

**WESTERN AUSTRALIAN PRISON  
OFFICERS' UNION OF WORKERS**

**ABN 98 518 622 745**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

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

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## Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY  
AUDITORS AND REGISTERED SMSF AUDITORS

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTERN AUSTRALIAN PRISON OFFICERS' UNION OF WORKERS

#### Report on the Audit of the Financial Report

##### Opinion

I have audited the financial report of Western Australian Prison Officers' Union of Workers (WAPOU), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the operating report and the committee of management statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Western Australian Prison Officers' Union of Workers as at 30 June 2018, and its financial performance and its cash flows for the period 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 Union 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 Union 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 Union 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 Union'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 Union 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 Union'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 Union'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 Union 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 Union to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Union 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 my audit.

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

*Anderson Munro + Wyllie*

**ANDERSON MUNRO & WYLLIE**

Chartered Accountants

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

*MSh*

**MARTIN SHONE**

Principal & Registered Company Auditor

RO Registration number AA2017/8

Dated at Perth, Western Australia this 11th day of September 2018.

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

**OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2018.

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

The principle activities of the Union during the year ending 30 June 2018 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 \$129,568 (2017: profit \$201,326).

**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 financial affairs**

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

**Right of members to resign**

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

**Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation

**Number of members**

Number of members as at 30 June 2018: 2,462 (30 June 2017: 2,347).

**Number of employees**

At the end of the financial period the Union employed 8 staff.

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**OPERATING REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

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

**Members of the Committee of Management**

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

K. Brown	Union President	re-elected 27 June 2018
J. Welch	Union Secretary	1 July 2017 - February 2018 (resigned)
A. Smith	Union Secretary	newly elected 27 June 2018
P. Ledingham	Union Asst. Secretary	newly elected 27 June 2018
M. Derbyshire	Union Treasurer	newly elected 27 June 2018
M. Cromb	Union Vice President	newly elected 27 June 2018
J. Vanpraag	Union Executive Member	re-elected 27 June 2018
T. Kennedy	Union Executive Member	newly elected 27 June 2018
P. Vose	Union Executive Member	newly elected 27 June 2018

Members of the State Executive Committee were in office for the period covering the report until the date of this report unless otherwise stated.

**The State Council members who held office during the period were:**

A. Robertson, Casuarina	- newly elected 27 June 2018
D. McAteer, Casuarina	- newly elected 27 June 2018
Aaron Ryan- Casuarina	- re-elected 27 June 2018
S. Szumskyj, Casuarina	- newly elected 27 June 2018
J. Fisher, DDU	- re-elected 27 June 2018
S. Parker, EGRP	- re-elected 27 June 2018
N. Mitchell, Greenough	- re-elected 27 June 2018
C. Pizzey, Greenough	- re-elected 27 June 2018
B. Taulanga, Hakea	- newly elected 27 June 2018
Siglinde Reynolds, Hakea	- re-elected 27 June 2018
A. Smith, Hakea	- re-elected 27 June 2018
P. Curtis, Acacia	- newly elected 27 June 2018
J. Pennicott, Albany	- re-elected 27 June 2018
C. Ferguson, Albany	- newly elected 27 June 2018
J. Green, Albany	- re-elected 27 June 2018
J. Hampton Meagher, Bandyup	- re-elected 27 June 2018
M. Palmer, Bunbury	- re-elected 27 June 2018
D. Dow, Bunbury	- newly elected 27 June 2018
E. Reid, SOG	- re-elected 27 June 2018

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**OPERATING REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

P.Shaw, Broome	-re-elected 27 June 2018
G. Kenna, Roebourne	-re-elected 27 June 2018
B.Curtis, Wooroloo	- newly elected 27 June 2018
I. Knott, Wandoo	-re-elected 27 June 2018
G.Whittaker, WKRP	-newly elected 27 June 2018
A.Zouch, Work Camps	-newly elected 27 June 2018
D.Heard, Melaleuca	-re-elected 27 June 2018

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


Signed in accordance with a resolution of the Committee of Members passed on the 11<sup>th</sup> September 2018.



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**Andrew Smith**  
Secretary

Dated: 11<sup>th</sup> September 2018



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**Ken Brown**  
President

Dated: 11<sup>th</sup> September 2018



**WESTERN AUSTRALIAN PRISON  
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**COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018**

On 11/09/2018 the of 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 2018:


The Union Committee of Management of the Western Australian Prison Officers' Union of Workers 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 reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; 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 reporting unit 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 reporting unit 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 reporting unit 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 reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

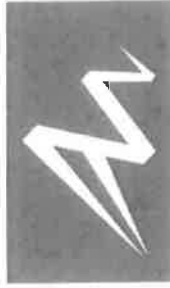
This declaration is made in accordance with a resolution of the Committee of Management.

  
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**Andrew Smith**  
Secretary

Dated: 11<sup>th</sup> September 2018

  
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**Ken Brown**  
President

Dated: 11<sup>th</sup> September 2018



## Anderson Munro & Wyllie

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### AUDITORS' 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 period ended 30 June 2018, I declare that, to the best of my knowledge and belief, during the period ended 30 June 2018 there has been:

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

*Anderson Munro & Wyllie*

**ANDERSON MUNRO & WYLLIE**

Chartered Accountants

*MSh*

-----  
**Martin Shone**

Principal

Dated at Perth, Western Australia this 11<sup>th</sup> day of September 2018

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Revenue</b>			
Membership Subscription	3A	1,972,587	1,889,094
Funeral Benefit Fund Subscriptions	3B	63,584	60,415
Death Benefit Levy	3C	72,261	135,060
Rental Revenue	3D	52,604	47,978
Advertising Income	3E	5,277	4,786
Interest Received	3F	41,959	36,997
Other Income	3G	81,268	80,713
<b>Total income</b>		<b>2,289,540</b>	<b>2,255,043</b>
<b>Expenses</b>			
Employee Expenses	4A	(1,045,937)	(972,054)
Affiliation Fees	4B	(91,471)	(113,040)
Administration Expenses	4C	(456,071)	(314,495)
Donations	4D	(13,200)	(36,490)
Depreciation	4E	(73,712)	(86,446)
Legal Costs	4F	(162,550)	(67,353)
Audit Fees	14	(15,259)	(20,638)
Net Losses from Write Downs and Sale of Assets	4G	(3,227)	(5,326)
Benefits Paid	4H	(113,790)	(162,755)
Other Expenses	4I	(184,755)	(275,120)
<b>Total expenses</b>		<b>(2,159,972)</b>	<b>(2,053,717)</b>
<b>Net Profit Attributable to Members of the Union</b>		<b>129,568</b>	<b>201,326</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the period attributable to Members of the Union</b>		<b>129,568</b>	<b>201,326</b>

The accompanying notes form part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5A	2,315,995	2,253,673
Trade and Other Receivables	5B	13,005	43,625
Other Current Assets	5C	17,952	20,308
<b>TOTAL CURRENT ASSETS</b>		<b>2,346,952</b>	<b>2,317,606</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	2,140,585	2,170,841
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,140,585</b>	<b>2,170,841</b>
<b>TOTAL ASSETS</b>		<b>4,487,537</b>	<b>4,488,447</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade Payables	7A	29,967	33,219
Other payables	7B	300,903	410,903
Employee Provisions	8A	94,553	109,142
<b>TOTAL CURRENT LIABILITIES</b>		<b>425,423</b>	<b>553,264</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Provisions	8A	83,263	85,900
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>83,263</b>	<b>85,900</b>
<b>TOTAL LIABILITIES</b>		<b>508,686</b>	<b>639,164</b>
<b>NET ASSETS</b>		<b>3,978,851</b>	<b>3,849,283</b>
<b>EQUITY</b>			
Retained Earnings		3,642,771	3,513,203
Reserves	9A	336,080	336,080
<b>TOTAL EQUITY</b>		<b>3,978,851</b>	<b>3,849,283</b>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES OF EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	Retained Earnings – General Fund	Retained Earnings – Funeral and Death Benefit Fund	Other Reserves	Total
	\$	\$	\$	\$
<b>Balance at 30 June 2016</b>	2,834,181	477,696	336,080	3,647,957
Profit for the Year	201,326	-	-	201,326
<b>Balance at 30 June 2017</b>	<u>3,035,507</u>	<u>477,696</u>	<u>336,080</u>	<u>3,849,283</u>
Profit for the Year	129,568	-	-	129,568
<b>Balance at 30 June 2018</b>	<u>3,165,075</u>	<u>477,696</u>	<u>336,080</u>	<u>3,978,851</u>

The accompanying notes form part of these financial statements.

**WESTERN AUSTRALIAN PRISON  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipt from Members	2,278,201	2,187,961
Payment to Suppliers and Employees	(2,209,339)	(1,605,026)
Interest Received	36,916	32,581
Net cash generated from Operating Activities	12A <b>105,778</b>	<b>615,516</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Non-Current Assets	(62,418)	(72,892)
Proceeds on Disposal of Non-Current Assets	18,962	16,381
Cash Used in Investing Activities	<b>(43,456)</b>	<b>(56,511)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash Used in Financing Activities	-	-
Net increase in cash held	62,322	559,005
Cash and Cash Equivalents at the Beginning of the Year	2,253,673	1,694,668
Cash and Cash Equivalents at the End of the Year	<b>2,315,995</b>	<b>2,253,673</b>

The accompanying notes form part of these financial statements

**WESTERN AUSTRALIAN PRISON  
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**Note 1 Summary of significant accounting policies**

**1.1 Basis of preparation of the financial statements**

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*. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, 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.

**1.2 Comparative amounts**

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

**1.3 Significant accounting judgements and estimates**

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Nil

**Key estimates**

*Impairment*

**Key judgments**

*Available-for-sale investments*

Nil

**1.4 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.

***Future Australian Accounting Standards Requirements***

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Union include:

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***Future Australian Accounting Standards Requirements (cont'd)***

- **AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).**

The Standard will be applicable retrospectively (subject to the provisions of hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements of hedge accounting.

The key changes that may affect the Branch on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model of hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the company elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

- **AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).**

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lease to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

## **1.5 Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year 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.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.



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**1.6 Gains**

***Sale of assets***

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

**1.7 Capitation fees and levies**

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

**1.8 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 which are expected to be settled 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 which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit 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.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

**1.9 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.

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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.

**1.10 Borrowing costs**

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

**1.11 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 statement of financial position.

**1.12 Financial instruments**

Financial assets and financial liabilities are recognised when the Union 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.

**1.13 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.

***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 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.

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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 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.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement 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 and is included in the 'other gains and losses' line item in the statement of comprehensive income.

***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit 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.

***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

***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.

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*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.

*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 reporting units 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.

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.

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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.

***Derecognition of financial assets***

The reporting unit 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.

**1.14 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'.

***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.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement 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.

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***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.

***Derecognition of financial liabilities***

The reporting unit 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.

**1.15 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.

**1.16 Land, Buildings, Plant and Equipment**

***Asset Recognition Threshold***

Purchases of land, buildings, plant and equipment are recognised initially at cost 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.

***Revaluations—Land and Buildings***

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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***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 straight line 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.

Depreciation rates applying to each class of depreciable asset are:

	<b>2018</b>	<b>2017</b>
Buildings and improvements	<b>2.5% - 25%</b>	<b>2.5% - 25%</b>
Furniture and equipment	<b>5% - 40%</b>	<b>5% - 40%</b>
Motor vehicles	<b>25%</b>	<b>25%</b>

***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.

**1.17 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 initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

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 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.

**1.18 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 Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.19 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).

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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 statement of cash flows 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.

#### **1.20 Fair value measurement**

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



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External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**1.21 Going concern**

The Union is not reliant on the agreed 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.

## Note 2 Events after the reporting period

There were no events that occurred after 30 June 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

	2018	2017
	\$	\$
<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.	1,972,587	1,889,094
<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.	63,584	60,415
<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.	72,261	135,060
<b>Note 3D: Rental Revenue</b>		
Properties	52,604	47,978
<b>Note 3E: Advertising Income</b>	5,277	4,786
<b>Note 3F: Interest Received</b>		
Deposits	41,959	36,997
<b>Note 3G: Other Income</b>		
Contributions	11,563	-
Federal Income – ERA Research	35,157	35,608
Sundry Income	417	-
Sponsorship	8,500	6,616
OHS Seminar Income	4,188	5,455
Training Income	16,672	16,884
Workers Compensation Income	4,771	16,008
Discounts Received	-	142
<b>Total Other Income</b>	81,268	80,713

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	2018	2017
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee Expenses</b>		
<b>Holders of office:</b>		
– Wages and salaries	391,784	223,924
– Superannuation	39,986	37,803
– Leave and other entitlements	(9,334)	37,153
<b>Subtotal employee expenses holders of office</b>	<b>422,436</b>	<b>298,880</b>
<b>Employees other than office holders:</b>		
– Wages and salaries	474,002	497,136
– Superannuation	49,352	54,536
– Leave and other entitlements	-	52,432
<b>Subtotal employee expenses employees other than office holders</b>	<b>523,354</b>	<b>604,104</b>
<b>Other employee expenses</b>	<b>100,147</b>	<b>69,070</b>
<b>Total employee expenses</b>	<b>1,045,937</b>	<b>972,054</b>
<b>Note 4B: Affiliation Fees</b>		
Trades and Labour Council of WA	17,268	41,858
Australian Council of Trade Unions	11,629	12,292
Prison Officers' Association of Australasia	6,000	1,500
Australian Labour Party (WA Union)	19,694	20,311
State Public Services Federation	35,499	36,826
Western Australian Industrial Gazette	1,381	253
<b>Total affiliation fees</b>	<b>91,471</b>	<b>113,040</b>
<b>Note 4C: Administration Expenses</b>		
Accounting Fees	3,000	2,775
Advertising Notices	2,514	1,544
Bank Charges	6,572	5,982
Fees/Allowances/Expenses – meetings and conferences	248,998	146,419
Office Expenses	22,115	18,211
Information Communications Technology	25,651	36,085
Property Expenses	76,886	51,627
Contractors/Consultants	2,964	4,713
Training Expenses	30,655	8,981
Vehicle Expenses	25,055	29,059
General Insurance	11,661	9,099
<b>Total administration expenses</b>	<b>456,071</b>	<b>314,495</b>

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	2018	2017
	\$	\$
<b>Note 4D: Grants or Donations</b>		
Donations:		
Total paid that were \$1,000 or less	1,900	2,490
Total paid exceeding \$1,000	11,300	34,000
<b>Total donations</b>	<u>13,200</u>	<u>36,490</u>
<b>Note 4E: Depreciation</b>		
Land and Buildings	30,505	32,039
Property, Plant and Equipment	43,207	54,407
<b>Total depreciation</b>	<u>73,712</u>	<u>86,446</u>
<b>Note 4F: Legal Costs</b>		
Litigation	162,550	67,353
Other Legal Matters	-	-
<b>Total legal costs</b>	<u>162,550</u>	<u>67,353</u>
<b>Note 4G: Net Losses from Sale of Assets</b>		
Asset write-downs and impairments of:		
Plant and Equipment	3,227	5,326
<b>Total net losses from sale of assets</b>	<u>3,227</u>	<u>5,326</u>
<b>Note 4H: Benefits Paid</b>		
Funeral Benefits	42,000	32,000
Death Benefits	71,790	130,755
<b>Total benefits paid</b>	<u>113,790</u>	<u>162,755</u>
<b>Note 4I: Other Expenses</b>		
Campaign Expenses	95,347	189,425
Membership Expenses	21,483	18,675
Rental Property Expenses	63,080	60,058
Sundry Expenses	4,845	6,962
Penalties - via RO Act or RO Regulations	-	-
<b>Total other expenses</b>	<u>184,755</u>	<u>275,120</u>

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	2018	2017
	\$	\$
<b>Note 5: Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	546,885	877,463
Cash on hand	1,000	825
Short term deposits	1,768,110	1,375,385
<b>Total cash and cash equivalents</b>	<b>2,315,995</b>	<b>2,253,673</b>
<b>Note 5B: Trade and Other Receivables</b>		
Trade receivables	13,005	43,625
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
<b>Total trade and other receivables</b>	<b>13,005</b>	<b>43,625</b>
<b>Note 5C: Other Current Assets</b>		
Prepayments	12,909	15,892
Accrued income	5,043	4,416
<b>Total other current assets</b>	<b>17,952</b>	<b>20,308</b>
<b>Note 6: Non-current assets</b>		
<b>Note 6A: Land and buildings</b>		
Land and buildings:		
Cost	927,691	931,855
Accumulated depreciation	(151,912)	(143,255)
<b>Total land and buildings</b>	<b>775,779</b>	<b>788,600</b>

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Reconciliation of the opening and closing balances of land and buildings:	Land and Building	Total
As at 30 June 2017		
Gross book value	931,855	931,855
Accumulated depreciation and impairment	(143,255)	(143,255)
Net book value 30 June 2017	788,600	788,600
Additions:		
By purchase	-	-
Depreciation expense	(10,230)	(10,230)
Disposals	(2,591)	(2,591)
Net book value 30 June 2018	775,779	775,779
Net book value as of 30 June represented by:		
Gross book value	927,691	927,691
Accumulated depreciation and impairment	(151,912)	(151,912)
Net book value 30 June 2018	775,779	775,779
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>

**Note 6B: Plant and equipment**

Plant and equipment:		
Cost	317,457	326,761
Accumulated depreciation	(169,726)	(160,196)
<b>Total plant and equipment</b>	<b>147,731</b>	<b>166,565</b>

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

	Fixtures and Fittings	Motor Vehicles	Computer Equipment	Office Furniture and Equipment	Total
As at 30 June 2017					
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	27,629	87,118	26,727	25,091	166,565
Additions:					
By purchase	2,893	26,254	1,863	2,654	33,664
Impairments	-	-	-	(4,178)	(4,178)
Depreciation expense	(2,090)	(20,573)	(10,592)	(3,827)	(37,082)
Disposals	-	(10,803)	(435)	-	(11,238)
Net book value 30 June 2018	28,432	81,996	17,563	19,740	147,731
Net book value as of 30 June represented by:					
Gross book value	45,786	135,506	89,090	47,075	317,457
Accumulated depreciation and impairment	(17,354)	(53,510)	(71,527)	(27,335)	(169,726)

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Net book value 30 June 2018	28,432	81,996	17,563	19,740	147,731
				<b>2018</b>	<b>2017</b>
				\$	\$

**Note 6C: Investment property**

Investment property:

Cost	1,444,018	1,416,866
Accumulated depreciation	(226,943)	(201,190)
<b>Total investment property</b>	<b>1,217,075</b>	<b>1,215,676</b>

**Reconciliation of the opening and closing balances of investment property:**

	Furniture, Fixtures and Fittings	Land and Building	Total
As at 30 June 2017			
Gross book value	65,422	1,351,444	1,416,866
Accumulated depreciation and impairment	(33,680)	(167,510)	(201,190)
Net book value 30 June 2017	31,742	1,183,934	1,215,676
Additions:			
By purchase	28,754	-	28,754
Impairments	-	-	-
Depreciation expense	(7,145)	(20,275)	(27,420)
Disposals	65	-	65
Net book value 30 June 2018	53,416	1,163,659	1,217,075
Net book value as of 30 June represented by:			
Gross book value	92,574	1,351,444	1,444,018
Accumulated depreciation and impairment	(39,158)	(187,785)	(226,943)
Net book value 30 June 2018	53,416	1,163,659	1,217,075

The highest and best use of the investment properties is not considered to be different from its current use. Additions during the year relate to the purchase of new fridges, bathroom renovations, electrical work and carpet replacements.

Rental income earned and received from the investment properties during the year ending 30 June 2018 was \$52,604 (30 June 2017: \$47,978).

Direct expenses incurred in relation to the investment properties that generated rental income during the year ending 30 June 2018 was \$63,080 (30 June 2017: \$60,058). During the financial year, 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.

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**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 Payables**

	2018	2017
	\$	\$
Trade creditors and accruals	26,298	29,717
Payables to other reporting units		
- CPSU-SPSF Group Western Australian Prison Officers' Union (WAPOU) Branch	3,669	3,502
	<u>3,669</u>	<u>3,502</u>
<b>Total trade payables</b>	<u>29,967</u>	<u>33,219</u>

Settlement is usually made within 30 days.

**Note 7B: Other payables**

Superannuation	7,377	7,334
Credit cards	5,079	7,134
Funds held in trust	234,000	339,134
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
Litigation	-	-
Other legal costs	-	-
GST payable	38,607	40,434
PAYG payable	15,840	16,450
Other	-	417
<b>Total other payables</b>	<u>300,903</u>	<u>410,903</u>

Total other payables are expected to be settled in:

No more than 12 months	300,903	410,903
More than 12 months	-	-
<b>Total other payables</b>	<u>300,903</u>	<u>410,903</u>



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	2018	2017
	\$	\$
<b>Note 8: Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
Office holders:		
– Annual leave	16,013	36,013
– Long service leave	55,953	69,002
– Separation and redundancies	-	-
– Other employee provisions	-	-
<b>Subtotal employee provisions – office holders</b>	71,966	105,015
Employees other than office holders:		
– Annual leave	39,558	34,667
– Long service leave	66,292	55,360
– Separation and redundancies	-	-
– Other employee provisions	-	-
<b>Subtotal employee provisions – employees other than office holders</b>	105,850	90,027
<b>Total employee provisions</b>	177,816	195,042
Current	94,553	109,142
Non-current	83,263	85,900
<b>Total employee provisions</b>	177,816	195,042
<b>Note 9: Equity</b>		
<b>Note 9A: 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
<b>Note 9B: Other specific disclosures – Funds</b>		
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
	-	-
<b>Other funds(s) required by rules</b>		
Balance as at start of period	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of period	-	-

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**Note 10: Consideration to employers for payroll deductions**

There are no expenses incurred as consideration to employers making payroll deductions of membership subscriptions

**Note 11: Segment information**

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

	2018	2017
<b>Note 12: Cash flow</b>	<b>\$</b>	<b>\$</b>
<b>Note 12A: Cash flow reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	2,315,995	2,253,673
Balance sheet	2,315,995	2,253,673
<b>Difference</b>	<b>-</b>	<b>-</b>
 <b>Reconciliation of profit to net cash from operating activities:</b>		
Profit for the year	129,568	201,326
 <i>Adjustment for non-cash items:</i>		
Depreciation	73,712	86,446
 <i>Increase/decrease in working capital items:</i>		
(Increase)/decrease in trade and other receivables	30,620	(30,085)
(Increase)/decrease in other current assets	2,356	12,215
Increase/(decrease) in trade payables	(3,252)	23,142
Increase/(decrease) in other payables	(110,000)	305,975
Increase/(decrease) in employee provisions	(17,226)	16,497
<b>Net cash generated from operating activities</b>	<b>105,778</b>	<b>615,516</b>
 <b>Note 12B: Cash flow information</b>		
Cash inflows		
<b>Total cash inflows</b>	<b>-</b>	<b>-</b>
 Cash outflows		
CPSU-SPSF Group Western Australian Prison Officers' Union (WAPOU) Branch	(42,189)	(36,826)
<b>Total cash outflows</b>	<b>(42,189)</b>	<b>(36,826)</b>

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**Note 13: Contingent liabilities, assets and commitments**

**Note 13A: Commitments and contingencies**

**Operating lease commitments – as lessee**

The Union has no operating lease commitments for the year ended 30 June 2018.

**Operating lease commitments – as lessor**

The Union has no operating lease commitments for the year ended 30 June 2018.

**Capital commitments**

As at 30 June 2018, the Union had not committed to any capital expenditure.

**Finance lease commitments**

The Union has no finance lease commitments for the year ended 30 June 2018.

**Other contingent assets and liabilities**

The Union has no contingent assets and liabilities for the year ended 30 June 2018.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Note 14 Remuneration of Auditors</b>		
<b>Value of the services provided</b>		
Financial statement audit services	13,550	19,521
Other services and membership audit	1,709	1,117
<b>Total remuneration of auditors</b>	<u>15,259</u>	<u>20,638</u>

Other services include review of the profit and loss projection for 2018-2019 of the training branch of the Union, preparation of financial statements and membership audit.

**Note 15 Financial Instruments**

The Union's financial instruments consist mainly of deposits with bank, local money market instruments, short-term investments, accounts receivable and payables.

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	2018	2017
	\$	\$

**Note 15A: Categories of Financial Instruments**

The total 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	2,315,995	2,253,673
Trade and other receivables	13,005	43,625
<b>Total financial assets</b>	<b>2,329,000</b>	<b>2,297,298</b>

**Financial liabilities**

Trade payables	29,967	33,219
Other payables	300,903	410,903
<b>Total financial liabilities</b>	<b>330,870</b>	<b>444,122</b>

**Note 15B: Net Income and Expense from Financial Assets**

<b>Cash and cash equivalents</b>		
Interest revenue	41,959	36,997
	<b>41,959</b>	<b>36,997</b>

The net income/expense from financial assets not at fair value from profit and loss is \$41,959 (2017: \$36,997).

**Note 15C: Net Income and Expense from Financial Liabilities**

The Union has no net income and expense from financial liabilities during the year ended 30 June 2018 (2017: Nil).

**Note 15D: 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 users to pay the service recovery funds charges.

The Union's maximum exposure to credit risk is the carrying amount of trade and other receivables 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.

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**Note 15D: Credit Risk (cont'd)**

**Credit quality of financial instruments not past due or individually determined as impaired**

	Not Past Due Nor Impaired 2018 \$	Past due or impaired 2018 \$	Not Past Due Nor Impaired 2017 \$	Past due or impaired 2017 \$
Trade and other receivables	13,005	-	43,625	-
<b>Total</b>	<b>13,005</b>	<b>-</b>	<b>43,625</b>	<b>-</b>

**Ageing of financial assets that were past due but not impaired for 30 June 2018**

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	13,005	-	-	-	13,005
<b>Total</b>	<b>13,005</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,005</b>

**Ageing of financial assets that were past due but not impaired for 30 June 2017**

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	43,625	-	-	-	43,625
<b>Total</b>	<b>43,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,625</b>

**Note 15E: 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).

**Contractual maturities for financial liabilities 30 June 2018**

	On Demand	< 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
Trade payables	29,967	-	-	-	-	29,967
Other payables	66,903	234,000	-	-	-	300,903
<b>Total</b>	<b>96,870</b>	<b>234,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>330,870</b>

**Contractual maturities for financial liabilities 30 June 2017**

	On Demand	< 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
Trade payables	33,219	-	-	-	-	33,219
Other payables	71,769	-	339,134	-	-	410,903
<b>Total</b>	<b>104,988</b>	<b>-</b>	<b>339,134</b>	<b>-</b>	<b>-</b>	<b>444,122</b>

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**Note 15F: Market Risk**

***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.

***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.

***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 sensitivity assume that the movement in a particular variable is independent of other variables.

	Risk variable	Change in risk variable	Effect on	
			Profit and loss	Equity
<b>Year ended 30 June 2018</b>		%	\$	\$
Interest rate risk	-	+/-1%	13,682/(13,682)	(13,682)/13,682
<b>Year ended 30 June 2017</b>				
Interest rate risk	-	+/-1%	13,682/(13,682)	(13,682)/13,682

**Note 16 Fair Value Measurement**

**Note 16A: Financial Assets and Liabilities**

Management of the Union assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Union's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2018 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Union based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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**Note 16A: Financial Assets and Liabilities (cont'd)**

The following table contains the carrying amounts and related fair values for the Union's financial assets and liabilities:

	<b>Carrying amount 2018 \$</b>	<b>Fair value 2018 \$</b>	<b>Carrying amount 2017 \$</b>	<b>Fair value 2017 \$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	2,315,995	2,315,995	2,253,673	2,253,673
Trade and other receivables	13,005	13,005	43,625	43,625
<b>Total financial assets</b>	<b>2,329,000</b>	<b>2,329,000</b>	<b>2,297,298</b>	<b>2,297,298</b>
<b>Financial Liabilities</b>				
Trade payables	29,967	29,967	33,219	33,219
Other payables	300,903	300,903	410,903	410,903
<b>Total financial liabilities</b>	<b>330,870</b>	<b>330,870</b>	<b>444,122</b>	<b>444,122</b>

**Note 16B: Description of Significant Unobservable Inputs**

There were no significant unobservable inputs for Level 3 assets and liabilities at fair value (i.e investment property, financial assets/liabilities) noted during the reporting period.

**Note 17: Business combinations**

The Union did not enter into any business combinations during the financial year ended 30 June 2018.

**Note 18: Administration of financial affairs by a third party**

The Union did not engage a third party to administer their financial affairs during the year ended 30 June 2018.

**Note 19: Events after the reporting period**

There were no events that occurred after 30 June 2018, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.