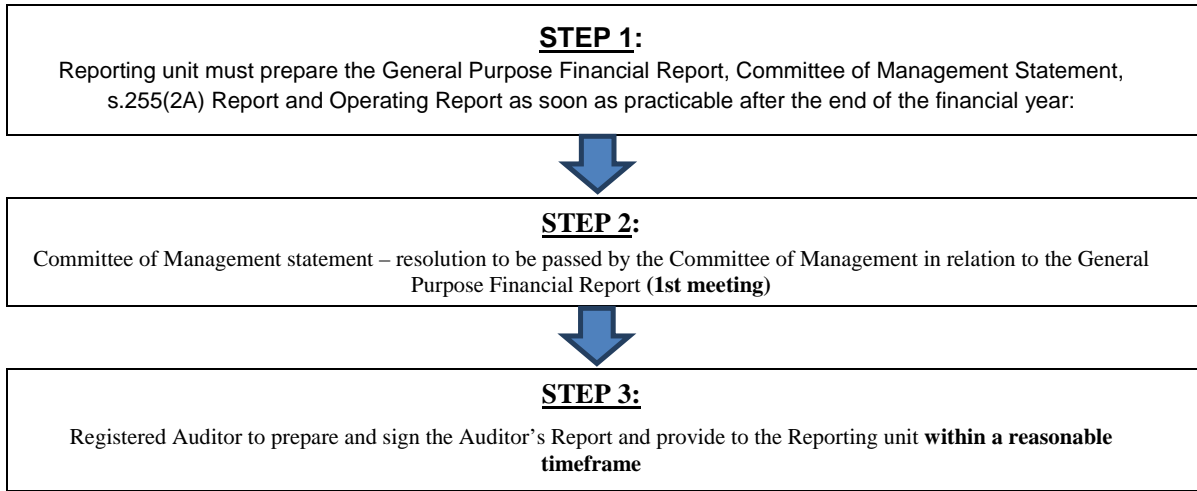


## Fact sheet

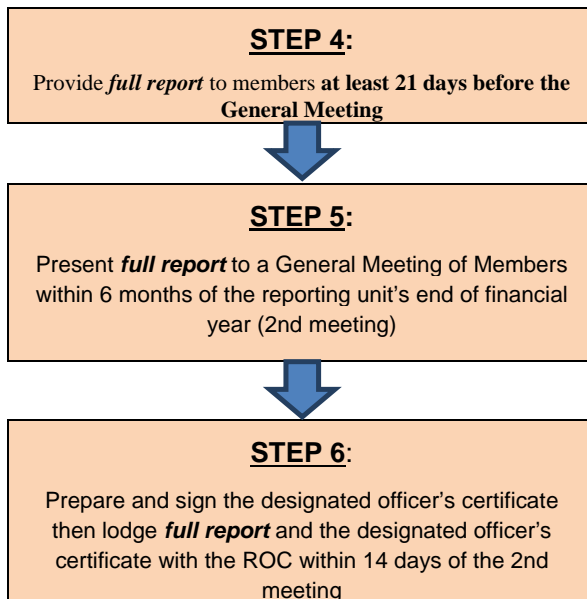
### Summary of financial reporting timelines – s.253 financial reports

#### General Information:

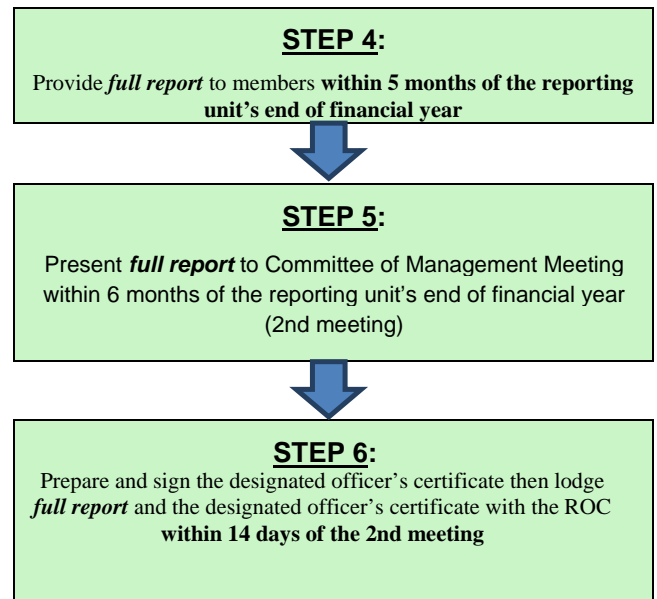
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT  
AT GENERAL MEETING OF MEMBERS  
(this is the default process in the RO Act)



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT  
COMMITTEE OF MANAGEMENT MEETING  
(Special rules must be in the rulebook to use this process)



## Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
<p><b>x</b> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p><b>✓</b> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated <b>BEFORE</b> the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p><b>x</b> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p><b>✓</b> The Auditor's Report must be signed and dated <b>BEFORE</b> the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p><b>x</b> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p><b>✓</b> The Designated Officer's Certificate declares what the reporting unit <b>HAS ALREADY DONE</b> to provide the report to members and present it to the meeting. It must be signed and dated <b>AFTER</b> sending the report to members and the second meeting</p>
<p><b>x</b> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p><b>✓</b> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p><b>x</b> Any auditor can audit a financial report</p>	<p><b>✓</b> Only registered auditors can audit the financial report</p>
<p><b>x</b> The Committee of Management statement can be signed at any time</p>	<p><b>✓</b> The resolution passing the Committee of Management Statement must occur and the statement signed and dated <b>BEFORE</b> the auditor's report is signed and dated</p>
<p><b>x</b> Any reporting unit can present the Full Report to a second COM meeting</p>	<p><b>✓</b> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p><b>x</b> Everything can be done at one Committee of Management meeting</p>	<p><b>✓</b> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p><b>x</b> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p><b>✓</b> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



## Fact sheet

### Loans, Grants & Donations

#### **The Loans, Grants & Donations Requirements**

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

#### **The Loans, Grants & Donations Statement**

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✔ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✔ The statement must be signed by an elected officer of the relevant branch.
✘ Statements can be lodged with the financial report.	✔ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

	2017	2016
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.



## **Implications for filing the Financial Report**

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

### **Further information**

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)