



Australian Government
Registered Organisations Commission

4 December 2018

Mr Harry Arnott
Branch President
Police Federation of Australia - Western Australia Police Branch

By e-mail: admin@wapu.org.au

Dear Mr 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 2018 (FR2018/248)

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 (**the reporting unit**) for the financial year ended 30 June 2018. The application was lodged with the Registered Organisations Commission (**the ROC**) on 22 November 2018. I also acknowledge receipt of the operating report of the reporting unit for the financial year ended 30 June 2018 which was lodged with the ROC on 30 November 2018.

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.

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
(FR2018/248)

MR ENRIGHT

MELBOURNE, 4 DECEMBER 2018

Reporting unit's financial affairs encompassed by associated State body

[1] On 22 November 2018 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 2018.

[2] On 22 November 2018, the reporting unit lodged a copy of the audited accounts of the Association with the Registered Organisations Commission.

[3] On 30 November 2018, the reporting unit lodged a copy of the operating report of the reporting unit in respect of the financial year ending 30 June 2018.

[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 2018, 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

22 November 2018

Western Australia Police Branch
639 Murray Street
WEST PERTH WA 6005
Telephone: 08 9321 2155
Facsimile: 08 9321 2177
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 or by phone on (08) 9321 2155.

Yours sincerely



Harry Arnott
Branch President

Police Federation of Australia
Western Australian Police Branch

Registration Number R 2003/326

Financial report for the year ended 30 June 2018

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

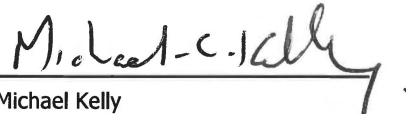
Statement by the Board of Directors

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 2018 and the results for the year then ended.

Director:


George Tilbury

Director:


Michael Kelly

Dated this 14th day of November 2018

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 2018, 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 2018 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
W: 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. This description forms part of our auditor's report.

MGI Perth Audit Services Pty Ltd

A handwritten signature in black ink, appearing to read 'Clayton Lawrence', is written over a large, stylized circular graphic element.

Clayton Lawrence
Director

Perth, Western Australia
14 November 2018

Police Federation of Australia Western Australia Police Branch

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Note	2018	2017
		\$	\$
Net current year surplus		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-
Net current year surplus attributable to members of the entity		-	-
Total comprehensive income attributable to members of the entity		-	-

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 2018

	Note	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		-	-
TOTAL CURRENT ASSETS		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>-</u>	<u>-</u>
EQUITY			
Reserves		-	-
TOTAL EQUITY		<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 2018

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2016	-	-
Comprehensive income		
Net surplus for the year	-	-
Total comprehensive income attributable to members of the entity for the year	-	-
Balance at 30 June 2017	-	-
Balance at 1 July 2017		-
Comprehensive income		
Net surplus for the year	-	-
Total comprehensive income attributable to members of the entity for the year		-
Balance at 30 June 2018	-	-

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 2018

	Note	2018	2017
		\$	\$
Cash Flows from Operating Activities			
Net cash generated from operating activities		-	-
Cash Flows from Investing Activities			
Net cash used in investing activities		-	-
Cash Flows from Financing Activities			
Net cash used in financing activities		-	-
Net increase in cash held		-	-
Cash and cash equivalents at beginning of financial year		-	-
Cash and cash equivalents at end of financial year		-	-

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 2018

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.

Western Australian Police Union of Workers

ABN: 11 005 082 386

Financial report for the year ended 30 June 2018

Western Australian Police Union of Workers

Contents

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 Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 23
Independent Auditor's Report	24 - 25

Western Australian Police Union of Workers

Statement by the Board of Directors

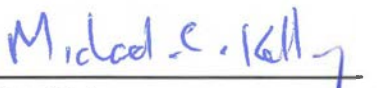
In accordance with a resolution of the directors of the Western Australian Police Union of Workers, the directors declare that:

1. the financial statements as set out on pages 4 to 22:
 - (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 2018 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


George Tilbury

Treasurer


Michael Kelly

Dated this 1st day of November 2018

West Perth, WA

Western Australian Police Union of Workers

Secretary's Statutory Declaration

Regulation 79

I, Paul Hunt, being Secretary of the Western Australian Police Union of Workers, of 639 Murray Street, West Perth, sincerely declare as follows:

1. all relevant books and documents in relation of the financial affairs of the Union that were required 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.

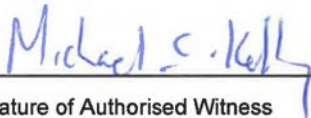
Declared at West Perth on this 1st day of November 2018 by

Secretary



Paul Hunt

In the presence of:



Signature of Authorised Witness

MICHAEL CRAIG KELLY Treasurer.

Name of authorised witness and qualification of such witness

Western Australian Police Union of Workers

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Note	2018	2017
		\$	\$
Revenue	2	6,778,153	7,426,848
Administrative expenses		(172,571)	(484,154)
Building expenses		(491,666)	(490,127)
Depreciation and amortisation expense		(478,180)	(434,397)
Employee benefits expense	3	(1,785,246)	(1,755,751)
Finance expenses		(6,475)	(21,852)
Legal expenses		(862,701)	(828,803)
Members' Insurance expense		(1,058,611)	(1,054,043)
Other member expenses		(499,549)	(495,397)
Other expenses	3	(1,269,154)	(1,080,323)
Net current year surplus		154,000	782,001
Other comprehensive income for the year		-	-
Total comprehensive income for the year		154,000	782,001

The accompanying notes form part of these financial statements.

Western Australian Police Union of Workers

Statement of Financial Position as at 30 June 2018

	Note	2018	2017
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	4,308,341	4,600,565
Accounts receivable and other debtors	6	13,628	18,153
Other current assets	7	162,930	158,474
TOTAL CURRENT ASSETS		4,484,899	4,777,192
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,673,627	4,626,420
Other non-current assets	7	-	-
TOTAL NON-CURRENT ASSETS		4,673,627	4,626,420
TOTAL ASSETS		9,158,526	9,403,612
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	488,396	552,507
Other liabilities	10	-	339,310
Employee provisions	11	259,787	302,949
TOTAL CURRENT LIABILITIES		748,183	1,194,766
NON-CURRENT LIABILITIES			
Employee provisions	11	151,894	104,397
TOTAL NON-CURRENT LIABILITIES		151,894	104,397
TOTAL LIABILITIES		900,077	1,299,163
NET ASSETS		8,258,449	8,104,449
EQUITY			
Reserves	13	1,353,782	1,353,782
Retained surplus		6,904,667	6,750,667
TOTAL EQUITY		8,258,449	8,104,449

The accompanying notes form part of these financial statements.

Western Australian Police Union of Workers

Statement of Changes in Equity for the year ended 30 June 2018

	Retained Surplus	Asset Revaluation Reserve	Asset Realisation Reserve	Capital Profits Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	5,968,666	73,000	419,135	861,647	7,322,448
Comprehensive income					
Net surplus for the year	782,001	-	-	-	782,001
Total comprehensive income attributable to members of the entity for the year	782,001	-	-	-	782,001
Balance at 30 June 2017	6,750,667	73,000	419,135	861,647	8,104,449
Balance at 1 July 2017	6,750,667	73,000	419,135	861,647	8,104,449
Comprehensive income					
Net surplus for the year	154,000	-	-	-	154,000
Total other comprehensive income	154,000	-	-	-	154,000
Total comprehensive income attributable to members of the entity for the year	154,000	-	-	-	154,000
Balance at 30 June 2018	6,904,667	73,000	419,135	861,647	8,258,449

For a description of each reserve, refer to Note 14

The accompanying notes form part of these financial statements.

Western Australian Police Union of Workers

Statement of Cash Flows for the year ended 30 June 2018

	Note	2018	2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Member's Income and other receipts		6,703,593	7,337,131
Payments to suppliers and employees		(6,305,485)	(6,081,285)
Interest received		90,778	87,202
Finance costs		(2,280)	(1,150)
Net cash generated from operating activities	18	<u>486,606</u>	<u>1,341,898</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		18,360	-
Purchase of property, plant and equipment		(547,190)	(149,059)
Net cash used in investing activities		<u>(528,830)</u>	<u>(149,059)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(250,000)	(101,701)
Net cash used in financing activities		<u>(250,000)</u>	<u>(101,701)</u>
Net increase in cash held		(292,224)	1,094,138
Cash and cash equivalents at beginning of financial year		4,600,565	3,506,427
Cash and cash equivalents at end of financial year	5	<u>4,308,341</u>	<u>4,600,565</u>

The accompanying notes form part of these financial statements.

Western Australian Police Union of Workers

Notes to the Financial Statements for the year ended 30 June 2018

Note 1: Summary Of Significant Accounting Policies

The financial statements were authorised for issue on 1st November 2018 by the Board.

Basis of Preparation

The Western Australian Police Union of Workers ("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.

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

Western Australian Police Union of Workers

Notes to the Financial Statements for the year ended 30 June 2018

Note 1: Summary Of Significant Accounting Policies

c. Fair Value of Assets and Liabilities (cont.)

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 include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

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

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 asset's useful life commencing from the time the asset is held 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 assets are:

Class of Fixed Asset	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%

Western Australian Police Union of Workers

Notes to the Financial Statements for the year ended 30 June 2018

Note 1: Summary Of Significant Accounting Policies

f. Property, Plant and Equipment (cont.)

Plant and equipment (cont.)

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

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Union, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount 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 payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

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 assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

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.

Western Australian Police Union of Workers
Notes to the Financial Statements for the year ended 30 June 2018

Note 1: Summary Of Significant Accounting Policies

h. Financial Instruments (cont.)

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

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

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

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

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

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.

(v) *Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Western Australian Police Union of Workers

Notes to the Financial Statements for the year ended 30 June 2018

Note 1: Summary Of Significant Accounting Policies

h. Financial Instruments (cont.)

Impairment (cont.)

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.

i. Impairment of Assets

At the end of each reporting period, the Union assesses whether there is any indication that an asset may be impaired. 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.

Western Australian Police Union of Workers

Notes to the Financial Statements for the year ended 30 June 2018

Note 1: Summary Of Significant Accounting Policies

i. Employee Provisions

Short-term employee benefits

Provision is made for the Union's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation 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.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. 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 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

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.

Western Australian Police Union of Workers
Notes to the Financial Statements for the year ended 30 June 2018

Note 1: Summary Of Significant Accounting Policies

n. Borrowing Costs

Borrowing costs 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. All other borrowing costs are recognised as expenses in the period in which they are incurred.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

p. 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
Notes to the Financial Statements for the year ended 30 June 2018

Note 2: Revenue and other income	2018	2017
	\$	\$
Operating activities:		
- Member subscriptions	6,163,024	6,075,847
- Member promotions	145,673	127,181
- Rental Income	273,436	270,895
- Other operating income	106,859	865,722
	<hr/>	<hr/>
	6,688,992	7,339,646
Non-operating activities:		
- Other interest received	89,161	87,202
- Gain on disposal of assets	-	-
	<hr/>	<hr/>
	89,161	87,202
Total revenue	<hr/> 6,778,153	<hr/> 7,426,848

Note 3: Surplus for the year

	2018	2017
	\$	\$
a. Expenses		
Employee benefits expense		
- Salaries	1,631,935	1,566,298
- Superannuation	148,976	148,887
- Leave accruals and on-costs	4,335	40,566
b. Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Revenue - Member Insurance Bonus Rebate	-	753,843

Note 4: Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the Union during the year are as follows:

	2018	2017
	\$	\$
Short-term employee benefits	<hr/> 481,961	<hr/> 491,559

Western Australian Police Union of Workers
Notes to the Financial Statements for the year ended 30 June 2018

Note 5: Cash and Cash Equivalents	2018	2017
	\$	\$
Cash on hand - petty cash	632	831
Cash at bank	1,428,765	845,915
Short-term investments – bank deposits	2,878,944	3,753,819
	<u>4,308,341</u>	<u>4,600,565</u>

Note 6: Accounts Receivable and Other Debtors	2018	2017
	\$	\$
CURRENT		
Accounts receivable	13,628	18,153
Total current accounts receivable and other debtors	<u>13,628</u>	<u>18,153</u>

Note 7: Other Assets	2018	2017
	\$	\$
CURRENT		
Accrued income	18,420	20,038
Prepayments	144,510	138,437
	<u>162,930</u>	<u>158,474</u>

Western Australian Police Union of Workers
Notes to the Financial Statements for the year ended 30 June 2018

Note 8: Property, Plant and Equipment	2018	2017
	\$	\$
Land and buildings:		
At Directors Valuation - 1995	533,000	533,000
At cost	6,719,680	6,453,528
Accumulated depreciation	(3,087,457)	(2,733,655)
	<u>4,165,223</u>	<u>4,252,873</u>
Furniture and fixtures:		
At cost	440,861	433,841
Accumulated depreciation	(214,534)	(224,233)
	<u>226,327</u>	<u>209,608</u>
Motor vehicles:		
At cost	257,247	188,436
Accumulated depreciation	(88,939)	(61,024)
	<u>168,308</u>	<u>127,412</u>
Computer equipment:		
At cost	223,545	118,987
Accumulated depreciation	(109,776)	(82,460)
	<u>113,769</u>	<u>36,527</u>
Total property, plant and equipment	<u><u>4,673,627</u></u>	<u><u>4,626,420</u></u>

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 and fixtures	Motor vehicles	Computer equipment	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2017	4,252,873	209,608	127,412	36,527	4,626,420
Additions	266,151	67,434	109,047	104,558	547,190
Disposals - written down value	-	(964)	(20,839)	-	(21,803)
Depreciation expense	(353,802)	(49,751)	(47,312)	(27,316)	(478,181)
Carrying amount at 30 June 2018	<u><u>4,165,222</u></u>	<u><u>226,327</u></u>	<u><u>168,308</u></u>	<u><u>113,769</u></u>	<u><u>4,673,626</u></u>
	\$	\$	\$	\$	\$
Balance at 1 July 2016	4,503,476	205,334	169,219	36,729	4,914,758
Additions	84,211	46,537	526	14,787	146,061
Disposals - written down value	-	-	-	-	-
Depreciation expense	(334,814)	(42,263)	(42,333)	(14,989)	(434,399)
Carrying amount at 30 June 2017	<u><u>4,252,873</u></u>	<u><u>209,608</u></u>	<u><u>127,412</u></u>	<u><u>36,527</u></u>	<u><u>4,626,420</u></u>

Western Australian Police Union of Workers
Notes to the Financial Statements for the year ended 30 June 2018

Note 9: Accounts Payable and Other Payables	2018	2017
	\$	\$
CURRENT		
Unsecured liabilities:		
Accounts payable	337,714	407,431
Accrued expenses	16,732	16,138
Amounts received in advance	75,293	65,208
BAS payable	58,657	63,729
	<u>488,396</u>	<u>552,507</u>

Note 10: Other Liabilities	2018	2017
	\$	\$
CURRENT		
Unsecured liabilities:		
Death Claim Payable	-	89,310
	<u>-</u>	<u>89,310</u>
Secured liabilities:		
Bank Loan	-	250,000
Total other liabilities	<u>-</u>	<u>250,000</u>
	<u>-</u>	<u>339,310</u>

The bank loan from P&N Bank is secured by a registered mortgage over property situated at 639 Murray Street, West Perth.

Western Australian Police Union of Workers
Notes to the Financial Statements for the year ended 30 June 2018

Note 11: Employee Provisions	2018	2017
	\$	\$
CURRENT		
Provision for annual leave entitlements	206,322	178,640
Provision for long service leave entitlements	53,464	124,308
	259,786	302,948
NON-CURRENT		
Provision for long service leave entitlements	151,894	104,396
	411,680	407,344

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. However, these amounts 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).

Note 12: Capital and Leasing Commitments	2018	2017
	\$	\$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments:		
- not later than 12 months	19,354	39,896
- between 12 months and five years	26,814	-
- later than five years	-	-
	46,168	39,896

Operating Lease Commitments relate to holiday homes and office equipment rental.

Western Australian Police Union of Workers

Notes to the Financial Statements for the year ended 30 June 2018

Note 13: Reserves

Asset revaluation reserve

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

Asset realisation reserve

The asset realisation Reserve records the gain on disposal of previously revalued assets.

Capital profits reserve

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

Note 14: 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.

Note 15: Events after 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.

Note 16: Related Party Transactions

	2018	2017
	\$	\$
Affiliation fees paid to the Police Federation of Australia	<u>118,719</u>	<u>113,796</u>

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.

Western Australian Police Union of Workers

Notes to the Financial Statements for the year ended 30 June 2018

Note 17: Financial Risk Management

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	2018 \$	2017 \$
Financial assets			
Cash and cash equivalents	5	4,308,341	4,600,565
Accounts receivable and other debtors	6	13,628	18,153
Total financial assets		4,321,969	4,618,718
Financial liabilities			
Financial liabilities at amortised cost:			
- Accounts payable and other payables	9	488,396	552,507
- Bank loans	10	-	250,000
Total financial liabilities		488,396	802,507

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

NOTE 18 – Cash Flow Information

	2018 \$	2017 \$
Reconciliation of cash flow from operations with net current year surplus		
Net current year surplus	154,000	782,001
Non-cash flows in surplus		
- Depreciation and amortisation	478,179	434,397
- Impairment of financial asset		-
- Net (gain) on disposal of property, plant and equipment	3,449	-
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	4,522	(2,515)
- (Increase)/decrease in other assets - prepayments	(4,456)	(38,134)
- Increase/(decrease) in trade and other payables	(153,422)	122,380
- Increase/(decrease) in employee benefit provisions	4,334	43,769
Cashflow from operations	486,606	1,341,898

Western Australian Police Union of Workers
Notes to the Financial Statements for the year ended 30 June 2018

Note 19: Union Details

The principal place of business is:

The Western Australian Police Union of Workers

639 Murray Street

West Perth, WA 6005



25 September 2018

Branch President
Police Federation of Australia-Western Australia Police Branch
By Email: admin@wapu.org.au

Dear Branch President,

**Re: Lodgement of Financial Report - [FR2018/248]
*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 2018. 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, namely on or before 28 September 2018.

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. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be 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 its rules) no later than 30 December 2018 (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 (see attached *Loans Grants and Donations* fact sheet FS 009). 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.

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, as set out above, 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 operation with effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (also available 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.

Yours faithfully,

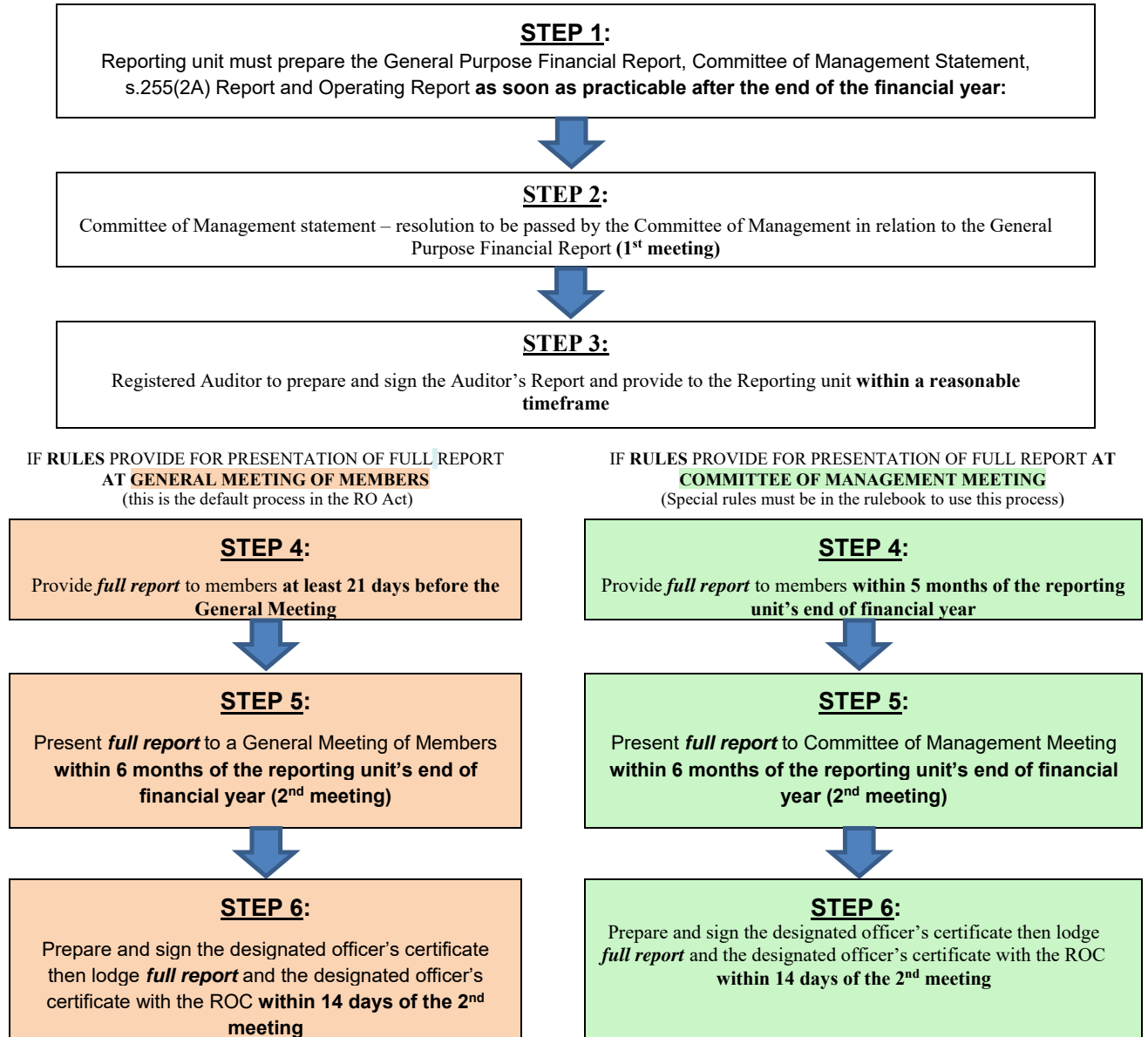
Joanne Fenwick
Registered Organisations Commission

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](#).



Fact sheet



Australian Government
Registered Organisations Commission

FS 009
(19 June 2017)

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 16(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*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report 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

© Commonwealth of Australia 2017

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