



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY
AUDITORS AND REGISTERED SMSF AUDITORS

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ABN 59 125 425 274

Liability limited by a scheme approved under Professional Standards Legislation

10 September 2020

The Committee
Western Australian Prison Officers' Union of Workers
63 Railway Parade
Mount Lawley WA 6050

Dear Committee Members,

We advise that we have completed our audit for Western Australian Prison Officers' Union of Workers ("Union") for the year ended 30 June 2020 and enclose the following documents for your attention:

- Signed financial statements for WAPOU; and
- Our management letter for the year ended 30 June 2020.

Our final fee for the audit will be separately emailed to Pem Choki.

Please do not hesitate to contact us should you have any queries in relation to the audit.

Yours sincerely

ANDERSON MUNRO & WYLLIE
Chartered Accountants

MARTIN SHONE
Principal

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

ABN 98 518 622 745

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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

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

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of The Western Australian Prison Officers' Union of Workers ("Union") which comprises the Statement of Financial Position as at 30 June 2020, the statement of income and expenditure, the statement of changes in equity, the statement of cash flows for the year then ended on that date, notes to the financial statements, including a summary of significant accounting policies; 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 The Western Australian Prison Officers' Union of Workers as at 30 June 2020, and its financial performance and its cash flows for the year ended on that date in accordance with accounting policies described in Note 1 to the financial report, including:

- a) The Union has kept accounting records in a form that have enabled an informed opinion to be expressed
- b) All the information, records, documents and explanations that, under Section 65A of the Industrial Relations Act 1979, I required officers of the Union to furnish, were furnished.
- c) No official of the Union has contravened or failed to comply with Section 74 of the Industrial Relations Act 1979.

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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee of management's financial reporting responsibilities. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 in accordance with the accounting policies described in Note 1 of the financial statements and for such internal control as committee of management determines is necessary to enable the preparation of the financial report that 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 Branch'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 approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Anderson Munro + Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

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

Martin Shone

MARTIN SHONE

Principal & Registered Company Auditor

RO Registration number AA2017/8

Dated at Perth, Western Australia this 10th day of September 2020

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

The Committee of Management ("the Committee") present their operating report on the Western Australian Prison Officers' Union of Workers ("the Union") for the financial year ended 30 June 2020.

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 2020 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 surplus for the year amounted to \$467,368 (2019: surplus \$212,888).

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 where being a member or officer of a registered organisation is a criterion for them holding such position

Nil

Number of members

Number of members as at 30 June 2020: 2,721 (30 June 2019: 2,487).

Number of employees

At the end of the financial period the Union employed 8 staff (2019: 9 staff).

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

**OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

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:

PRESIDENT	BROWN	Kenneth	01-Jul-19	30-Jun-20
SECRETARY	SMITH	Andrew	01-Jul-19	30-Jun-20
VICE-PRESIDENT	CROMB	Michael	01-Jul-19	30-Jun-20
ASSISTANT SECRETARY	LEDINGHAM	Paul	01-Jul-19	30-Jun-20
TREASURER	DARBYSHIRE	Mark	01-Jul-19	31-Jul-19
EXECUTIVE MEMBER	KENNEDY	Terrence	01-Jul-19	30-Jun-20
EXECUTIVE MEMBER	VANPRAAG	James	01-Jul-19	30-Jun-20
EXECUTIVE MEMBER	VOSE	Peter	01-Jul-19	30-Jun-20

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:

ACACIA	EMERTON-KING	Samuel	01-Jul-19	30-Jun-20
ACACIA	HIGGINS	Jennifer	01-Jul-19	30-Jun-20
ACACIA	ANDERSON	Andrew	04-Oct-19	30-Jun-20
ACADEMY	GUILFOYLE	Jamie	01-Aug-19	30-Jun-20
ALBANY	PENNICOTT	Jason	01-Jul-19	30-Jun-20
ALBANY	FERGUSON	Clare	01-Jul-19	30-Jun-20
BANDYUP	MORELL	Tabitha	01-Jul-19	30-Jun-20
BANDYUP	HAMPTON-MEAGHER	Julie	01-Jul-19	09-Sep-19
BANDYUP	ALEXANDER	Colin	01-Feb-20	30-Jun-20
BANDYUP	KANE	Alan	30-Oct-19	10-Feb-20
BORONIA	HARRIS	Bernadette	01-Jul-19	30-Jun-20
BROOME	SHAW	Peter	01-Jul-19	10-Jun-20
BUNBURY	DOW	Dennis	01-Jul-19	30-Jun-20
BUNBURY	LOUW	Adrian	04-Jul-19	30-Jun-20
BUNBURY	PALMER	Mathew	26-Jul-18	04-Oct-19
CASUARINA	RYAN	Aaron	01-Jul-19	06-Jul-19
CASUARINA	KUMAR	Prateek	01-Jul-19	30-Jun-20
CASUARINA	ROBERTSON	Andrew	01-Jul-19	30-Jun-20
CASUARINA	McATEER	Derick	01-Jul-19	30-Jun-20
CASUARINA	THIEL	Uwe	24-Apr-20	30-Jun-20
CASUARINA	SZUMSKYJ	Stepan	01-Jul-19	10-Aug-19
CASUARINA	SELDON	Barrie	18-Sep-19	30-Jun-20
DRUG DETECTION UNIT	FISHER	James	16-May-17	14-Oct-19
DRUG DETECTION UNIT	KEELAN	Janice	06-Dec-19	07-Apr-20
EASTERN GOLDFIELDS	PARKER	Steven	01-Jul-19	30-Jun-20
EASTERN GOLDFIELDS	CAVAZZI	Keith	13-Dec-19	30-Jun-20

WESTERN AUSTRALIAN PRISON

OFFICERS' UNION OF WORKERS

ABN 98 518 622 745

OPERATING REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

GREENOUGH	MITCHELL	Nicholas	01-Jul-19	30-Jun-20
GREENOUGH	PIZZEY	Caroline	01-Jul-19	30-Jun-20
HAKA	TAULANGA	Benjamin	01-Jul-19	30-Jun-20
HAKA	BOHLING	John	01-Jul-19	30-Jun-20
HAKA	MITCHELL	Clive	01-Jul-19	30-Jun-20
KARNET	COWIE	Peter	01-Jul-19	30-Apr-20
KARNET	FORD	Anthony	01-Jul-19	30-Apr-20
KARNET	NIELD	Peter	01-Jul-19	30-Jun-20
KARNET	HARVEY	Stuart	01-Jul-19	30-Jun-20
MELALEUCA	IRVING	Bruce	01-May-20	30-Jun-20
MELALEUCA	WHATCOTT	Neil	02-May-19	08-Oct-19
PARDELUP	BARRATT	Paul	01-Jul-19	30-Jun-20
ROEBOURNE	KENNA	Gladys	01-Jul-19	30-Jun-20
SPECIAL OPERATIONS	REID	Eliot	01-Jul-19	30-Jun-20
WANDOO	CARTER	Harry	29-Oct-19	30-Jun-20
WANDOO	PAYNE	Rosalyn	13-May-19	05-Dec-19
WEST KIMBERLEY	REEVES	Michael	10-Jun-20	30-Jun-20
WEST KIMBERLEY	HELLEMA	Daniel	29-Jan-20	10-Jul-20
WEST KIMBERLEY	WHITTAKER	Gavin	13-Feb-18	16-Jan-20
WOOROLOO	CURTIS	Barrie	01-Jul-19	11-Aug-20
WOOROLOO	MORRIS	Paul	01-Jul-19	13-Feb-20
WORK CAMPS	ZOUCH	Adrian	01-Jul-19	30-Jun-20

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

Officers & employees who are directors of a company or a member of a board

Name of Officer	Name of Company/Board	Principal Activity	Position Due to Nomination
NIL			

Indemnification of Officer of Auditor

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

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial year ended 30 June 2020.

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

**OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

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 10.

Signed in accordance with a resolution of the Committee of Management passed on the 10th day of September 2020.



Andrew Smith

Secretary

Dated: 10th of September 2020

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


**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020**

On 10th September 2020 the of Committee of Management of Western Australian Prison Officers' Union of Workers ("the Union") passed the following resolution in relation to the special purpose financial report ("SPFR") for the year ended 30 June 2020:

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


- (a) the financial statements and notes comply with the Australian Accounting Standards and other mandatory professional reporting requirements;
- (b) comply with the reporting guidelines of the Industrial Registrar;
- (c) 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;
- (d) 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
- (e) during the financial year to which the SPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the Union;
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
 - (iii) the financial records of the Union have been kept and maintained in accordance with the *Industrial Relations Act 1979 (WA)* ("IR Act") and *Industrial Relations Commission Regulations 2005 (WA)* ("IRC Regulations");
 - (iv) the Union is a sole reporting unit, therefore the financial records of the Union have been kept in a consistent manner specifically in relation to the Union.
- (f) the Committee of Management of the Union declares that the Union has not undertaken any recovery of wages activity during the financial year.

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



Andrew Smith
Secretary

Dated: 10th of September 2020



Ken Brown
President

Dated: 10th September 2020



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 ("Union") for the period ended 30 June 2020, I declare that, to the best of my knowledge and belief, during the period ended 30 June 2020 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

Martin Shone

Principal

Dated at Perth, Western Australia this 10th day of September 2020

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

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Income			
Membership Subscription		2,138,396	2,007,740
Funeral Benefit Fund Subscriptions		76,674	65,702
Death Benefit Levy		116,848	82,904
Rental Revenue		56,357	61,268
Advertising Income		3,614	5,936
Interest Received		35,543	47,439
Gain on disposal of property		-	234,000
Other Income		244,264	116,566
Total income		2,671,696	2,621,555
Expenditure			
Advertising		1,873	1,559
Accounting fees		3,150	2,550
Affiliation and membership fees		57,843	61,993
Transfers to CPSU-SPSF Group – Western Australian Prison Officers' (WAPOU) Branch		44,989	40,772
Audit fees		18,117	22,147
Bank fees		7,881	7,885
Computer and software expenses		17,507	9,180
Conferences		139,597	256,640
Consultant fees		975	6,306
Council and delegate expenses		96,364	103,577
Death benefit levy		76,960	108,605
Depreciation		88,562	74,072
Donations		26,845	4,486
Entertainment		2,567	2,144
Executive committee expenses		18,430	32,429
Fringe benefit tax		16,103	14,649
Funeral benefits paid		46,000	46,000
General office expenses		1,013	513
Gifts		2,932	1,980
Insurance expenses		16,024	13,470
Industrial officer expenses		20,403	34,160
Sub-total		704,135	845,117

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

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020	2019
		\$	\$
Legal fees		147,530	256,584
Loss/(Gain) on disposal of plant and equipment		2,202	(6,072)
Membership expenses		52,486	27,136
Meeting room expenses		28,029	2,013
Motor vehicle expenses		30,153	27,834
Payroll tax		12,312	22,996
Rental property expenses		58,840	69,802
Property expenses		59,598	62,569
Promotional material		3,430	1,512
Printing, Postage and Stationery		9,173	10,913
Subscriptions		3,040	5,260
Leave expense		1,088	30,097
Salaries and wages		933,110	874,865
Staff amenities		1,975	2,509
Staff training		-	5,177
Staff travel, accommodation and allowances		601	19,241
Superannuation		105,795	102,409
Training expenses		32,210	28,357
Telephone and internet		18,621	20,348
Sub-total		<u>1,500,193</u>	<u>1,563,550</u>
Total expenditure		<u>2,204,328</u>	<u>2,408,667</u>
Surplus for the year		<u>467,368</u>	<u>212,888</u>

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 2020**

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,728,379	2,335,198
Trade and Other Receivables	4	47,023	47,018
Other Current Assets	5	17,990	19,666
TOTAL CURRENT ASSETS		2,793,392	2,401,882
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	2,108,749	2,118,562
TOTAL NON-CURRENT ASSETS		2,108,749	2,118,562
TOTAL ASSETS		4,902,141	4,520,444
LIABILITIES			
CURRENT LIABILITIES			
Trade Payables	7A	34,620	43,766
Other payables	7B	(3,729)	73,409
Employee Provisions	8	164,505	119,042
TOTAL CURRENT LIABILITIES		195,396	236,217
NON-CURRENT LIABILITIES			
Employee Provisions	8	47,638	92,488
TOTAL NON-CURRENT LIABILITIES		47,638	92,488
TOTAL LIABILITIES		243,034	328,705
NET ASSETS		4,659,107	4,191,739
EQUITY			
Retained Earnings		4,376,780	3,909,412
Reserves	9	282,327	282,327
TOTAL EQUITY		4,659,107	4,191,739

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 2020**

	Retained Earnings	Funeral and Death Benefit Fund Reserve	Crisis Relief Fund Reserve	Other Reserves	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2018	3,165,075	477,696	-	336,080	3,978,851
Transfers to/(from) reserves	531,449	(435,553)	240,184	(336,080)	-
Surplus for the Year	212,888	-	-	-	212,888
Balance at 30 June 2019	3,909,412	42,143	240,184	-	4,191,739
Surplus for the Year	467,368	-	-	-	467,368
Balance at 30 June 2020	4,376,780	42,143	240,184	-	4,659,107

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 YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from Members	2,636,148	2,306,103
Payments to CPSU-SPSF Group – Western Australian Prison Officers' Union (WAPOU) Branch	(44,989)	(44,634)
Payment to Suppliers and Employees	(2,156,026)	(2,240,260)
Interest Received	38,999	43,971
Net cash generated from Operating Activities	3B 474,132	65,180
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Non-Current Assets	(82,899)	(86,125)
Proceeds on Disposal of Non-Current Assets	1,948	40,148
Cash Used in Investing Activities	(80,951)	(45,977)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Used in Financing Activities	-	-
Net increase in cash held	393,181	62,322
Cash and Cash Equivalents at the Beginning of the Year	2,335,198	2,315,995
Cash and Cash Equivalents at the End of the Year	3A 2,728,379	2,335,198

The accompanying notes form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are special 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 *Industrial Regulations Act 1979 (WA)* ("IR Act") and *Industrial Relations Commission Regulations 2005 (WA)* ("IRC Regulations"). For the purpose of preparing the special 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 Committee of Management evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assumed a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key estimates

Impairment

Nil

Key judgments

Available-for-sale investments

Nil

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income from Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions.
- AASB 16 Leases and amending standards, which replaces AASB 117 Leases.
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures

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

Note 1 Summary of significant accounting policies (continued)

Adoption of New Australian Accounting Standard requirements

- AASB 2018-1 Amendments to Australia Accounting Standards – Annual Improvements 2015-2017 Cycle

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

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the Union. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The Union adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, the Union recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, the Union has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 July 2019.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the Union's financial statements.

Impact on adoption of AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

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Note 1 Summary of significant accounting policies (continued)

Impact on adoption of AASB 16 Leases (continued)

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the Union is the lessor.

The Union has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Union elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019.

Instead, the Union applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

Upon adoption of AASB 16, the Union applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1.9 Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Union.

The Union did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under AASB 117). The requirements of AASB 16 were applied to these leases from 1 July 2019.

The Union recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Union also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The Union is not required to make any adjustments on transition to AASB 16 where it is a lessor.

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.

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Note 1 Summary of significant accounting policies (continued)

1.5 Basis of consolidation

The financial statements have not been consolidated.

1.6 Investment in associates and joint arrangements

The Union does not have any investment in associates and joint ventures.

1.7 Business combinations

The Union does not have any business combinations to account for.

1.8 Acquisition of assets and/or liabilities that do not constitute a business combination

No merger has taken place.

1.9 Revenue

The Union enters into various arrangements where it received consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognises revenue when or as it transfers control of goods or services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

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

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

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

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Note 1 Summary of significant accounting policies (continued)

Membership subscriptions (continued)

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

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

Capitation fees

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

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Union transfers the funds.

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise levies as income upon receipt (as specified in the income recognition policy below).

Income of the Union as a Not-for-Profit Entity

Consideration is received by the Union to enable the entity to further its objectives. The Union recognises each of these amounts of consideration as income when the consideration is received (which is when the Union obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Union's recognition of the cash contribution does not give to any related liabilities.

Cash consideration received by the Union will be recognised as income upon receipt.

Volunteer services

In circumstances where the fair value of the volunteer services can be measured reliably, the Union recognises the fair value of volunteer services received as income together with a corresponding expense where the economic benefits of the volunteer services are consumed as the services are acquired. Where the volunteer services will contribute to the development of an asset, the fair value is included in the carrying amount of that asset.

Income recognised from transfers

Where, as part of an enforceable agreement, the Union receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Union's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

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Note 1 Summary of significant accounting policies (continued)

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

Rental income

Leases in which the Union as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.10 Government grants

Government grants are not recognised until there is reasonable assurance that the Union will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Union should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Union with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.11 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 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.

Provision is made for separation and redundancy benefit payments. The Union 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.

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Note 1 Summary of significant accounting policies (continued)

1.12 Leases

The Union assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Union as a lessee

The Union applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Union recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Union recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortised on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Union at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Union recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Union and payments of penalties for terminating the lease, if the lease term reflects the Union exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Union uses the [implicit the interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable, Union to use as applicable]. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Peppercorn or below market leases

The Union has elected to recognise the fair value of the leased property at inception of the lease. The difference between the fair value of the leased asset and the lease liability measured at the present value of the 'peppercorn' lease rental, is recognised as income.

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Note 1 Summary of significant accounting policies (continued)

Short-term leases and leases of low-value assets

The Union's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases that are below \$7,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.13 Borrowing costs

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

1.14 Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 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.

1.15 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.

1.16 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 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

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Note 1 Summary of significant accounting policies (continued)

Financial assets (continued)

- 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 and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(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.

(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.

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Note 1 Summary of significant accounting policies (continued)

Financial assets (continued)

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.

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.

1.17 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

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Note 1 Summary of significant accounting policies (continued)

Financial liabilities (continued)

- 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 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.

1.18 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.

1.19 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.

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Note 1 Summary of significant accounting policies (continued)

1.20 Land, Buildings, Plant and Equipment (continued)

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.

Depreciation

Depreciable property, plant and equipment assets, excluding buildings and improvements, are written-off to their estimated residual values over their estimated useful life using the diminishing value 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:

Class of Fixed Asset	Depreciation Rate
Buildings and improvements	2.5% - 25%
Furniture and equipment	5% - 40%
Motor vehicles	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.

1.21 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.

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Note 1 Summary of significant accounting policies (continued)

1.22 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 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.

1.23 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.

1.24 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 15A.

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

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Note 1 Summary of significant accounting policies (continued)

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.

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.

1.25 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 Union 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.

1.26 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 2 Events after the reporting period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Union. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Union, the results of those operations, or the state of affairs of the Union in subsequent financial periods.

	2020	2019
	\$	\$
Note 3 Cash and cash equivalents		
a) Cash at bank	1,181,345	442,852
Cash on hand	1,011	998
Short term deposits	1,546,023	1,909,348
Total cash and cash equivalents	2,728,379	2,335,198
b) <u>Reconciliation of operating cash flows from operating activities:</u>		
Surplus for the year	467,368	212,888
Adjustments for non-cash items:		
– Depreciation of non-current assets	88,562	73,712
– Gain/loss on sale of plant and equipment	2,202	-
Changes in assets/liabilities		
– (Increase)/decrease in trade and other receivables	3,451	30,620
– (Increase)/decrease in other current assets	(1,780)	2,356
– Increase/(decrease) in trade payables	(9,146)	(3,252)
– Increase/(decrease) in other payables	(77,138)	(110,000)
– Increase/(decrease) in employee provisions	613	(17,226)
Net cash generated from operating activities	474,132	65,180
Note 4 Trade and other receivables		
Trade receivables	47,023	47,018
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Total trade and other receivables	47,023	47,018
Note 5 Other current assets		
Prepayments	12,935	11,155
Accrued income	5,055	8,511
Total other current assets	17,990	19,666

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Note 6 Non-current assets		
Note 6A Land and buildings		
Land and buildings:		
Cost	925,759	927,691
Accumulated depreciation	(168,567)	(161,214)
Total land and buildings	757,192	766,477

Reconciliation of the opening and closing balances of land and buildings:	Land and Building	Total
As at 30 June 2019		
Gross book value	927,691	927,691
Accumulated depreciation and impairment	(161,214)	(161,214)
Net book value 30 June 2019	766,477	766,477
Additions:		
By purchase	-	-
Depreciation expense	(8,839)	(8,839)
Disposals	(446)	(446)
Net book value 30 June 2020	757,192	757,192
Net book value as of 30 June represented by:		
Gross book value	925,759	925,759
Accumulated depreciation and impairment	(168,567)	(168,567)
Net book value 30 June 2020	757,192	757,192

Note 6B Plant and equipment

Plant and equipment:		
Cost	361,761	321,521
Accumulated depreciation	(179,822)	(162,703)
Total plant and equipment	181,939	158,818

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 6 Non-current assets (continued)

Note 6B Plant and equipment (continued)

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 2019					
Gross book value	50,299	130,810	91,614	48,798	321,521
Accumulated depreciation and impairment	(18,494)	(35,261)	(79,475)	(29,473)	(162,703)
Net book value 30 June 2019	31,805	95,549	12,139	19,325	158,818
Additions:					
By purchase	3,654	42,548	28,380	7,273	81,855
Impairments	-	-	-	-	-
Depreciation expense	(3,628)	(34,321)	(10,436)	(3,697)	(52,082)
Disposals	(608)	-	(4,116)	(1,929)	(6,653)
Net book value 30 June 2020	31,223	103,776	25,967	20,972	181,938
Gross book value	53,666	173,358	79,906	54,831	361,761
Accumulated depreciation and impairment	(22,443)	(69,582)	(53,939)	(33,859)	(179,823)
Net book value 30 June 2020	31,223	103,776	25,967	20,972	181,938

	2020	2019
	\$	\$

Note 6C Investment property

Investment property:

Cost	1,445,987	1,445,028
Accumulated depreciation	(276,369)	(251,761)
Total investment property	1,169,618	1,193,267

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 6 Non-current assets (continued)

Note 6C Investment property (continued)

Reconciliation of the opening and closing balances of investment property:

	Furniture, Fixtures and Fittings	Land and Building	Total
As at 30 June 2019			
Gross book value	95,274	1,349,754	1,445,028
Accumulated depreciation and impairment	(45,851)	(205,910)	(251,761)
Net book value 30 June 2019	49,423	1,143,844	1,193,267
Additions:			
By purchase	1,045	-	1,045
Impairments	-	-	-
Depreciation expense	(6,252)	(19,186)	(25,438)
Disposals	745	-	745
Net book value 30 June 2020	44,961	1,124,658	1,169,619
Net book value as of 30 June represented by:			
Gross book value	96,233	1,349,754	1,445,987
Accumulated depreciation and impairment	(51,272)	(225,096)	(276,368)
Net book value 30 June 2020	44,961	1,124,658	1,169,619

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 2020 was \$56,357 (30 June 2019: \$61,268).

Direct expenses incurred in relation to the investment properties that generated rental income during the year ending 30 June 2020 was \$58,840 (30 June 2019: \$69,802). 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.

		2020	2019
Reconciliation to Statement of Financial Position			
6D Property, plant and equipment			
Land & buildings – net book value	6A	757,192	766,477
Plant and equipment- net book value	6B	181,939	158,818
Investment property – net book value	6C	1,169,618	1,193,267
Total property, plant and equipment		2,108,749	2,118,562

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 7 Current liabilities

	2020	2019
	\$	\$
Note 7A Trade payables		
Trade creditors and accruals	34,620	39,904
Payables to other reporting units		
CPSU-SPSF Group Western Australian Prison Officers' Union (WAPOU) Branch	-	3,862
	-	3,862
Total trade payables	34,620	43,766

Settlement is usually made within 30 days.

Note 7B Other payables

Superannuation	12,328	9,211
Credit cards	5,862	10,401
Legal costs		
Litigation	-	-
Other legal costs	-	-
GST payable	47,647	36,165
PAYG payable (refundable)	(69,566)	17,632
Total other payables	(3,729)	73,409

Other payables are expected to be settled in no more than 12 months.

Note 8 Employee provisions

Office holders:

– Annual leave	31,303	20,389
– Long service leave	64,412	66,813
Subtotal employee provisions – office holders	95,715	87,202

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 8 Employee provisions(continued)	2020	2019
	\$	\$
Employees other than office holders:		
– Annual leave	80,142	31,461
– Long service leave	36,286	92,867
Subtotal employee provisions – employees other than office holders	116,428	124,328
Total employee provisions	212,143	211,530
Current	164,505	119,042
Non current	47,638	92,488
Total employee provisions	212,143	211,530
Note 9 Reserves		
Other reserves		
Provision for Future Funds	-	-
Provision for Vehicles	-	-
Sub-total other reserves	-	-
Funeral and Death benefit fund reserve	42,143	42,143
Crisis Relief fund reserve	240,184	240,184
Total reserves	282,327	282,327

Note 10 Consideration for employers for payroll deductions

There are no expenses incurred as consideration for 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.

Note 12 Contingent liabilities, assets and commitments

Note 12A: Commitments and contingencies

Operating lease commitments – as lessee

The Union has no operating lease commitments for the year ended 30 June 2020.

Operating lease commitments – as lessor

The Union has no operating lease commitments for the year ended 30 June 2020.

Capital commitments

As at 30 June 2020 the Union had not committed to any capital expenditure.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 12 Contingent liabilities, assets and commitments (continued)

Note 12A Commitments and contingencies

Finance lease commitments

The Union has no finance lease commitments for the year ended 30 June 2020.

Other contingent assets and liabilities

The Union has no contingent assets and liabilities for the year ended 30 June 2020.

	2020	2019
	\$	\$
Note 13 Remuneration of Auditors		
Value of services provided		
Financial statement audit services	15,467	13,550
Other services and membership audit	2,650	1,709
Total remuneration of auditors	18,117	16,500

Other services include preparation of financial statements and membership audit.

Note 14 Financial Instruments

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

Note 14A Categories of financial instruments

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	2,728,379	2,335,198
Trade and other receivables	47,023	47,018
Total financial assets	2,775,402	2,382,216

Financial liabilities

Trade payables	34,619	43,766
Other payables	96,271	73,409
Total financial liabilities	130,890	117,175

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 14B Net income and expense from financial assets	2020	2019
	\$	\$
Interest revenue	25,433	47,439
	25,433	47,439

The net income/expense from financial assets not at fair value from profit and loss is \$25,433 (2019: \$47,439).

Note 14C Net income and expense from financial liabilities

The Union had no net income and expense from financial liabilities during the year ended 30 June 2020.

Note 14D Credit risk

The Union is exposed to credit risk on account of (a) default by individual members to pay their maximum membership fee; 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 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) service recovery funds 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.

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

	Not Past Due Nor Impaired	Past due or impaired	Not Past Due Nor Impaired	Past due or impaired
	2020	2020	2019	2019
	\$	\$	\$	\$
Trade and other receivables	47,023	-	47,018	-
	47,023	-	47,018	-

Ageing of financial assets that were past due but not impaired for 30 June 2020

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	-	-	47,023	-	47,023
	-	-	47,023	-	47,023

Ageing of financial assets that were past due but not impaired for 30 June 2019

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	47,018	-	-	-	47,018
	47,018	-	-	-	47,018

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 14E 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).

The Union is not exposed to any significant liquidity risk and is therefore not actively managing its liquidity risk.

Contractual maturities for financial liabilities 30 June 2020

	On Demand	1 – 2 years	2 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Trade payables	34,619	-	-	-	34,619
Other payables	96,271	-	-	-	96,271
	130,890	-	-	-	130,890

Contractual maturities for financial liabilities 30 June 2019

Trade payables	43,706	-	-	-	43,706
Other payables	73,409	-	-	-	73,409
	117,115	-	-	-	117,115

Note 14F 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 sensitivities assume that the movement in a particular variable is independent of other variables.

	Change in risk variable %	Effect on	
		Profit	Equity
		\$	\$
Year ended 30 June 2020			
Interest rate risk	+/-1%	28,900	28,900
Period ended 30 June 2019			
Interest rate risk	+/-1%	59,000	59,000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 15 Fair value measurements

Note 15A Financial assets and liabilities

Management of the Union assessed that cash and cash equivalents, trade receivables, trade payables, accruals 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 2020 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 2020 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
Financial Assets				
Cash and cash equivalents	2,728,379	2,728,379	2,335,198	2,335,198
Trade and other receivables	47,023	47,023	47,018	47,018
Total financial assets	2,775,402	2,775,402	2,382,216	2,382,216
Financial Liabilities				
Trade payables	34,619	34,619	43,706	43,706
Other payables	96,271	96,271	73,409	73,409
Total financial liabilities	130,890	130,890	117,115	117,115



Anderson Munro & Wyllie

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10 September 2020

The Committee
Western Australian Prison Officers' Union of Workers
63 Railway Parade
Mount Lawley WA 6050

Dear Committee Members,

MANAGEMENT LETTER FOR THE YEAR ENDED 30 JUNE 2020

We advise that we have recently completed the final audit of Western Australian Prison Officers' Union of Workers ("Union") for the year ended 30 June 2020.

It must be appreciated that the matters dealt with in this letter came to our notice during the conduct of our normal audit procedures which are designed primarily with a view to the expression of our opinion on the accounts of the entity. Our comments cannot be expected to include all possible improvements in internal control which a more extensive special examination might develop.

During the audit, we noted the following matter which we believe needs to be brought to your attention.

Cash flow boost

During our review of the Australian Taxation Office (ATO) integrated client account, we identified that the Union had received the initial cash flow boost for \$50,000 and an additional cash flow boost of \$50,000 to be received in the July to September 2020 months in guidance with the stimulus package rules.

Since the Union had been paying the monthly PAYG's like normal, the cash flow boost which were processed by the ATO, were a credit on the Union's ATO account and were not recorded as income in the general ledger. We have since corrected the financial statements.

While we understand that this was a one-off stimulus package received from the Government due to the Pandemic, we recommend that in future when preparing and lodging monthly PAYG's and Quarterly BAS's, the general ledger be reconciled with the ATO integrated client account.

Audit Adjustments and Errors

During our audit we identified several errors/differences in the accounts that have been communicated and acknowledged in the representation letter.

Please do not hesitate to call me on 1300 284 330 if you would like to discuss any of the above.

We take this opportunity to thank Andrew and Pem for helping us with our queries and providing information as required to enable us finalise the audit.

Yours faithfully

ANDERSON MUNRO & WYLLIE

Chartered Accountants

MARTIN SHONE

Principal