

POLICE FEDERATION OF AUSTRALIA

A B N 31 384 184 778

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

**POLICE FEDERATION OF AUSTRALIA
A B N 31 384 184 778**

COMMITTEE OF MANAGEMENT'S CERTIFICATE

On the 23rd day of September 2008, the Committee of Management of the Police Federation of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2008.

The committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the Federation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the Federation including the rules of the branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the Federation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member of Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: Randolph Wierenga

Treasurer



Signature:

Date: 23rd day of September 2008

POLICE FEDERATION OF AUSTRALIA
A B N 31 384 184 778

INDEPENDENT AUDIT REPORT

To the members of the Police Federation of Australia

SCOPE

I have audited the financial statements of the Police Federation of Australia for the year ended 30 June 2008. The Federation's Committee of Management is responsible for the preparation and presentation of the financial statements and the information contained therein. I have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Federation.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and The Workplace Relations Act 1996 so as to present a view of the Federation which is consistent with my understanding of its financial position and the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion:

- (i) There were kept by the Federation in respect of the year, satisfactory accounting records detailing the sources and nature of income of the Federation [including income from members] and the nature and purposes of expenditure; and
- (ii) The accompanying accounts and statements being the Statement of Income and Expenditure, Balance sheet, Statement of Cash Flows, Notes to and Forming Part of the Account and Committee of Managements certificate have been prepared in accordance with Section 273 of the Workplace Relations Act 1996 and are properly drawn up so as to fairly present:
 - [a] The state of affairs of the Federation as at 30 June 2008; and
 - [b] The income and expenditure and surplus of the Federation for the year ended on that date;
- (iii) The accounts have been prepared in accordance with applicable Accounting Standards.

Where necessary, I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my Audit.

SIGNED AT SYDNEY this 23rd day of September 2008



LOI KAH TSIA, B. Com., F.C.A.
Chartered Accountant
Registered Company Auditor
Suite 201, 2nd Floor
309 Pitt Street

SYDNEY NSW 2000

Police Federation of Australia

A B N 31 384 184 778

Balance Sheet as at 30 June 2008

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
<u>Accumulated Funds</u>		<u>\$786648</u>	<u>\$738793</u>
<u>Represented by</u>			
<u>Current Assets</u>			
PCU Easy Access account	3	\$94595	\$102385
PCU Market Link account	3	108458	102436
PCU Savings Plus account	3	25036	-
PCU membership fees	3	10	10
Cash on hand	4	14	38
Other Debtor	6	1643	-
Amounts due from branches	5	5740	5608
		<u>235496</u>	<u>210477</u>
<u>Non Current Assets</u>			
Property - 21 Murray Crescent Griffith ACT - At Cost	7	1016581	1016581
Plant & Equipment		30191	
Less provision for depreciation		<u>22967</u>	7903
Motor vehicle		42782	
Less provision for depreciation		<u>10161</u>	<u>39038</u>
		<u>1056426</u>	<u>1063522</u>
Total Assets		<u>1291922</u>	<u>1273999</u>
<u>Less Current Liabilities</u>			
Trade creditors and accruals	8	49400	33800
PCU loan secured over property	7	389027	440481
Provision for annual leave	9	11008	7966
Provision for long service leave	10	48547	37426
Provision for GST		<u>7292</u>	<u>15533</u>
Total liabilities		<u>505274</u>	<u>535206</u>
Net Assets		<u>\$786648</u>	<u>\$738793</u>

Police Federation of Australia
A B N 31 384 184 778
Income & Expenditure Account
For the Year Ended 30 June 2008

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
<u>Income</u>			
Campaign funds		128615	257230
Affiliation fees from branches		779703	745080
Interest received		6632	3989
Rents received		39574	37917
Government grant – Research		-	4000
Research contributions		87304	32696
		<u>\$1041828</u>	<u>\$1080912</u>
<u>Less expenditure</u>			
Audit and accounting fees	11	20700	20700
Annual leave	9	22295	19613
ACTU Affiliation fees	12	68638	66262
Bank charges and duties		156	86
Computer and website design		35288	29566
Delegation expenses	13	201838	155531
Depreciation		8431	8515
FBT		19463	19463
General office expenses	14	18700	14824
Industrial relations campaign		128615	257230
Insurances		7258	11997
Legal fees		11575	5224
Long service leave	10	11121	6880
Loss on disposal of assets		-	12662
Motor vehicle expenses		9716	8129
National Memorial expenses	15	1245	46164
Property expenses	16	61099	59576
Research expenses	17	140000	-
Salary & packaging		151452	139967
Superannuation		68389	70763
Telephone		7994	8920
Total Expenditure		<u>993973</u>	<u>962072</u>
Net Surplus for the year		47855	118840
Accumulated funds at beginning of year		738793	619953
Accumulated funds at end of year		<u><u>\$786648</u></u>	<u><u>\$738793</u></u>

POLICE FEDERATION OF AUSTRALIA
A B N 31 384 184 778

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements are a general purpose financial report that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views). The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values or except where stated, current valuations of now current assets. Cost is based on the fair values of the consideration given in exchange of assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the financial statements.

- (a) Depreciation
Depreciation of fixed assets is calculated on the straight line method in order to write off the assets over their useful lives.
- (b) Employee Entitlements
Provisions for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment. Long Service Leave has been calculated with reference to period of service and current salary rates. Contributions are made by the entity to an employee superannuation fund and are charged as expense when incurred.
- (c) Leases
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.
- (d) Income Tax
No provision for Income Tax expense has been brought to account as the income of the Federation is exempt from Income Tax under Sections 50-15 of the Income Tax Assessment Act 1997.
- (e) Goods and Services Tax (GST)
All incomes, expenses and assets are recognised net of the amount of GST. All debtors and creditors in the balance sheet are shown inclusive of GST.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of sub-Sections (1), (2) and (3) of Section 272 which read as follows:

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

Police Federation of Australia
A B N 31 384 184 778

Notes To and Forming Part of the Account
For the Year Ended 30 June 2008

3. Statement of Cash Flows
For the Year Ended 30 June 2008

	<u>2008</u>	<u>2007</u>
<u>Cash Reconciliation</u>		
For the purpose of the Statement of Cash Flows, cash at the end of the financial year is reconciled to the following items in the Balance Sheet.		
Cash with financial institutions	<u>\$228099</u>	<u>\$204831</u>
<u>Cash Flow from Operating Activities</u>		
GST Received	101813	108887
Receipts from Members	774485	761049
Interest Received	6632	3989
Rents Received	38080	37919
Government Grant	-	4000
Campaign Funds Received	128615	257230
Research Contributions Received	87304	32696
Total Cash Received	<u>1136929</u>	<u>1205770</u>
<u>Less Cash Flow from Investing & Financial Activities</u>		
Payment of GST Expenses on Acquisition	63752	64016
Payment of GST to ATO	44710	36802
Payment of Industrial Relations Campaign Funds	128615	257230
Payment of Employee's Entitlement	233637	246494
Payment of Loans to PCU	78000	78000
Payment of ACTU Affiliation Fee	68638	66262
Payment of Purchase of Office Equipment	1335	-
Payment of Motor Vehicle	-	42782
Payment of Other Expenses	475511	314161
Payment of FBT	19463	19463
Total Expenditure	<u>1113661</u>	<u>1125210</u>
Net Increase in Cash Held	23268	80560
Cash at the Beginning of Financial Year	<u>204831</u>	<u>124271</u>
Cash at the End of the Financial Year	<u>\$228099</u>	<u>\$204831</u>

Police Federation of Australia
A B N 31 384 184 778

Notes To and Forming Part of the Account
For the Year Ended 30 June 2008

	<u>2008</u>	<u>2007</u>
<u>4. Cash on Hand</u>		
Petty Cash	<u>\$14</u>	<u>\$38</u>
<u>5. Amount due from branches</u>		
Police Association of South Australia	<u>\$5740</u>	<u>\$5608</u>
<u>6. Other Debtor</u>		
Rental Debtor – by tenant	<u>\$1643</u>	<u>-</u>
<u>7. Property-at-cost</u>		
21 Murray Crescent Griffith ACT Settled on 24.1.2003	<u>\$1016581</u>	<u>\$1016581</u>
<u>8. Creditors and accruals</u>		
Staff superannuation	2013	-
PAYG re staff wages	3445	10413
Audit & accounting fees	22000	22000
Various expenses	21942	1387
	<u>\$49400</u>	<u>\$33800</u>
<u>9. Provision for Annual Leave</u>		
Balance as at 1.7.2007	7966	24953
Add additional provision for the year	<u>22295</u>	<u>19613</u>
	30261	44566
Less paid during the year	<u>19253</u>	<u>36600</u>
Balance as at 30.6.2008	<u>\$11008</u>	<u>\$7966</u>
<u>10. Provision for Long Service Leave</u>		
Balance as at 1.7.2007	37426	30546
Add additional provision for the year	<u>7446</u>	<u>6880</u>
Balance as at 30.6.2008	<u>\$44872</u>	<u>\$37426</u>
<u>11. Auditor's Remuneration</u>		
Audit fees	7500	7500
Other services	<u>13200</u>	<u>13200</u>
	<u>\$20700</u>	<u>\$20700</u>

Police Federation of Australia
A B N 31 384 184 778

Notes To and Forming Part of the Account
For the Year Ended 30 June 2008

	<u>2008</u>	<u>2007</u>
<u>12. ACTU Affiliation Fees</u>		
Normal affiliation fee	<u>\$68638</u>	<u>\$66262</u>
<u>13. Delegation Expenses</u>		
Consultancy fees	26380	13759
Conference expenses	66640	55161
Executive expenses	78289	50774
IPC	10807	11253
WAC	11296	15241
APPSC/PSITAB	8426	9343
Delegates are not paid any fees or allowances to attend conferences or executive meetings	-	-
	<u>\$201838</u>	<u>\$155531</u>
<u>14. General Office Expenses</u>		
Filing fees	1159	464
Police Superannuation Administrative fees	244	223
Printing, stationery & postage	6692	9388
Sundry office	1485	9195
	<u>\$14824</u>	<u>\$19270</u>
<u>15. National memorial Expenses</u>		
Badges & other	-	7820
Graphic design website expenses	145	10250
Executive expenses	1100	470
Legal fees	-	7655
Dedication Ceremony	-	19969
	<u>\$1245</u>	<u>\$46164</u>
<u>16. Property Expenses</u>		
Cleaning & waste disposals	2500	2250
Council rates	9504	8908
Insurance - building	4763	1722
Interest - PCU	26547	29686
Land tax	9242	9165
Light & power	2379	2028
Repairs & maintenance	4031	3748
Stamp Duty	-	109
Security	541	577
Water rates	1592	1383
	<u>\$61099</u>	<u>\$59576</u>

Police Federation of Australia
A B N 31 384 184 778

Notes To and Forming Part of the Account
For the Year Ended 30 June 2008

	<u>2008</u>	<u>2007</u>
<u>17. Research Expenses</u>		
Paid to University of Sydney	<u>\$140000</u>	<u>-</u>
<u>18. Employees Benefits</u>		
Employees benefit to holders of office		
Wage and salary	-	-
Annual leave paid to employees	-	-
Annual leave provision	-	-
Long service leave paid	-	-
Long service leave provision	-	-
Superannuation	-	-
Employees benefit to employees (other than holders of office)		
Wage and salary	151452	139967
Annual leave paid to employees (see note 9)	19253	36600
Annual leave provision (see note 9)	22295	19613
Long service leave paid	-	-
Long service leave provision (see note 10)	7446	6880
Superannuation	68389	70763