



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

25 November 2020

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)  
CC: [pfa@pfa.org.au](mailto:pfa@pfa.org.au)  
[audit@mgiperth.com.au](mailto:audit@mgiperth.com.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 2020 (FR2020/214)**

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* in respect of the Police Federation of Australia-Western Australia Police Branch (**the reporting unit**) for the financial year ended 30 June 2020. The application was lodged with the Registered Organisations Commission on 13 November 2020.

I note that the lodgement also contained a general purpose financial report prepared in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements for the reporting unit for the period ended 30 June 2020. Please note that a section 269 certificate deems that a reporting unit has satisfied the requirements under Part 3 of Chapter 8 of the RO Act, therefore removing the requirement for a reporting unit to prepare a general purpose financial report in accordance with the Australia Accounting Standards and the RO Act.

Please note that for future years, a financial report of the reporting unit is not required to be prepared, audited and lodged with the ROC when seeking a section 269 certificate.

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 sincerely

A handwritten signature in blue ink, appearing to be 'CE', with a small horizontal line to the right.

**Chris Enright**  
**Executive Director**  
**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**  
(FR2020/214)

MR ENRIGHT

MELBOURNE, 25 NOVEMBER 2020

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

[1] On 13 November 2020 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 Western Australian Police Union of Workers (**the Association**), an associated State body, in respect of the financial year ending 30 June 2020.

[2] On 13 November 2020, the reporting unit lodged a copy of the audited accounts of the Association with the Registered Organisations Commission.

[3] 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.

[4] I am further satisfied that:

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

[5] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ending 30 June 2020, 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

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

Our Ref: C0457

12 November 2020

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



**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 2020

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 6,662.

### 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:

ARNOTT	Harry	Branch President
KELLY	Michael	Branch Senior Vice President
SHORTLAND	Brandon	Branch Vice President [Resigned 30 August 2019]
ADAMSON	Ward	Branch Treasurer
JOHNSON	Mark	Branch Executive
TILBURY	George	Branch Executive [Resigned 24 August 2019]
GUY	Kevin	Branch Executive
GILL	Michael	Branch Executive
RUSSELL	Harry	Branch Executive
GENTILLI	Jason	Branch Executive
MORA	Jason	Branch Executive
HUTCHINSON	Debra	Branch Executive
WHALLEY	Clint	Branch Executive
GALE	Paul	Branch Executive [Appointed to Vice President 06 December 2019]
GREEN	Michael	Branch Executive [Resigned 17 April 2020]
GROVES	Jonathon	Branch Executive [Appointed 24 August 2019]
CURCHIN	Alicia	Branch Executive [Appointed 09 September 2019]
MACEY	Graeme	Branch Executive [Appointed 10 June 2020]



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

13 November 2020

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**WESTERN AUSTRALIAN POLICE UNION OF WORKERS  
A.B.N. 11 005 082 386**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**

**Contents**


	<b>Page</b>
Statement by the Board of Directors	3
Secretary's statutory declaration	4
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of cash flows	7
Statement of changes in equity	8
Notes to the financial statements	9 - 23
Independent auditor's report	24-25

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS  
A.B.N. 11 005 082 386  
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 5 to 23:
  - (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 2020 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.

  
.....  
**Harry Arnott**  
**President**

  
.....  
**Ward Adamson**  
**Treasurer**

Dated this 2<sup>ND</sup> day of NOVEMBER 2020  
**West Perth, Western Australia**

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS  
A.B.N. 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 2015.

Declared at West Perth on this 02 day of November 2020 by



.....  
**Paul Hunt  
Secretary**

In the presence of:



.....  
**Signature of Authorised Witness**

Michael Craig KELLY Snr Sff 8243 WA Police Force  
**Name of authorised witness and qualification of such witness**

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Notes	Union	
		Year ended 30 June	
		2020	2019
Revenue	3(i)	7,711,340	6,709,255
Other income	3(ii)	70,587	199,100
Employee benefit expenses	4	(1,859,003)	(1,960,440)
Member's insurance		(1,065,835)	(1,125,500)
Depreciation expense		(555,055)	(527,127)
Other member expenses		(534,274)	(460,653)
Legal expenses		(473,155)	(636,992)
Building expenses		(375,482)	(431,368)
Other expenses		(229,396)	(280,107)
Administrative expenses		(195,271)	(268,624)
Industrial expenses		(173,819)	(57,250)
Annual conference		(154,377)	(192,644)
Australian federation dues		(116,261)	(118,721)
Motor vehicle expenses		(49,041)	(53,986)
Branch expenses		(38,383)	(63,052)
Travel expenses		(29,127)	(84,648)
Finance costs		(6,963)	(3,887)
<b>Net current year surplus</b>		<b>1,926,485</b>	<b>643,356</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1,926,485</b>	<b>643,356</b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the Financial Statements.

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**STATEMENT OF FINANCIAL POSITION**

	Notes	Union	
		As at 30 Jun 2020	As at 30 Jun 2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	6,679,096	4,859,329
Trade and other receivables	6	148,858	164,689
<b>Total current assets</b>		<b>6,827,954</b>	<b>5,024,018</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	4,731,755	4,541,077
Right-of-use asset	8	71,830	-
<b>Total non-current assets</b>		<b>4,803,585</b>	<b>4,541,077</b>
<b>TOTAL ASSETS</b>		<b>11,631,539</b>	<b>9,565,095</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	418,317	388,739
Lease liability	8	19,106	-
Employee benefits	10	267,891	168,532
<b>Total current liabilities</b>		<b>705,314</b>	<b>557,271</b>
<b>Non-current liabilities</b>			
Lease liability	8	56,063	-
Employee benefits	10	41,872	106,019
<b>Total non-current liabilities</b>		<b>97,935</b>	<b>106,019</b>
<b>TOTAL LIABILITIES</b>		<b>803,249</b>	<b>663,290</b>
<b>NET ASSETS</b>		<b>10,828,290</b>	<b>8,901,805</b>
<b>EQUITY</b>			
Reserves	12	1,456,386	1,456,386
Retained earnings		9,371,904	7,445,419
<b>TOTAL EQUITY</b>		<b>10,828,290</b>	<b>8,901,805</b>

The above Statement of Financial Position should be read in conjunction with the notes to the Financial Statements.

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**STATEMENT OF CASH FLOWS**

	<u>Union</u>	
	<u>Year ended 30 June</u>	
	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Member's income and other receipts	7,686,323	6,712,216
Payments to suppliers and employees	(5,193,145)	(5,968,780)
Interest received	70,587	85,256
Finance costs	(6,963)	-
<b>Net cash provided by operating activities (note 05[a])</b>	<b><u>2,556,802</u></b>	<b><u>828,692</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of property, plant and equipment	27,949	305,771
Purchase of property, plant and equipment	(764,984)	(583,475)
<b>Net cash (used in) investing activities</b>	<b><u>(737,035)</u></b>	<b><u>(277,704)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	-	-
<b>Net cash (used in) financing activities</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>1,819,767</b>	<b>550,988</b>
Cash and cash equivalents at beginning of year	4,859,329	4,308,341
<b>Cash and cash equivalents at end of financial year</b>	<b><u>6,679,096</u></b>	<b><u>4,859,329</u></b>

The above Statement of Cash Flows should be read in conjunction with the notes to the Financial Statements.

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**STATEMENT OF CHANGES IN EQUITY**

		Union			
	Retained earnings	Asset revaluation surplus	Asset realisation reserve	Capital profits reserve	Total
<b>Balance at 1 July 2018</b>	6,904,667	73,000	419,135	861,647	8,258,449
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>
Net surplus for the year	1,926,485	-	-	-	1,926,485
<b>Balance at 30 June 2020</b>	<b>9,371,904</b>	<b>73,000</b>	<b>419,135</b>	<b>964,251</b>	<b>10,828,290</b>

The above Statement of Changes in Equity should be read in conjunction with the notes to the Financial Statements.

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS****A.B.N. 11 005 082 386****NOTES TO THE FINANCIAL STATEMENTS****1. CORPORATE INFORMATION**

The financial report of **Western Australian Police Union of Workers** for the year ended 30 June 2020 was authorised for issue by directors on \_\_\_\_\_.

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of preparation of the financial report**

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.

**(b) 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.

**(c) 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.

**(d) 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 (i.e. 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 (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction 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 to sell it to another market participant that would use the asset in its highest and best use.



**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**Fair value of assets and liabilities (contd.)**

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.

**(e) 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.

**(f) Trade and other receivables**

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(j) for further discussion on the determination of impairment losses.

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

**(i) Cost**

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(k) 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.

**(ii) 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings and Building Improvements	2.5% - 20%
Furniture, Fixtures and Fittings	10% - 20%
Motor Vehicles	22.50%
Computer Equipment	20% - 33.33%
Computer Software	20%

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**Property, plant and equipment (contd.)**

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.

**(h) Leases**

At inception of a contract, the Union assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Union where the Union is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Union uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Subsequently, the lease liability is measured by a reduction to the carrying amount of any payments made and an increase to reflect any interest on the lease liability.

The right-of-use assets is an initial measurement of the corresponding lease liability less any incentives and initial direct costs. Subsequently, the measurement is the cost less accumulated depreciation (and impairment if applicable).

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Union anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**(i) Financial instruments**

**(i) 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).

**(ii) 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.

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**Financial instruments (contd.)**

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

- 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 that 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.

**(i) 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.

**(ii) 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.

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**Financial instruments (contd.)**

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.

(iii) 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.

(iv) 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.

**(j) 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.

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**Impairment of financial assets (Contd.)**

**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.

**(k) 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 (e.g. 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.

**(l) 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

**(m) 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.

**(n) 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

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS****A.B.N. 11 005 082 386****NOTES TO THE FINANCIAL STATEMENTS****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****Employee provisions (Contd)**

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

**(o) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic Non - reciprocal grant revenue is recognised in profit or loss when the Union obtains control of the grant, it is If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution,

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.

**(p) 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.

**(q) 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.

**(r) Comparative Figures**

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

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

**(s) New and amended Accounting Standards Adopted by the Union**

Initial application of AASB 16

The Entity has adopted AASB 16 Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16 the comparatives for the 2019 reporting period have not been restated.

The Entity has recognised a lease liability and right-of-use asset for all leases (with the exception of short term and low value leases) recognised as operating leases under AASB 117 Leases where the Entity is the lessee.

The lease liabilities are measured at the present value of the remaining lease payments. The Entity's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right of use assets for the remaining leases were measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability, prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by the Entity in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied;
- leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term leases;
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate;
- applying AASB 16 to leases previously identified as leases under AASB 117: *Leases* and Interpretation 4: *Determining whether an arrangement contains a lease* without reassessing whether they are, or contain, a lease at the date of initial application; and
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

		<b>Union</b>	
		<b>Year ended 30 June</b>	
		<b>2020</b>	<b>2019</b>
<b>3.</b>	<b>REVENUE AND OTHER INCOME</b>		
(i)	Operating activities		
	- Member subscriptions	6,309,840	6,243,070
	- Member promotions	126,692	123,559
	- Rental income	200,829	256,602
	- Other operating income	1,073,979	86,024
		<b>7,711,340</b>	<b>6,709,255</b>
(ii)	Non-operating activities		
	- Interest received	70,587	85,114
	- Gain on sale of assets	-	113,986
		<b>70,587</b>	<b>199,100</b>
	<b>Total revenue and other income</b>	<b>7,781,927</b>	<b>6,908,355</b>
<b>4.</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Wages and salaries	1,614,080	1,766,781
	Contributions to defined contribution superannuation funds	154,523	150,692
	(Decrease)/increase in liability for annual leave	4,646	(93,803)
	Increase in liability for long service leave	26,908	6,684
	Payroll tax expense	52,696	82,661
	Employment agency costs	6,150	47,425
	<b>Total employee benefit expense</b>	<b>1,859,003</b>	<b>1,960,440</b>
<b>5.</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and cash equivalents	6,679,096	4,859,329
	<b>Total cash and cash equivalents</b>	<b>6,679,096</b>	<b>4,859,329</b>
	<b>Cash and cash equivalents</b>		
	Cash at bank	2,646,160	1,173,163
	Cash on hand	3,379	1,558
	Short term deposits	4,029,557	3,684,608
		<b>6,679,096</b>	<b>4,859,329</b>
<b>5 (a)</b>	<b>Reconciliation of result for the year to cashflows from operating activities</b>		
	Reconciliation of net income to net cash provided by operating activities:		
	<b>Surplus for the year</b>	<b>1,926,485</b>	<b>643,356</b>
	Non-cash flows in operating surplus:		
	- Depreciation and amortisation	555,055	527,127
	- Net (gain) on disposal of property, plant and equipment	(5,359)	(113,986)
	Net changes in working capital:		
	- Decrease in trade and other receivables	15,836	8,982
	- Increase/(decrease) in trade and other payables	29,573	(99,657)
	- Increase/(decrease) in employee benefits	35,212	(137,130)
	<b>Net cash from operating activities</b>	<b>2,556,802</b>	<b>828,692</b>



**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

	Union	
	Year ended 30 June 2020	2019
<b>6. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	10,142	18,249
Prepayments	95,042	127,896
Accrued income	43,674	18,544
<b>Total trade and other receivables</b>	<b>148,858</b>	<b>164,689</b>

	Union				
	Land and buildings	Furniture fixtures and fittings	Motor vehicles	Computer equipment	Total
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>					
<b>Balance as at 30 June 2020</b>					
Balance at 01/07/2019	7,505,902	449,351	342,415	271,243	8,568,911
Additions during the year	615,406	51,314	39,967	58,297	764,984
Disposals during the year	(1,414)	(20,002)	(74,622)	(26,460)	(122,498)
Property, plant and equipment at cost	<b>8,119,894</b>	<b>480,663</b>	<b>307,760</b>	<b>303,080</b>	<b>9,211,397</b>
<b>Depreciation</b>					
Balance at 01/07/2019	(3,458,739)	(268,340)	(148,004)	(152,751)	(4,027,834)
Depreciation during year	(372,012)	(53,716)	(59,911)	(49,614)	(535,253)
Disposals during the year	1,414	17,231	38,662	26,138	83,445
Accumulated depreciation	<b>(3,829,337)</b>	<b>(304,825)</b>	<b>(169,253)</b>	<b>(176,227)</b>	<b>(4,479,642)</b>
<b>Summary</b>					
Net carrying amount at 01/07/2019	4,047,163	181,011	194,411	118,492	4,541,077
<b>Net carrying amount at 30/06/2020</b>	<b>4,290,557</b>	<b>175,838</b>	<b>138,507</b>	<b>126,853</b>	<b>4,731,755</b>
<b>Balance as at 30 June 2019</b>					
Balance at 01/07/2018	7,252,680	440,861	257,247	223,545	8,174,333
Additions during the year	399,544	16,675	119,558	47,698	583,475
Disposals during the year	(146,322)	(8,185)	(34,390)	-	(188,897)
Property, plant and equipment at cost	<b>7,505,902</b>	<b>449,351</b>	<b>342,415</b>	<b>271,243</b>	<b>8,568,911</b>
<b>Depreciation</b>					
Balance at 01/07/2018	(3,087,457)	(214,534)	(88,939)	(109,776)	(3,500,706)
Depreciation during year	(371,282)	(53,806)	(59,065)	(42,975)	(527,128)
Disposals during the year	-	-	-	-	-
Accumulated depreciation	<b>(3,458,739)</b>	<b>(268,340)</b>	<b>(148,004)</b>	<b>(152,751)</b>	<b>(4,027,834)</b>
<b>Summary</b>					
Net carrying amount at 01/07/2018	4,165,223	226,327	168,308	113,769	4,673,627
<b>Net carrying amount at 30/06/2019</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**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

**8. LEASES**

This note provides information for leases where the group is a lessee.

**(i) Amounts recognised in the balance sheet**

The balance sheet shows the following amounts relating to leases

**Right-of-Use Assets**

**As at 30 June 2020**

Balance at 1 July 2019	77,921	13,712	91,633
Additions during the year	-	-	-
Disposals and transfers during the period	-	-	-
<b>Total Right-of-Use Asset</b>	<b>77,921</b>	<b>13,712</b>	<b>91,633</b>
Amortisation during the period	(15,584)	(4,219)	(19,803)
<b>Net carrying value at the end of the period</b>	<b>62,337</b>	<b>9,493</b>	<b>71,830</b>

Union		
Holiday Homes	Office Equipment	Total
77,921	13,712	91,633
-	-	-
-	-	-
<b>77,921</b>	<b>13,712</b>	<b>91,633</b>
<b>(15,584)</b>	<b>(4,219)</b>	<b>(19,803)</b>
<b>62,337</b>	<b>9,493</b>	<b>71,830</b>

Commitments - AASB 16 Lease Liabilities (discounted)

- Not later than one year

**Current Lease Liabilities**

- Later than one year and not later than five years

- Later than five years

**Non Current Lease Liabilities**

Union	
Year ended 30 June 2020	2019
19,106	-
<b>19,106</b>	<b>-</b>
56,063	-
-	-
<b>56,063</b>	<b>-</b>

**(ii) Amounts recognised in the statement of profit or loss**

Depreciation charge related to right-of-use assets

Interest expense on lease liabilities

Short-term lease expense

Low value asset leases expense

**Total recognised in statement of profit or loss**

19,803	-
3,532	-
-	-
14,188	-
<b>37,523</b>	<b>-</b>

**9. TRADE AND OTHER PAYABLES**

Union		
	Year ended 30 June 2020	2019
Trade payables	259,244	230,468
Other payables and accruals	19,135	18,949
GST payables	74,240	65,625
Amounts received in advance	65,698	73,697
<b>Total trade and other payables</b>	<b>418,317</b>	<b>388,739</b>

**10. EMPLOYEE BENEFITS**

**Current**

Liability for annual leave

Liability for long service leave

120,822	112,519
147,069	56,013
<b>267,891</b>	<b>168,532</b>

**Non-current**

Liability for long service leave

41,872	106,019
<b>41,872</b>	<b>106,019</b>

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

**EMPLOYEE BENEFITS (CONTD)**

Employee provisions - leave entitlements

- (i) The provision for employee benefits represents amounts accrued for annual leave and long service leave.
- (ii) 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.
- (iii) 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.
- (iv) 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(n).

**11. CAPITAL AND LEASING COMMITMENTS**

- (a) Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable - minimum lease payments:

- not later than one year	19,000	47,705
- between one year and five years	22,002	128,161
- later than five years	-	56,916
	<b>41,002</b>	<b>232,782</b>

Operating leases commitments relate to office equipment rental.

**12. RESERVES**

- (a) **Asset revaluation reserve**

The asset revaluation reserve arises on the revaluation of land and buildings. 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.

**13. 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.

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

**14. 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.

	<u>Union</u>	
	<u>Year ended 30 June</u>	
	2020	2019
<b>15. RELATED PARTY TRANSACTIONS</b>		
<b>15 (a) Transactions with related entities</b>		
Affiliation fees paid to the Police Federation of Australia	116,261	118,721
<b>15 (b) Transactions with key management personnel</b>		
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	483,480	595,158

**16. FINANCIAL RISK MANAGEMENT**

**Risk management objectives and policies**

The Union is exposed to various risks in relation to financial instruments. The Union's financial assets and liabilities by category are summarised in Note 16(a). The main types of risks are credit risk and liquidity risk.

**16 (a) Categories of financial assets and liabilities**

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

		<u>Union</u>	
		<u>Year ended 30 June</u>	
	Notes	2020	2019
<b>Financial assets</b>			
Cash and cash equivalents (net of bank overdrafts)	5	6,679,096	4,859,329
Trade receivables	6	10,142	18,249
<b>Total financial assets</b>		<u>6,689,238</u>	<u>4,877,578</u>
<b>Financial liabilities</b>			
Trade and other payables	9	418,317	388,739
Employee benefits	10	267,891	168,532
<b>Total financial liabilities</b>		<u>686,208</u>	<u>557,271</u>

The Union's risk management is coordinated at its headquarters, in close cooperation with the Board of Responsible Entities, and focuses on actively securing the Union's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Union does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Union is exposed are described below.

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS**  
**A.B.N. 11 005 082 386**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FINANCIAL RISK MANAGEMENT (CONTD.)**

(i) **Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Union. The Union is exposed to this risk for financial instruments, for example trade receivables and short term deposits etc. The Union's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	<u>Union</u>	
	<u>Year ended 30 June</u>	
	<u>2020</u>	<u>2019</u>
Classes of financial assets		
Carrying amount:		
- Cash and cash equivalents	6,679,096	4,859,329
- Trade receivables	10,142	18,249
	<u>6,689,238</u>	<u>4,877,578</u>

The Union continuously monitors defaults of customers and other counterparties; identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Union's policy is to deal only with creditworthy counterparties.

The Union's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

In respect of trade receivables, the Union is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of amounts due from members. Based on historical information about member default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The Union held cash of \$ 6,679,096 at 30 June 2020 (2019: \$ 4,859,239), which represents its maximum credit exposure on these assets. The Union has no significant concentrations of credit risk with any single counterparty or group of counterparties. All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

(ii) **Liquidity risk**

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

	Note	<u>Within 01 Year</u>		<u>01 to 05 Years</u>		<u>Over 05 years</u>		<u>Total</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Financial liabilities due</b>									
Trade and other payables	9	418,317	388,739	-	-	-	-	418,317	388,739
Employee benefits	10	267,891	168,532	-	-	-	-	267,891	168,532
<b>Total expected outflows</b>		<u>686,208</u>	<u>557,271</u>	-	-	-	-	<u>686,208</u>	<u>557,271</u>
<b>Financial assets realisable</b>									
Cash and cash equivalents	5	6,679,096	4,859,329	-	-	-	-	6,679,096	4,859,329
Trade receivables	6	10,142	18,249	-	-	-	-	10,142	18,249
<b>Total anticipated inflows</b>		<u>6,689,238</u>	<u>4,877,578</u>	-	-	-	-	<u>6,689,238</u>	<u>4,877,578</u>
<b>Net inflow / (outflow)</b>		<u>6,003,030</u>	<u>4,320,307</u>	-	-	-	-	<u>6,003,030</u>	<u>4,320,307</u>

**WESTERN AUSTRALIAN POLICE UNION OF WORKERS  
A.B.N. 11 005 082 386  
NOTES TO THE FINANCIAL STATEMENTS**

**16. 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 2020 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 Audit Services Pty Ltd**



**Clayton Lawrence**  
Director

Perth, Western Australia  
3 November 2020



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

**Registration Number R 2003/326**

Financial report for the year ended 30 June 2020

# Police Federation of Australia Western Australia Police Branch

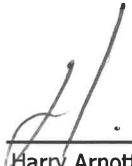
## Contents

Statement by the Board of Directors	2
Independent Auditor's Report	3 - 4
Statement of profit or loss and other comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

**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 2020 and the results for the year then ended.

Director:

  
\_\_\_\_\_  
Harry Arnott

Director:

  
\_\_\_\_\_  
Ward Adamson

Dated this <sup>2<sup>ND</sup></sup> day of ~~NOVEMBER~~ 2020  
West Perth, WA

**Police Federation of Australia Western Australia Police Branch  
Statement of Profit or Loss and Other Comprehensive Income  
for the year ended 30 June 2020**

	Note	2020 \$	2019 \$
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>	<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 2020**

	Note	2020	2019
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		-	-
<b>TOTAL CURRENT ASSETS</b>		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>-</u>	<u>-</u>
<b>EQUITY</b>			
Reserves		-	-
<b>TOTAL EQUITY</b>		<u>-</u>	<u>-</u>

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 2020**

	Retained Surplus	Total
	\$	\$
<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;"/>
<b>Balance at 1 July 2019</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 2020</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 2020**

	Note	2020 \$	2019 \$
<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>		<b>-</b>	<b>-</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 2020**

### **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.





## 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 2020, 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 2020 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 Audit Services Pty Ltd**



**Clayton Lawrence**  
Director

Perth, Western Australia  
3 November 2020