

Police Federation of Australia

ABN: 31 384 184 778

Financial Statements

For the year ended 30 June 2022

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Police Federation of Australia

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Operating Report

For the year ended 30 June 2022

The Committee of Management presents its operating report of the Police Federation of Australia ("the Federation") for the year ended 30 June 2022.

Names of Committee of Management members and period positions held during the financial year

The names of each person who has been on the Committee of Management during the financial year are:

Name	Position	Period of Appointment
Ian Leavers	President	30/9/2021 to 30/6/2022
Alex Caruana	Vice President	30/9/2021 to 30/6/2022
Colin Riley	Vice President	30/9/2021 to 30/6/2022
Paul McCue	Treasurer	30/9/2021 to 30/6/2022
Michael Kelly	Executive	27/8/2021 to 30/6/2022
Kevin Morton	Executive	29/6/2022 to 30/6/2022
Alex Caruana	Executive	1/7/2021 to 30/6/2022
Mark Carroll	President	1/7/2021 to 30/9/2021
Ian Leavers	Vice President	1/7/2021 to 30/9/2021
Paul McCue	Vice President	1/7/2021 to 30/9/2021
John Laird	Treasurer	1/7/2021 to 30/9/2021
Harry Arnott	Executive	1/7/2021 to 27/8/2021
Colin Riley	Executive	1/7/2021 to 29/9/2021
Anthony King	Executive	1/7/2021 to 26/5/2022

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

A detailed record of the Federation's activities can be found in the annual report which will be presented to the Federal Council in September and uploaded to the Federation's website.

Although COVID is still impacting all jurisdictions, the first half of 2022 has seen a return to most of our usual activities and certainly the return to domestic travel and face-to-face meetings. As was the case last financial year, the September 2021 Police Week events were significantly impacted by COVID restrictions with both the National Police Bravery Awards Dinner and the Century Bike Ride being cancelled. The Wall to Wall Ride was still held however, no Canberra event was able to be held and only satellite rides in some states were able to go ahead. Conferences and Committee meetings took place via video links.

The Federation continued to work closely with the National Police Memorial charity with respect to the POCA III Federal Government Grant activities and the further development of content for the web-portal that was unable to be launched in September 2021 and is now planned for launching in September of this year.

The Registered Organisations Commission ("ROC") continued to involve the Police Federation of Australia ("PFA") in the planning of the ROC Portal and prior to the recent Federal election, both the PFA and AFPA agreed to participate in a pilot testing phase.

In the second half of the financial year, the PFA building underwent some renovations to the ground floor kitchen, bathroom and storage areas. In the next financial year, further improvements are planned to create a new office by enclosing the outdoor porch area on the ground floor.

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Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

Finally, the Federation remained active making submissions to a number of parliamentary Inquiries and also providing evidence to a number of hearings including:

- Exposure Draft Security Legislation Amendment (Critical Infrastructure Protection) Bill 2022
- Criminal Code Amendment (Sharing of Abhorrent Violent Material) Act 2019 (AVM Act).
- Parliament inquiry into the expansion of ACLEI's jurisdiction and the corruption vulnerabilities of law enforcement agencies' contracted services
- 2021 Regional Telecommunications Review
- Inquiry into housing affordability and supply in Australia
- Inquiry into Road Safety
- Inquiry into the adequacy and efficacy of Australia's anti-money laundering and counter-terrorism financing (AML/CTF) regime.
- Family Law Amendment (Federal Family Violence Orders) Bill 2021
- Mental Health and Suicide Prevention
- Review of the Security Legislation Amendment (Critical Infrastructure) Bill 2020 and launch of Statutory Review of the Security of Critical Infrastructure Act 2018
- Review of Surveillance Legislation Amendment (Identify and Disrupt) Bill 2020
- Intelligence Oversight and Other Legislation Amendment (Integrity Measures) Bill 2020
- Review of Police Powers in Relation to Terrorism, the Control Order Regime, the Preventative Detention Order Regime and the Continuing Detention Order Regime.
- Inquiry into the Australian Government's Response to the COVID-19 Pandemic
- Inquiry into Food Pricing and Security in Remote Indigenous Communities

No significant changes in the nature of the Federation's activities occurred during the financial year.

A review of the operations and the results of the Federation is performed in regular meetings of the Committee of Management. The Committee of Management believe that they have furthered the interests of its members throughout the year through the conducting of the Federation's principal activities.

The surplus for the Federation for the year ended 30 June 2022 was \$95,220 (2021: \$269,258) and the Committee of Management believe that the activities of the Federation have achieved their objectives for the financial year.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Federation during the year.

Right of members to resign

A member may resign from the membership of the Federation by notice in writing addressed and delivered to the Secretary of the member's Branch, Zone Secretary or Chief Executive Officer, as per Rule 11(b). In accordance with Section 174(1) of the RO Act, a member of the organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

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Operating Report

For the year ended 30 June 2022

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

No officer or employee of the Federation acts:

- i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii) as a director of a Company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

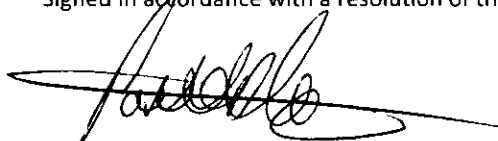
Number of members

There were 66,029 members of the Federation as at 30 June 2022 (2021: 65,243).

Number of employees

As at 30 June 2022 the Federation had 3 full-time equivalent employees (2021: 3).

Signed in accordance with a resolution of the Committee of Management:



Paul McCue
Treasurer

Dated: 20 September 2022

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Committee of Management Statement

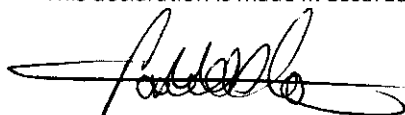
For the Year Ended 30 June 2022

On 20 September 2022 the Committee of Management of the Police Federation of Australia ("the Federation") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2022:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Federation for the financial year to which they relate;
- d) there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the Federation have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the Federation have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the Federation have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the Federation or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



Paul McCue
Treasurer

Dated: 20 September 2022

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue from contracts with customers	3	1,244,099	1,212,854
Other income	3	191,090	38,281
		<u>1,435,189</u>	<u>1,251,135</u>
Employee benefits expense	4	(551,974)	(530,487)
Delegation expenses		(267,407)	(202,458)
Depreciation expense		(75,924)	(40,297)
National Foundation expenses		(73,733)	(14,086)
Property expenses		(64,376)	(61,937)
Professional fees		(45,672)	(60,250)
Computer and web design costs		(36,893)	(28,437)
National Awareness expenses		-	(120)
Donations	4	(150,000)	-
Other expenses		(73,990)	(43,805)
Result for the year		<u>95,220</u>	<u>269,258</u>
Net gain on revaluation of property, plant and equipment		-	68,323
Other comprehensive income for the year		-	68,323
Total comprehensive income/(loss) for the year		<u>95,220</u>	<u>337,581</u>

The accompanying notes form part of these financial statements.

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Balance Sheet

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	955,312	880,387
Trade and other receivables	6	11,252	1,165
Prepayments		14,547	20,597
TOTAL CURRENT ASSETS		981,111	902,149
NON-CURRENT ASSETS			
Right-of-use assets	7	9,824	18,245
Property, plant and equipment	8	1,675,139	1,663,181
TOTAL NON-CURRENT ASSETS		1,684,963	1,681,426
TOTAL ASSETS		2,666,074	2,583,575
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	84,694	131,341
Employee benefits	10	192,070	151,007
Lease liabilities	7	8,701	8,764
TOTAL CURRENT LIABILITIES		285,465	291,112
NON-CURRENT LIABILITIES			
Employee benefits	10	2,292	1,084
Lease liabilities	7	1,577	9,859
TOTAL NON-CURRENT LIABILITIES		3,869	10,943
TOTAL LIABILITIES		289,334	302,055
NET ASSETS		2,376,740	2,281,520
EQUITY			
Reserves	11	572,074	572,074
Retained earnings		1,804,666	1,709,446
TOTAL EQUITY		2,376,740	2,281,520

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the year ended 30 June 2022

	Note	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2021		1,709,446	572,074	2,281,520
Result for the year		95,220	-	95,220
Balance at 30 June 2022		1,804,666	572,074	2,376,740
Balance at 1 July 2020		1,440,188	503,751	1,943,939
Result for the year		269,258	-	269,258
Asset revaluation	8	-	68,323	68,323
Balance at 30 June 2021		1,709,446	572,074	2,281,520

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from members		1,355,117	1,388,104
Other receipts		210,199	56,892
Payments to suppliers and employees		(1,402,498)	(994,616)
Interest received		659	777
Finance costs		(746)	(935)
Net cash provided by operating activities	17(a)	<u>162,731</u>	<u>450,222</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for plant and equipment		(79,461)	(167,003)
Proceeds from sale of plant and equipment		-	27,272
Net cash (used by) investing activities		<u>(79,461)</u>	<u>(139,731)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of finance lease liabilities		(8,345)	(6,639)
Net cash (used by) financing activities		<u>(8,345)</u>	<u>(6,639)</u>
Net increase in cash and cash equivalents held		74,925	303,852
Cash and cash equivalents at beginning of year		880,387	576,535
Cash and cash equivalents at end of year	5	<u>955,312</u>	<u>880,387</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009* (RO Act). For the purpose of preparing the general purpose financial statements, the Police Federation of Australia ("the Federation") is a not-for-profit, other incorporated entity, incorporated and domiciled in Australia.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

(b) Comparative figures

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

(c) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Federation expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

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For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(c) Revenue and other income

None of the revenue streams of the Federation have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Federation are:

Membership services

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Federation.

There is only one distinct membership service promised in the arrangement. Accordingly, the Federation recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Federation promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Federation allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Federation charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Federation recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Federation has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Federation at their standalone selling price, the Federation accounts for those sales as a separate contract with a customer.

Government COVID-19 stimulus income

Income received is recognised in the period in which they are incurred. This is generally consistent with when payment is received.

Capitation fees

Where the Federation's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Federation recognises the capitation fees promised under that arrangement when or as it transfers services rendered.

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Notes to the Financial Statements

For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(c) Revenue and other income

In circumstances where the criteria for a contract with a customer are not met, the Federation will recognise capitation fees as income upon receipt.

Interest revenue

Interest revenue is recognised on an accrual basis using the effective interest rate method.

Other income

Other income is recognised on an accrual basis when the Federation is entitled to it.

(d) Capitation fees and levies paid

Capitation fees and levies are recognised on an accrual basis and recorded as an expense in the year to which it relates.

(e) 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 GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

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.

(f) Income tax

The Federation is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

(g) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

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Notes to the Financial Statements

For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(h) Financial instruments

Financial instruments are recognised initially on the date that the Federation becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Classification

On initial recognition, the Federation classifies its financial assets as those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Federation 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.

The Federation's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

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

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

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For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Federation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Federation's historical experience and informed credit assessment; including forward looking information.

The Federation uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Federation uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Federation in full, without recourse to the Federation to actions such as realising security (if any is held); or
- the financial asset is more than 6 months past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Federation in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Federation has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in bad debt expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Federation renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

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Notes to the Financial Statements

For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(h) Financial instruments

Financial liabilities

The Federation measures all financial liabilities initially at fair value less transaction costs. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Federation comprise trade and other payables and lease liabilities.

Impairment of Financial Assets

At the end of the reporting period the Federation assesses whether there is any objective evidence that a financial asset is impaired.

Financial assets at amortised cost

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.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other income in profit or loss.

(i) Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Federation were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(j) Leases

At inception of a contract, the Federation assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

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Notes to the Financial Statements

For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(j) Leases

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Federation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Federation has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

(i) Right-of-use asset

At the lease commencement, the Federation recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Federation believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Federation's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Federation's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Federation has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Federation recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

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Notes to the Financial Statements

For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(k) Property, plant and equipment

Plant and equipment

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

Under cost model, the asset is carried at its cost less any accumulated depreciation and impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the revaluation model.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed every 3 years or if management believe there is a material movement in the value of an asset under the revaluation model. A revaluation surplus is credited to the asset revaluation reserve in equity [refer note 11].

Freehold land and buildings are carried at fair value based on periodic valuations by external valuers, less subsequent depreciation for buildings.

The last valuation done on the Federation's land and buildings to the fair value was 30 June 2021.

Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model; or on a triennial basis, whichever comes first.

In periods when the freehold land and buildings are not subject to an independent valuation, the Committee of Management conducts appropriate enquiries and analysis to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

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Notes to the Financial Statements

For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(k) Property, plant and equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Federation, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant, equipment and furniture (including IT hardware)	7.5% - 33%
Motor Vehicles	15%

At the end of each reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(l) Employee benefits

(i) *Defined contribution schemes*

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(ii) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(iii) *Other long-term employee benefit obligations*

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Police Federation of Australia

ABN: 31 384 184 778

Notes to the Financial Statements

For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(l) Employee benefits

(iii) Other long-term employee benefit obligations

The obligations are presented as current liabilities in the balance sheet if the Federation does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(m) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(n) Adoption of new and revised accounting standards

The Federation has adopted all standards which became effective for the first time during the year, none of the new standards had a material impact on the reported financial position or performance.

(o) New accounting standards for application in future periods

Certain new accounting standards have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Federation. These standards are not expected to have a material impact on the Federation in the current or future reporting periods and on foreseeable future transactions.

2 Critical Accounting Estimates and Judgements

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Police Federation of Australia

ABN: 31 384 184 778

Notes to the Financial Statements

For the year ended 30 June 2022

2 Critical Accounting Estimates and Judgements

The significant estimates and judgements made have been described below:

Key estimates - property held at fair value

Independent valuations of property (land and buildings) carried at fair value were obtained effective 30 June 2021. The Committee of Management have reviewed these valuations and consider them to remain appropriate for reflecting the fair values of the property as at the current balance date. The valuation is an estimation which would only be realised if the property is sold. Note 1(k) and 8(a) provide information on the valuation obtained.

Key estimates - useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

Key estimates - employee entitlements

As described in the accounting policies, employee provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Police Federation of Australia

ABN: 31 384 184 778

Notes to the Financial Statements

For the year ended 30 June 2022

3 Revenue and other income

	2022	2021
	\$	\$
Revenue from contracts with customers		
<i>Revenue received from other reporting units</i>		
Australian Federal Police Association	76,989	72,360
Police Association of New South Wales	315,271	311,136
Police Association of South Australia	90,254	90,854
Police Association of Tasmania	25,725	24,672
Police Association of Northern Territory	29,711	28,776
Queensland Police Union	223,951	218,856
Police Association of Victoria	330,875	320,676
Western Australian Police Union	127,879	122,184
Other - Police Association of New Zealand	23,444	23,340
	1,244,099	1,212,854
Other income		
Administration charges income from National Police Memorial	150,000	-
Interest income	659	777
Government COVID-19 stimulus income	-	35,440
Profit from sale of assets	-	2,064
Other income	40,431	-
	191,090	38,281
	1,435,189	1,251,135

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated; the following table shows this breakdown:

Timing of revenue recognition

- Over time	1,244,099	1,212,854
- At a point in time	-	-
Revenue from contracts with customers	1,244,099	1,212,854

Police Federation of Australia

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Notes to the Financial Statements

For the year ended 30 June 2022

4 Result for the period

The result for the period includes the following specific expenses

	2022	2021
Note	\$	\$
Employee benefits expense comprises:		
<i>Employees other than office holders*:</i>		
- Wages and salaries	456,065	428,927
- Superannuation	53,639	47,831
- Leave and other entitlements	42,270	53,729
	<u>551,974</u>	<u>530,487</u>
Conference and meeting expenses	182,092	90,507
Legal costs - other legal matters	4,850	-
Donations that exceed \$1,000	150,000	-

* There are no employees of the Federation that are elected to any Officer positions as defined under the RO Act.

5 Cash and cash equivalents

Cash at bank	<u>955,312</u>	<u>880,387</u>
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6 Trade and other receivables

Trade receivables	11,252	1,165
Provision for impairment	(a) -	-
	<u>11,252</u>	<u>1,165</u>

(a) Impairment of receivables

The Federation applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses incorporate forward looking information. There is no provision for impairment required at 30 June 2022 (2021: Nil).

Police Federation of Australia

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Notes to the Financial Statements

For the year ended 30 June 2022

6 Trade and other receivables

(b) Receivables from other reporting units

	2022	2021
	\$	\$
Australian Federal Police Association	1,097	-
Police Association of Northern Territory	699	-
Police Association of New South Wales	1,265	-
Police Association of Victoria	1,032	-
Receivables from other reporting units (net)	<u>4,093</u>	<u>-</u>

(c) Credit risk - Trade and Other Receivables

The following table details the Federation's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Federation and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Federation.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)		Within initial trade terms
			> 30	> 90	
	\$	\$	\$	\$	\$
2022					
Trade receivables	<u>11,252</u>	-	-	-	<u>11,252</u>
2021					
Trade receivables	<u>1,165</u>	-	-	-	<u>1,165</u>

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

Police Federation of Australia

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Notes to the Financial Statements

For the year ended 30 June 2022

7 Leases

Federation as a lessee

The Federation has leases over IT equipment. The maximum lease period is for 27 months, with no option to extend.

Right-of-use assets

	Computer Equipment \$
Year ended 30 June 2022	
Balance at beginning of year	18,245
Depreciation charge	<u>(8,421)</u>
Balance at end of year	<u><u>9,824</u></u>

Year ended 30 June 2021

Balance at beginning of year	-
Additions to right-of-use assets	25,262
Depreciation charge	<u>(7,017)</u>
Balance at end of year	<u><u>18,245</u></u>

Lease liabilities

	2022	2021
	\$	\$
Current	8,701	8,764
Non-current	<u>1,577</u>	<u>9,859</u>
	<u><u>10,278</u></u>	<u><u>18,623</u></u>

Police Federation of Australia

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Notes to the Financial Statements

For the year ended 30 June 2022

7 Leases

Lease liabilities maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Balance Sheet
	\$	\$	\$	\$	\$
2022					
Lease liabilities	9,090	1,515	-	10,605	10,278
2021					
Lease liabilities	9,084	11,355	-	20,439	18,623

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Federation is a lessee are shown below:

	2022	2021
	\$	\$
Interest expense on lease liabilities	746	935
Depreciation of right-of-use assets	8,421	7,017
	<u>9,167</u>	<u>7,952</u>

Statement of Cash Flows

Total cash outflow for leases	<u>8,345</u>	<u>6,639</u>
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Police Federation of Australia

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Notes to the Financial Statements

For the year ended 30 June 2022

8 Property, plant and equipment

	2022	2021
	\$	\$
Land and buildings		
At independent valuation	1,553,286	1,500,000
Accumulated depreciation	(20,525)	-
	<u>1,532,761</u>	<u>1,500,000</u>
Plant and equipment		
At cost	198,851	172,674
Accumulated depreciation	(96,654)	(57,775)
	<u>102,197</u>	<u>114,899</u>
Motor vehicles		
At cost	54,008	54,008
Accumulated depreciation	(13,827)	(5,726)
	<u>40,181</u>	<u>48,282</u>
Total property, plant and equipment	<u>1,675,139</u>	<u>1,663,181</u>

(a) Valuation of land and buildings

An independent valuation of 21 Murray Crescent, Griffith, ACT, was performed as at 30 June 2021. The original cost of the land and buildings was \$996,249. As a result, a revaluation surplus was credited to the asset revaluation reserve in equity (refer note 11) of \$68,323.

The Federation obtains independent valuations for its land and buildings at least every three years. At the end of each reporting period, the Federation update their assessment of the fair value, taking into account the most recent independent valuation. The Committee determine value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties.

Police Federation of Australia

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Notes to the Financial Statements

For the year ended 30 June 2022

8 Property, plant and equipment

(b) Movements in carrying amounts of property, plant and equipment

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	Plant, equipment and furniture	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 30 June 2022				
Balance at the beginning of year	1,500,000	114,899	48,282	1,663,181
Additions	53,286	26,175	-	79,461
Depreciation expense	(20,525)	(38,877)	(8,101)	(67,503)
Balance at the end of the year	1,532,761	102,197	40,181	1,675,139

Year ended 30 June 2021				
Balance at the beginning of year	1,452,202	7,257	26,885	1,486,344
Additions	-	112,994	54,009	167,003
Fair value adjustment	68,323	-	-	68,323
Disposals	-	-	(25,209)	(25,209)
Depreciation expense	(20,525)	(5,352)	(7,403)	(33,280)
Balance at the end of the year	1,500,000	114,899	48,282	1,663,181

Police Federation of Australia

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Notes to the Financial Statements

For the year ended 30 June 2022

9 Trade and other payables

	2022	2021
	\$	\$
Trade payables	20,731	76,526
Other payables	63,963	54,815
	<u>84,694</u>	<u>131,341</u>

10 Employee benefits

CURRENT

Annual leave	97,423	68,879
Long service leave	94,647	82,128
	<u>192,070</u>	<u>151,007</u>

NON-CURRENT

Long service leave	<u>2,292</u>	<u>1,084</u>
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(a) Total employee benefits attributable to:

Employees other than office holders*:

Annual leave	97,423	68,879
Long service leave	96,939	83,212
	<u>194,362</u>	<u>152,091</u>

* There are no employees of the Federation that are elected to any Officer positions as defined under the RO Act.

11 Reserves

Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

Asset revaluation reserve	<u>572,074</u>	<u>572,074</u>
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Police Federation of Australia

ABN: 31 384 184 778

Notes to the Financial Statements

For the year ended 30 June 2022

12 Financial risk management

The main risks Police Federation of Australia is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting equity price risk.

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

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 \$	2021 \$
Financial Assets			
Cash and cash equivalents	5	955,312	880,387
Trade and other receivables	6	11,252	1,165
Total financial assets		966,564	881,552
Financial Liabilities			
Trade and other payables		70,762	122,750
Lease Liabilities	7	10,278	18,623
Total financial liabilities		81,040	141,373

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the balance sheet due to the effect of discounting.

Financial liability maturity analysis - Non-derivative

	Within 1 year		> 1 year		Total	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Financial liabilities due for payment						
Trade and other payables	84,694	131,341	-	-	84,694	131,341
Finance lease liabilities	9,090	9,084	1,515	11,355	10,605	20,439
Total contractual outflows	93,784	140,425	1,515	11,355	95,299	151,780

Police Federation of Australia

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Notes to the Financial Statements

For the year ended 30 June 2022

12 Financial risk management

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Federation.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Federation has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Committee of Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(b) Market risk

The Federation is not exposed to a material level of interest rate risk or equity price risk.

(c) Net income/(expenses) from financial assets

	2022	2021
	\$	\$
<i>Financial assets at amortised cost</i>		
Interest revenue	659	777
Interest expense	(746)	(935)

Police Federation of Australia

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Notes to the Financial Statements

For the year ended 30 June 2022

13 Fair Value Measurement

The Federation measures Land and buildings at fair value on a recurring basis:

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Federation:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2022				
Recurring fair value measurements				
Land and buildings	-	1,532,761	-	1,532,761

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2021				
Recurring fair value measurements				
Land and buildings	-	1,500,000	-	1,500,000

Fair value measurements are performed in accordance with note 8(a).

Police Federation of Australia

ABN: 31 384 184 778

Notes to the Financial Statements

For the year ended 30 June 2022

14 Auditor's remuneration

	2022	2021
	\$	\$
Remuneration of the auditor Daley Audit, for:		
- financial statement audit services	20,600	19,620
- other services*	5,500	4,080
	<u>26,100</u>	<u>23,700</u>

*Other services are for accounting and tax services.

15 Key Management Personnel Remuneration

Total remuneration paid to key management personnel of the Federation during the year were as follows:

Short-term benefits	319,875	318,915
Post-employment benefits	23,977	21,507
Other long term benefits	15,457	30,532
	<u>359,309</u>	<u>370,954</u>

16 Related party transactions

Related Parties

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any office holder (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 15: Key Management Personnel Remuneration.

(b) Transactions with related parties

Capitation fees received from related parties are disclosed at note 3 and balances are disclosed in note 6(b).

Other reporting units are provided with and/or reimbursed for travel expenses incurred in the course of undertaking the Federation's business. These costs are not considered to be related party transactions and hence have not been included in this disclosure. Similarly, they are not considered to be cash outflows to other reporting units.

Police Federation of Australia

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Notes to the Financial Statements

For the year ended 30 June 2022

17 Cash flow information

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

	2022	2021
	\$	\$
Result for the year	95,220	269,258
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	75,924	40,297
- gain on disposal of plant and equipment	-	(2,064)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(10,087)	53,586
- (increase)/decrease in other assets	6,050	(9,764)
- increase/(decrease) in trade and other payables	(46,647)	46,993
- increase/(decrease) in employee provisions	42,271	51,916
Cashflow from operations	<u>162,731</u>	<u>450,222</u>

(b) Net cash flows from Reporting Units

Inflows

Australian Federal Police Association	78,791	79,596
Police Association of New South Wales	348,452	371,351
Police Association of South Australia	99,279	99,939
Police Association of Tasmania	29,786	29,294
Police Association of Northern Territory	33,402	32,119
Queensland Police Union	247,044	242,995
Police Association of Victoria	363,283	352,744
Western Australian Police Union	140,666	134,402
	<u>1,340,703</u>	<u>1,342,440</u>

Police Federation of Australia

ABN: 31 384 184 778

Notes to the Financial Statements

For the year ended 30 June 2022

18 Contingent liabilities

In the opinion of the Committee of Management, the Federation did not have any contingencies at 30 June 2022 (30 June 2021: None).

19 Events after the end of the Reporting Period

The financial report was authorised for issue by the Committee of Management on 20 September 2022.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Federation, the results of those operations, or the state of affairs of the Federation in subsequent financial periods.

20 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of the members is drawn to the provisions of Sub-sections (1) to (3) of Section 272, which reads as follows:-

Information to be provided to members or the Commissioner:

1. A member of a reporting unit, or the Commissioner, 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

ABN: 31 384 184 778

Officer Declaration Statement

For the year ended 30 June 2022

I, Paul McCue, being the Treasurer of the Police Federation of Australia, declare that the following activities did not occur during the reporting period ending 30 June 2022.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive periodic or membership subscriptions
- ~~receive capitation fees or any other revenue amount from another reporting unit~~
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- ~~pay a donation that exceeded \$1,000~~
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- ~~pay wages and salaries to employees (other than holders of office)~~
- ~~pay superannuation to employees (other than holders of office)~~
- ~~pay leave and other entitlements to employees (other than holders of office)~~
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- ~~incur expenses due to holding a meeting as required under the rules of the organisation~~
- pay legal costs relating to litigation
- ~~pay legal costs relating to other legal matters~~
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- ~~have a receivable with other reporting unit(s)~~
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have an annual leave provision in respect of holders of office

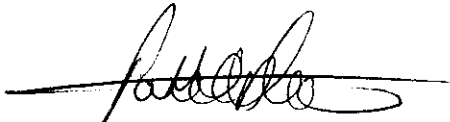
Police Federation of Australia

ABN: 31 384 184 778

Officer Declaration Statement

For the year ended 30 June 2022

- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- ~~have an annual leave provision in respect of employees (other than holders of office)~~
- ~~have a long service leave provision in respect of employees (other than holders of office)~~
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- ~~have a balance within the general fund~~
- provide cash flows to another reporting unit and/or controlled entity
- ~~receive cash flows from another reporting unit and/or controlled entity~~
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Paul McCue
Treasurer

Dated: 20 September 2022

Police Federation of Australia

ABN: 31 384 184 778

Report required under subsection 255(2A)

For the year ended 30 June 2022

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Federation for the year ended 30 June 2022.

Categories of Expenses	2022 \$	2021 \$
Remuneration and other employment-related costs and expenses - employees	551,974	530,487
Advertising	-	-
Operating costs	706,474	415,804
Donations to political parties	-	-
Legal costs	4,850	-



Paul McCue
Treasurer

Dated: 20 September 2022



Independent Audit Report to the members of Police Federation of Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Police Federation of Australia ("the Federation"), which comprises the balance sheet as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 30 June 2022, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Federation as at 30 June 2022, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) the Australian Accounting Standards; and
- (ii) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Federation is appropriate.

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 Federation 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.

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Independent Audit Report to the members of Police Federation of Australia

Information Other than the Financial Report and Auditors Report Thereon

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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 Committee of Management for the Financial Report

The Committee of Management of the Federation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine 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 Committee of Management are responsible for assessing the Federation's ability 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 of Management either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so.

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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an auditor registered under the RO Act.

Daley Audit

Michael Mundt
Partner

Wollongong
Dated: 20 September 2022

Registration Number (as registered by the RO Commissioner under the RO Act): AA 2017/67

Liability limited by a scheme approved under Professional Standards Legislation.