

# WESTERN AUSTRALIAN PRISON OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

## GENERAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017



### **Anderson Munro & Wyllie**

CHARTERED ACCOUNTANTS

**Street Address:**

Unit 8  
210 Winton Road  
JOONDALUP WA 6027

**Postal Address:**

PO Box 229  
JOONDALUP DC WA 6919

**By Appointment:**

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

### **Report on the Financial Report**

#### **Opinion**

I have audited the accompanying financial report of Western Australian Prison Officer's Union of Workers ("the Union") which comprises the statement of financial position as at 30 June 2017 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Union as at 30 June 2017 and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

#### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Reporting Unit 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Committee of Management is 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.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



### **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is 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 is responsible for assessing the Reporting Unit'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 Reporting Unit or to cease operations, or have no realistic alternative but to do so.

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

My objective is 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Reporting Unit's internal control.
- 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 Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I 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 I identify during our audit.



I declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia and New Zealand and hold a current Public Practice Certificate.

**Responsibilities**

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

ANDERSON MUNRO & WYLLIE

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

**MARTIN SHONE**

Principal & Registered Company Auditor

Member of the Institute of Chartered Accountants in Australia and New Zealand

Registration number AA2017/8

Dated at Perth, Western Australia this 5<sup>th</sup> day of September 2017

# WESTERN AUSTRALIAN PRISON

## OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

### OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2017

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2017.

#### Principal Activity

The principle activities of the Union during the year ending 30 June 2017 were as follows:

- representing individual members in grievance disputes with employers resulting in members being treated fairly and their rights respected.
- representing all members at various workplaces regarding disputes with employers resulting in a fair outcome.
- negotiating Enterprise Bargaining Agreements resulting in increased wages and conditions for members covered by those Agreements.
- negotiating Industrial Agreements at a number of worksites resulting in the settlement of disputes or the resulting in flexibility working arrangements.
- providing members with professional indemnity insurance.
- providing Union Delegates and Worksite Committee members with training and education to enable them to better represent members in the workplace.

#### Operating Results

The Union's profit for the year amounted to \$201,326 (2016: Loss \$5,843).

#### Review of Operations

A review of the operations of the Union during the year found that there were no significant changes in nature to these principal activities during the year.

#### Significant Changes in the State of Affairs

No matters or circumstances arose during the year which significantly affected the financial affairs of the Union.

#### After Balance Date Events

There are no significant events after balance date to be reported.

#### Member's Right to Resign

Members may resign from the Union by giving written notice to the Union in accordance with the rules of the Union.

#### Membership of the Union

Number of members as at 30 June 2017: 2,347 (30 June 2016: 2,219).

#### Employees of the Union

At the end of the financial period the Union employed 9 staff.

#### Members of the Committee of Management

The State Executive members who held office during the period were:

K. Brown	Union President	
J. Welch	Union Secretary	
M. Cromb	Union Treasurer	
Andrew Smith	Union Assistant Secretary	
U. Thiel	Union Vice President	
T. Kennedy	Union Executive Member	- resigned 06/01/2017



WESTERN AUSTRALIAN PRISON  
OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

OPERATING REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2017

The State Council members who held office during the period were (continued):

S. Richardson, Woorloo

- elected 09/01/2017

I. Knott, Wandoo

R. MacDonald, WKRP

Members have been in office for the period covering the report until the date of this report unless otherwise stated.

**Indemnification of Officer or Auditor**

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Union.

**Proceedings on Behalf of the Union**

No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings. The Union was not a party to any such proceedings during the period.

**Wages Recovery Activity**

The Union has not undertaken any recovery of wages activity for the year ended 30 June 2017.

**Other Information**

There is no other information that the Union considers relevant.

**Auditor's Independent Declaration**

A copy of the auditor's independence declaration is set out on page 8.

Signed in accordance with a resolution of the Committee of Members passed on the 5<sup>th</sup> September 2017



John Welch  
Secretary

Dated: 5<sup>th</sup> September 2017



Michael Cromb  
Treasurer

Dated: 5<sup>th</sup> September 2017



WESTERN AUSTRALIAN PRISON  
OFFICERS' UNION OF WORKERS  
ABN 98 518 622 745

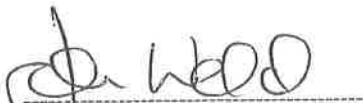
COMMITTEE OF MANAGEMENT STATEMENT

On the 5<sup>th</sup> day of September 2017 the Committee of Management of Western Australian Prison Officers' Union of Workers ("the Union") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2017:

The Union Committee of Management of the Western Australian Prison Officers' Union of Workers declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes give a true and fair view of the Union's financial performance, financial position and cash flows, and the changes in equity for the year then ended;
3. there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
4. during the financial year to which the GPFR relates and since the end of that period:
  - (a) meetings of the Committee of Management were held in accordance with the rules of the Union;
  - (b) the financial affairs of the Union have been managed in accordance with the rules of the Union;
  - (c) the financial records of the Union have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009 ("Act")* and *Fair Work (Registered Organisations) Regulations 2009 ("Regulations")*, *Industrial Relations Act 1979 (WA) ("IR Act")* and *Industrial Relations Commission Regulations 2005 (WA) ("IRC Regulations")*; and
  - (d) the Union is a sole reporting unit, therefore the financial records of the Union have been kept in a consistent manner specifically relating to the Union.
5. further the Committee of Management of the Union declares that the Union has not undertaken any recovery of wages activity during the year ending 30 June 2017.

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



John Welch  
Secretary

Dated: 5<sup>th</sup> September 2017



Michael Cromb  
Treasurer

Dated: 5<sup>th</sup> September 2017



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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE MEMBERS OF  
WESTERN AUSTRALIAN PRISON OFFICERS' UNION OF WORKERS**

As auditor for the audit of Western Australian Prison Officers' Union of Workers for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there has been:

No contraventions of any applicable code of professional conduct in relation to the audit.

ANDERSON MUNRO & WYLLIE

**ANDERSON MUNRO & WYLLIE**

Chartered Accountants

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**Martin Shone**

Principal

Dated at Perth, Western Australia this 13<sup>th</sup> of September 2017

WESTERN AUSTRALIAN PRISON

OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>Revenue</b>			
Membership Subscription	3A	1,889,094	1,790,963
Funeral Benefit Fund Subscriptions	3B	60,415	56,953
Death Benefit Levy	3C	135,060	64,290
Rental Revenue	3D	47,978	47,585
Advertising Income	3E	4,786	8,436
Interest Received	3F	36,997	37,269
Other Income	3G	80,713	36,440
<b>Total income</b>		<b>2,255,043</b>	<b>2,041,936</b>
<b>Expenses</b>			
Employee Expenses	4A	(972,054)	(978,877)
Affiliation Fees	4B	(113,040)	(112,296)
Administration Expenses	4C	(314,495)	(319,625)
Donations	4D	(36,490)	(18,763)
Depreciation	4E	(86,446)	(78,293)
Legal Costs	4F	(67,353)	(169,119)
Audit Fees	12	(20,638)	(18,053)
Net Losses from Write Downs and Sale of Assets	4G	(5,326)	-
Benefits Paid	4H	(162,755)	(92,515)
Other Expenses	4I	(275,120)	(260,238)
<b>Total expenses</b>		<b>(2,053,717)</b>	<b>(2,047,779)</b>
<b>Net Profit / (Loss) Attributable to Members of the Union</b>		<b>201,326</b>	<b>(5,843)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income / (Loss) for the period attributable to Members of the Union</b>		<b>201,326</b>	<b>(5,843)</b>

The accompanying notes form part of these financial statements.

WESTERN AUSTRALIAN PRISON

OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017	2016
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5A	2,253,673	1,694,668
Trade and Other Receivables	5B	43,625	13,540
Other Current Assets	5C	20,308	32,523
<b>TOTAL CURRENT ASSETS</b>		<b>2,317,606</b>	<b>1,740,731</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	2,170,841	2,200,776
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,170,841</b>	<b>2,200,776</b>
<b>TOTAL ASSETS</b>		<b>4,488,447</b>	<b>3,941,507</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7A	444,122	115,005
Employee Provisions	8A	109,142	94,145
<b>TOTAL CURRENT LIABILITIES</b>		<b>553,264</b>	<b>209,150</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Provisions	8A	85,900	84,400
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>85,900</b>	<b>84,400</b>
<b>TOTAL LIABILITIES</b>		<b>639,164</b>	<b>293,550</b>
<b>NET ASSETS</b>		<b>3,849,283</b>	<b>3,647,957</b>
<b>EQUITY</b>			
Retained Earnings		3,513,203	3,311,877
Reserves	9	336,080	336,080
<b>TOTAL EQUITY</b>		<b>3,849,283</b>	<b>3,647,957</b>

The accompanying notes form part of these financial statements.

**WESTERN AUSTRALIAN PRISON  
OFFICERS' UNION OF WORKERS  
ABN 98 518 622 745**

**STATEMENT OF CHANGES OF EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	Retained Earnings – General Fund	Retained Earnings – Funeral and Death Benefit Fund	Other Reserves	Total
	\$	\$	\$	\$
Balance at 30 June 2015	2,840,024	477,696	336,080	3,653,800
Loss for the Year	(5,843)	-	-	(5,843)
<b>Balance at 30 June 2016</b>	<b>2,834,181</b>	<b>477,696</b>	<b>336,080</b>	<b>3,647,957</b>
Profit for the Year	201,326	-	-	201,326
<b>Balance at 30 June 2017</b>	<b>3,035,507</b>	<b>477,696</b>	<b>336,080</b>	<b>3,849,283</b>

The accompanying notes form part of these financial statements.

**WESTERN AUSTRALIAN PRISON  
OFFICERS' UNION OF WORKERS  
ABN 98 518 622 745**

**STATEMENT OF CASH FLOWS  
FOR THE 18 MONTHS ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipt from Members	2,187,961	2,024,308
Payment to Suppliers and Employees	(1,605,026)	(1,973,057)
Interest Received	32,581	32,141
Cash Received from Operating Activities	<b>615,516</b>	<b>83,392</b>
	11A	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Non-Current Assets	(72,892)	(84,481)
Proceeds on Disposal of Non-Current Assets	16,381	52,139
Cash Used in Investing Activities	<b>(56,511)</b>	<b>(32,342)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash Used in Financing Activities	-	-
Increase in Cash and Cash Equivalents During the Year	559,005	51,050
Cash and Cash Equivalents at the Beginning of the Year	1,694,668	1,643,618
Cash and Cash Equivalents at the End of the Year	<b>2,253,673</b>	<b>1,694,668</b>

The accompanying notes form part of these financial statements

**WESTERN AUSTRALIAN PRISON  
OFFICERS' UNION OF WORKERS  
ABN 98 518 622 745**

**RECOVERY OF WAGES ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2017**

No recovery of wages activities occurred in the reporting period.

# WESTERN AUSTRALIAN PRISON

## OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

### Note 1: Union Information

The financial report of Western Australian Prison Officers' Union of Workers ("the Union") for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Committee of Management.

The financial statements cover the Union as an individual entity. The Union is registered and domiciled in Western Australia.

The Union is a trade union which represents the industrial interests of the career public sector and private industry Prison Officers employed within the state of Western Australia.

Number of members at 30 June 2017: 2,347 (30 June 2016: 2,219).

The financial statements were authorised for issue on 5<sup>th</sup> September 2017 by the members of the committee.

### Note 2: Summary of Significant Accounting Policies

#### 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 Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

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 these 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 accruals 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) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from membership contributions is accounted for on an accrual basis and is recorded as revenue in the period to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

##### (b) Gains

###### *Sale of Assets*

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.



## WESTERN AUSTRALIAN PRISON

## OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

### Note 2: Summary of Significant Accounting Policies (Continued)

#### (c) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Union in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Union recognises an obligation to provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations as per the requirements of the relevant industrial conditions or obligations.

#### (d) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### (e) Borrowing Costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

#### (f) Cash

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 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

# WESTERN AUSTRALIAN PRISON

## OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

### Note 2: Summary of Significant Accounting Policies (Continued)

#### (g) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### (h) Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

##### (i) *Fair value through profit or loss*

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Union manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Union documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

##### (ii) *Held-to-maturity investments*

Financial assets with fixed or determinable payments and fixed maturity dates that the Union has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

# WESTERN AUSTRALIAN PRISON

## OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

### Note 2: Summary of Significant Accounting Policies (Continued)

#### (i) Financial Assets (Continued)

##### (iii) *Available-for-sale*

The Union is aware of the accounting policies and standards that are required in the circumstances where listed shares and listed redeemable notes are held as investments by the Union but no such shares or notes are held by the Union.

##### (iv) *Loan and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### (v) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

##### (vi) *Impairment of financial assets*

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Union past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment 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 current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

# WESTERN AUSTRALIAN PRISON

## OFFICERS' UNION OF WORKERS

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### Note 2: Summary of Significant Accounting Policies (Continued)

#### (i) Financial Assets (Continued)

##### (vi) *Impairment of financial assets (Continued)*

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

##### (vii) *Derecognition of financial assets*

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

#### (j) Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

##### (i) *Fair value through profit or loss*

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

# WESTERN AUSTRALIAN PRISON

## OFFICERS' UNION OF WORKERS

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### Note 2: Summary of Significant Accounting Policies (Continued)

#### (j) Financial Liabilities (Continued)

##### (i) *Fair value through profit or loss (Continued)*

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

##### (ii) *Other financial liabilities*

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

##### (iii) *Derecognition of financial liabilities*

The Union derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### (k) 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.

#### (l) Land, Buildings, Plant and Equipment

##### *Asset Recognition Threshold*

Purchases of land, buildings, plant and equipment are recognised at cost less accumulated depreciation in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

##### *Depreciation*

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Furniture and equipment	5% - 40%
Motor vehicles	25%
Buildings and improvements	2.5% to 25%

##### *Derecognition*

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

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**Note 2: Summary of Significant Accounting Policies (Continued)**

**(m) Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured at its cost, including transaction costs, less accumulated depreciation.

**Depreciation**

Depreciable investment property assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Furniture and equipment	5% - 40%
Buildings and improvements	2.5% to 25%

**Derecognition**

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

**(n) Impairment for 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 to sell 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 Union was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**(o) Taxation**

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

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

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**Note 2: Summary of Significant Accounting Policies (Continued)**

**(p) Comparative Figures**

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

The comparative period is for 18 months whereas the current period is for 12 months due to a change in the Union's financial year end.

**(q) Accounts Payable and Other Payables**

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

**(r) Significant Accounting Judgements and Estimates**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Nil

**Key estimates**

*Impairment*

**Key judgments**

*Available-for-sale investments*

Nil

**(s) New Australian Accounting Standards**

***Adoption of New Australian Accounting Standard Requirements***

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

***Future Australian Accounting Standards Requirements***

The Union has assessed the new and amended pronouncements applicable to future reporting periods and has determined that their effect on the Union is NIL.

**(sa) Going Concern**

The Union is not reliant on financial support of another reporting unit to continue on a going concern basis.

The Union provides no financial support to ensure another reporting unit can continue on a going concern basis.

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	2017	2016
	\$	\$
<b>Note 3: Income</b>		
<b>Note 3A: Membership Subscription</b>		
DCS & Acacia members –FULL TIME \$34.55 inc gst and JOB SHARE \$25.90 inc gst fortnightly. WAPOU's major income -WAPOU's major income	1,889,094	1,790,963
<b>Note 3B: Funeral Benefit Fund Subscriptions</b>		
\$1.10 per fortnight for DCS and \$1.10 per fortnight for ACACIA for Funeral expenses to members and beneficiaries	60,415	56,953
<b>Note 3C: Death Benefit Levy</b>		
\$15 per member which is a one-time fee when a serving member passes away and it is used to pay funeral expenses to the deceased member's beneficiary.	135,060	64,290
<b>Note 3D: Rental Revenue</b>		
Properties	47,978	47,585
<b>Note 3E: Advertising Income</b>	4,786	8,436
<b>Note 3F: Interest Received</b>		
Deposits	36,997	37,269
<b>Note 3G: Other Income</b>		
Profit on sale of assets	-	11,912
Federal Income -- ERA Research	35,608	22,727
Sundry Income	-	141
Sponsorship	6,616	-
OHS Seminar Income	5,455	-
Training Income	16,884	1,522
<b>Note 3G: Other Income (continued)</b>		
Workers Compensation Income	16,008	-
Discounts Received	142	138
<b>Total Other Income</b>	80,713	36,440



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	2017	2016
	\$	\$
<b>Note 4A: Employee Expenses</b>		
<b>Holders of office:</b>		
– Wages and salaries	(223,924)	(234,188)
– Superannuation	(37,803)	(44,790)
– Leave and other entitlements	(37,153)	(43,743)
Subtotal employee expenses holders of office	(298,880)	(322,721)
<b>Employees other than office holders:</b>		
– Wages and salaries	(497,136)	(445,578)
– Superannuation	(54,536)	(43,919)
– Leave and other entitlements	(52,432)	(60,563)
Subtotal employee expenses employees other than office holders	(604,104)	(550,060)
<b>Other employee expenses</b>	(69,070)	(106,096)
<b>Total employee expenses</b>	(972,054)	(978,877)
<b>Note 4B: Affiliation Fees</b>		
Trades and Labour Council of WA	(41,858)	(42,948)
Australian Council of Trade Unions	(12,292)	(13,210)
Prison Officers' Association of Australasia	(1,500)	-
Australian Labour Party (WA Union)	(20,311)	(20,306)
State Public Services Federation	(36,826)	(35,088)
Western Australian Industrial Gazette	(253)	(744)
<b>Total affiliation fees</b>	(113,040)	(112,296)

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	2017	2016
<b>Note 4: Expenses (continued)</b>	<b>\$</b>	<b>\$</b>
 <b>Note 4C: Administration Expenses</b>		
Accounting Fees	(2,775)	(3,884)
Advertising Notices	(1,544)	(3,749)
Bank Charges	(5,982)	(5,479)
Fees/Allowances/Expenses – meetings and conferences	(146,419)	(175,532)
Office Expenses	(18,211)	(14,720)
Information Communications Technology	(36,085)	(26,013)
Property Expenses	(51,627)	(52,958)
Contractors/Consultants	(4,713)	(5,847)
Training Expenses	(8,981)	-
Vehicle Expenses	(29,059)	(23,785)
General Insurance	(9,099)	(7,658)
<b>Total administration expenses</b>	<b>(314,495)</b>	<b>(319,625)</b>
 <b>Note 4D: Donations</b>		
Donations:		
Total paid that were \$1,000 or less	(2,490)	(4,063)
Total paid exceeding \$1,000	(34,000)	(14,700)
<b>Total donations</b>	<b>(36,490)</b>	<b>(18,763)</b>
 <b>Note 4E: Depreciation</b>		
Land and Buildings	(32,039)	(37,139)
Property, Plant and Equipment	(54,407)	(41,154)
<b>Total depreciation</b>	<b>(86,446)</b>	<b>(78,293)</b>
 <b>Note 4F: Legal Costs</b>		
Litigation	(67,353)	(167,019)
Other Legal Matters	-	(2,100)
<b>Total legal costs</b>	<b>(67,353)</b>	<b>(169,118)</b>

**2017                      2016**

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	2017	2016
<b>Note 4: Expenses (continued)</b>	\$	\$
 <b>Note 4G: Net Losses from Sale of Assets</b>		
Asset write-downs and impairments of:		
Plant and Equipment	(5,326)	-
<b>Total net losses from sale of assets</b>	(5,326)	-
 <b>Note 4H: Benefits Paid</b>		
Funeral Benefits	(32,000)	(30,000)
Death Benefits	(130,755)	(62,515)
<b>Total benefits paid</b>	(162,755)	(92,515)
 <b>Note 4I: Other Expenses</b>		
Campaign Expenses	(189,425)	(162,289)
Membership Expenses	(18,675)	(20,716)
Rental Property Expenses	(60,058)	(62,365)
Sundry Expenses	(6,962)	(14,868)
<b>Total other expenses</b>	(275,120)	(260,238)
 <b>Note 5: Current Assets</b>		
 <b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	877,463	430,131
Cash on hand	825	1,000
Short term deposits	1,375,385	1,263,537
<b>Total cash and cash equivalents</b>	2,253,673	1,694,668
 <b>Note 5B: Trade and Other Receivables</b>		
Trade receivables	43,625	13,540
Less provision for doubtful debts	-	-
<b>Total trade and other receivables</b>	43,625	13,540

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	2017	2016
	\$	\$
<b>Note 5: Current Assets (continued)</b>		
<b>Note 5C: Other Current Assets</b>		
Prepayments	15,892	27,395
Accrued income	4,416	5,128
GST receivable	-	-
<b>Total other current assets</b>	<u>20,308</u>	<u>32,523</u>

**Note 6: Non-current assets**

**Note 6A: Land and buildings**

Land and buildings:

Cost	931,885	932,575
Accumulated depreciation	<u>(143,255)</u>	<u>(132,721)</u>
<b>Total land and buildings</b>	<u>788,600</u>	<u>799,854</u>

Reconciliation of the opening and closing balances of land and buildings:

As at 1 July 2016 (1 July 2015)		
Gross book value	932,575	938,470
Accumulated depreciation and impairment	<u>(132,721)</u>	<u>(126,497)</u>
Net book value 1 January	799,854	811,973
Additions:		
By purchase	-	-
Depreciation expense	(11,171)	(12,072)
Disposals	(83)	(47)
Net book value 30 June	<u>788,600</u>	<u>799,854</u>
Net book value as of 30 June represented by:		
Gross book value	931,885	932,575
Accumulated depreciation and impairment	<u>(143,255)</u>	<u>(132,721)</u>
Net book value 30 June	<u>788,600</u>	<u>799,854</u>

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	2017	2016
	\$	\$
<b>Note 6B: Plant and equipment</b>		
Plant and equipment:		
Cost	326,761	317,137
Accumulated depreciation	(160,196)	(141,953)
<b>Total plant and equipment</b>	<u>166,565</u>	<u>175,184</u>

Reconciliation of the opening and closing balances of plant and equipment:

	Fixtures and Fittings	Motor Vehicles	Computer Equipment	Office Furnitur e and Equipm ent	Total
As at 30 June 2016					
Gross book value	42,362	137,605	65,152	72,028	317,147
Accumulated depreciation and impairment	(11,112)	(38,327)	(50,469)	(42,045)	(141,953)
Net book value 30 June 2016	<u>31,250</u>	<u>99,278</u>	<u>14,683</u>	<u>29,983</u>	<u>175,194</u>
Additions:					
By purchase	531	27,429	22,075	5,842	55,877
Impairments	-	-	-	(1,458)	(1,458)
Depreciation expense	(4,152)	(26,473)	(10,031)	(9,276)	(49,961)
Disposals	-	(13,116)	-	-	(13,116)
Net book value 30 June 2017	<u>27,629</u>	<u>87,118</u>	<u>26,727</u>	<u>25,091</u>	<u>166,565</u>
Net book value as of 30 June represented by:					
Gross book value	42,893	139,792	87,227	56,849	326,761
Accumulated depreciation and impairment	(15,264)	(52,674)	(60,500)	(31,758)	(160,196)
Net book value 30 June 2017	<u>27,629</u>	<u>87,118</u>	<u>26,727</u>	<u>25,091</u>	<u>166,565</u>

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	2017	2016
	\$	\$
<b>Note 6C: Investment property</b>		
Investment property:		
Cost	1,416,866	1,409,954
Accumulated depreciation	(201,190)	(184,216)
<b>Total investment property</b>	1,215,676	1,225,738

Reconciliation of the opening and closing balances of investment property:

	Furniture, Fixtures and Fittings	Land and Building	Total
As at 30 June 2016			
Gross book value	59,908	1,350,046	1,409,954
Accumulated depreciation and impairment	(37,584)	(146,632)	(184,216)
<b>Net book value 30 June 2016</b>	22,324	1,203,404	1,225,738
Additions:			
By purchase	15,617	1,398	17,015
Impairments	(1,494)	-	(1,494)
Depreciation expense	(4,685)	(20,868)	(25,553)
Disposals	-	-	-
<b>Net book value 30 June 2017</b>	31,762	1,183,934	1,215,696
Net book value as of 30 June represented by:			
Gross book value	65,422	1,351,444	1,416,866
Accumulated depreciation and impairment	(33,680)	(167,510)	(201,190)
<b>Net book value 30 June 2017</b>	31,762	1,183,934	1,215,676

The highest and best use of the investment properties is not considered to be different from its current use. Additions during the period relate to the installation of blinds.

Rental income earned and received from the investment properties during the year ending 30 June 2017 was \$47,978 (30 June 2016: \$47,585).

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### Note 6C: Investment property (Continued)

Direct expenses incurred in relation to the investment properties that generated rental income during the year ending 30 June 2017 was \$60,058 (30 June 2016: \$62,365). During the period and as at the period-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Union does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

### Note 7: Current Liabilities

The Union has no payables or other financial liability to any other reporting unit of the organisation. The Union has no payables to employers as consideration for the employer making payroll deductions for membership subscriptions, or in respect of legal costs and other expenses related to litigation or other legal matters.

### Note 7A: Trade and Other Payables

	2017	2016
	\$	\$
Trade creditors	10,204	10,077
Sundry payables and accruals	30,766	50,189
Credit cards	7,134	5,562
Funds held in trust	339,134	-
GST payable	40,434	32,955
PAYG payable	16,450	16,222
<b>Total trade and other payables</b>	<b>444,122</b>	<b>115,005</b>

### Note 8: Provisions

#### Note 8A: Employee Provisions

##### Office holders:

- Annual leave	36,013	32,723
- Long service leave	69,002	57,772
<b>Subtotal employee provisions – office holders</b>	<b>105,015</b>	<b>96,305</b>

##### Employees other than office holders:

- Annual leave	34,667	28,800
- Long service leave	55,360	59,250
<b>Subtotal employee provisions – employees other than office holders</b>	<b>90,027</b>	<b>88,050</b>
<b>Total employee provisions</b>	<b>195,042</b>	<b>178,545</b>

Current	109,142	94,145
Non-current	85,900	84,400
<b>Total employee provisions</b>	<b>195,042</b>	<b>178,545</b>

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	2017	2016
	\$	\$
<b>Note 9: Other Reserves</b>		
Provision for Future Funds	190,500	190,500
Provision for Vehicles	145,580	145,580
<b>Total other reserves</b>	336,080	336,080

**Note 10: Segment Information**

The Union operates in one business and one geographic segment. Hence no separate segment information has been provided.

**Note 11: Cash Flow**

**Note 11A: Cash Flow Reconciliation**

**Reconciliation of profit to net cash from operating activities:**

(Loss)/Profit for the period	201,326	(5,843)
<i>Adjustment for:</i>		
Disposal of non-current assets	-	(11,912)
Depreciation	86,446	78,293
Assets written off		-
<i>Increase/decrease in working capital items:</i>		
(Increase)/decrease in accounts receivable	(30,085)	(2,335)
(Increase)/decrease in other assets	12,215	2,409
Increase/(decrease) in payables	329,117	18,065
Increase/(decrease) in provisions	16,497	4,715
<b>Net cash generated from operating activities</b>	615,516	83,392



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	Note	2017	2016
		\$	\$
<b>Note 12: Remuneration of Auditors</b>			
Value of the services provided			
– Financial statement audit services – PY Financial Statements		2,192	7,123
– Financial statement audit services - 2017		17,329	10,930
– Other services & membership audit		1,117	-
<b>Total remuneration of auditors</b>		20,638	18,053

**Note 13: Events after the reporting period**

There were no events that occurred after 30 June 2017, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

**Note 14: Financial Risk Management**

The Union's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

**Financial assets**

Cash and cash equivalents	5A	2,253,673	1,694,668
Trade and other receivables	5B	43,625	13,540
<b>Total financial assets</b>		<b>2,297,298</b>	<b>1,708,208</b>

**Financial liabilities**

Trade and other payables		436,988	109,443
Interest bearing liabilities		7,134	5,562
<b>Total financial liabilities</b>	7A	<b>444,122</b>	<b>115,005</b>

The Committee's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for the operations. The Union does not have any derivative instruments at 30 June 2017.

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**Note 14: Financial Risk Management (continued)**

**Specific Financial Risk Exposures and Management**

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Union is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

**(i) Credit risk**

The Union is exposed to credit risk on account of (a) default by individual members to pay their maximum membership contributions; and (b) default by tenants to pay for the rent charges.

The Union's maximum exposure to credit risk is the carrying amount of trade and other receivable at reporting date.

The credit risk is managed by ensuring that (a) membership dues are deducted by the employers as part of the payroll processing; and (b) rental dues are invoiced in advance prior to occupancy.

The Union does not monitor the credit risks in relation to cash and cash equivalent, which are transacted through creditworthy financial institutions. The management believes that these institutions are being subject to strict prudential norms imposed by Legislation, Reserve Bank and other regulatory authorities.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Union will encounter difficulties in meeting the contractual obligations of its financial liabilities (principally due to shortage of funds).

Liquidity risk is kept continually under review and managed to ensure that cleared funds are held to meet the obligations on the respective due dates.

Liquidity risk is managed through:

- (a) Monitoring short term forecasted in-flows and the committed cash outflows of financial liabilities;
- (b) Monitoring the unused withdrawal facilities with banks.

**(ii) Liquidity risk (Continued)**

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

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*Note 13: Financial Risk Management (Continued)*

Specific Financial Risk Exposures and Management (Continued)

*Financial liability and financial asset maturity analysis:*

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables	436,988	109,443	-	-	-	-	436,988	109,443
Interest bearing liabilities	7,134	5,562	-	-	-	-	7,134	5,562
<b>Total expected outflows</b>	<b>444,122</b>	<b>115,005</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>444,122</b>	<b>115,005</b>
<b>Financial Assets — cash flows realisable</b>								
Cash and cash equivalents	2,253,673	1,694,668	-	-	-	-	2,253,673	1,694,668
Trade and other receivables	43,625	13,540	-	-	-	-	43,625	13,540
<b>Total anticipated inflows</b>	<b>2,297,298</b>	<b>1,708,208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,297,298</b>	<b>1,708,208</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>1,853,176</b>	<b>1,593,203</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,853,176</b>	<b>1,593,203</b>

(iii) **Market risk**

(a) **Interest rate risk**

Interest rate risk is the risk that the fair values and cash-flows of Union's financial instruments will be affected by changes in the market interest rates.

The management of the Union believes that the risk of interest rate movement would not have material impact on Union's operations.

(b) **Other price risk**

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

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### **Note 13: Financial Risk Management (Continued)**

#### **Specific Financial Risk Exposures and Management (Continued)**

##### **(iii) Market risk (Continued)**

##### **Sensitivity analysis**

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit	Equity
	\$	\$
<b>Year ended 30 June 2017</b>		
+/-1% in interest rates	13,682/(13,682)	(13,682)/13,682
<b>Year ended 30 June 2016</b>		
+/-1% in interest rates	13,969/(13,969)	(13,969)/13,969

No sensitivity analysis has been performed on foreign exchange risk as the Union has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

##### **Net Fair Values**

##### **Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

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**Note 13: Financial Risk Management (Continued)**

	Note	2017		2016	
		Carrying Value	Fair Value	Carrying Value	Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	2,253,673	2,253,673	1,694,668	1,694,668
Trade and other receivables	(i)	43,625	43,625	13,540	13,540
<b>Total financial assets</b>		<b>2,297,298</b>	<b>2,297,298</b>	<b>1,708,208</b>	<b>1,708,208</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	436,988	436,988	109,443	109,443
Interest bearing liabilities	(i)	7,134	7,134	5,562	5,562
<b>Total financial liabilities</b>		<b>444,122</b>	<b>444,122</b>	<b>115,005</b>	<b>115,005</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.