



2 July 2018

Mr Richard Olsen
Branch Secretary
Transport Workers' Union of Australia, New South Wales Branch

By e-mail: twu.legal@twunsw.org.au

Dear Mr Olsen

**Transport Workers' Union of Australia, New South Wales Branch
Financial Report for the year ended 31 December 2017 - FR2017/298**

I acknowledge receipt of the amended financial report for the year ended 31 December 2017 for the Transport Workers' Union of Australia, New South Wales Branch. The financial report was lodged with the Registered Organisations Commission on 29 June 2018.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission



Transport Workers' Union of Australia, NSW Branch

Richard Olsen State Secretary | P: 02 9912 0700 | F: 02 9891 4953 | E: info@twunsw.org.au | W: www.twunsw.org.au

ABN: 24 302 560 296

Section 268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE OF DESIGNATED OFFICER

2017 Financial Report (The Full Report and amended Full Report)

I, Richard Olsen, being the Branch Secretary of the Transport Workers' Union of Australia, NSW Branch, hereby certify:

- That the documents lodged herewith are copies of the Full Report for the Transport Workers' Union of Australia, NSW Branch for the period ended 31 December 2017 in accordance with s 268 of the *Fair Work (Registered Organisations) Act 2009*;
- That the Full Report was presented to a meeting of the Branch Committee of Management of the reporting unit on 9 March 2018;
- That the Full Report was provided to members of the reporting unit in accordance with s 265 of the *Fair Work (Registered Organisations) Act 2009* on 14 March 2018;
- That the Full Report was presented to a second meeting of the Branch Committee of Management of the reporting unit in accordance with s 266(3) of the *Fair Work (Registered Organisations) Act 2009* on 11 May 2018;
- Following correspondence received from the Registered Organisations Commission on 30 May 2018 a further meeting of the Branch Committee of Management of the reporting unit in accordance with s 266(3) of the *Fair Work Act (Registered Organisations) Act 2009* was held on 29 June 2018. This meeting was presented with and adopted an amended Full Report; and
- That the amended Full Report was provided to members of the reporting unit in accordance with s 265 of the *Fair Work (Registered Organisations) Act 2009* on 29 June 2018.

Richard Olsen
Branch Secretary
Transport Workers' Union of Australia, NSW Branch

Dated: 29 June 2018

AUSTRALIA'S STRONGEST UNION, GIVING TRANSPORT WORKERS A POWERFUL VOICE SINCE 1888

PARRAMATTA

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Parramatta NSW 2150
PO Box 649 Parramatta NSW 2124

NEWCASTLE

5 Canavan Drive,
Beresfield NSW 2322
P: 02 4969 3900 F: 02 4962 2614

WOLLONGONG

59 Princes Highway,
West Wollongong NSW 2500
P: 02 4229 1753 F: 02 4228 5129

CANBERRA

3/289 Canberra Avenue,
Fyshwick NSW 2609
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**TRANSPORT WORKERS' UNION OF
AUSTRALIA (NEW SOUTH WALES BRANCH)**

FINANCIAL REPORT

YEAR ENDED 31 DECEMBER 2017

ESTABLISHED 24 JULY 1888

PROUDLY Carrying Australia for 130 years

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

ANALYSIS OF FINANCIAL STATEMENTS

The Transport Workers' Union of Australia New South Wales Branch (Federal) presents its reports for the 2017 financial year.

STATEMENT OF COMPREHENSIVE INCOME

REVENUE

Revenue earned from Member Contributions and Entrance Fees for the year was \$749,104 which when compared to the prior year has increased by \$25,296 i.e. 3.49% (FY 2016: \$723,808).

Service Fees for the financial year was \$1,236,584 an increase of \$3,306 (0.27%) when compared to the prior year. (FY 2016: \$1,232,278)

The total income generated by the branch was \$2,003,048 an increase of \$28,311 (1.43%) when compared to the prior year (FY 2016: \$1,974,737)

EXPENDITURE

- (i) **Employee Related Payments (ERP)** for the year was \$294,089 which includes salary on-costs, novated lease payments, superannuation payments, FBT, and a 2.5% remuneration increase consisting of a 1.50% salary increase and 1% superannuation increase. (FY 2016: \$300,896)
- (ii) **Operating Expenditure** for the year was \$1,657,882 (FY 2016: \$1,636,160). The increase in expenditure by \$21,722 relates to a mix of over and under spend in various operating cost line item expenditure over the year.
- (iii) **Cumulative Operating Expenditure** which includes Employee Related payments for the year was \$1,951,971 (FY2016: \$1,937,056).

NET POSITION

The surplus of \$51,077 for year ended 2017 (FY 2016: \$37,681) is a direct flow-on effect of a modest 3% increase/review to the membership subscription in 2017, adjustment of \$813 relating to member debtors FY 2017 as compared to FY 2016 and other expenses.

STATEMENT OF CASHFLOWS

The cash flow of the Branch has been managed to ensure liabilities are paid as and when they fall due for payment. Cash at the end of the year amounted to \$236,630 and reflects consistency in the cash flow experienced during the year. (FY 2016: \$160,015). The Branch continues to perform to expectations.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

STATEMENT OF FINANCIAL POSITION

The net assets are \$61,051 (FY 2016: \$8,434). The decision to recognize member debtors as implemented from FY 2013 has been continued in 2016. As at 31 December 2016 the outstanding debt owed, for 30 and 60 days, from members is \$5,121 (GST Inclusive). Further details are set out in Note 1.

The financial viability of the branch is assured through the continued financial support from the Transport Workers Union of NSW. Refer Note 19.



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RICHARD OLSEN
BRANCH SECRETARY

Friday 29 June 2018

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

OPERATING REPORT

The Branch Committee of Management presents its operating report of the Transport Workers' Union of Australia, New South Wales Branch for the financial year ended 31 December 2017.

1. The principal activities of the Branch are aimed at the improvement of wages and working conditions for members. There were no changes to those activities during the financial year.
2. There were no significant changes to the Branch's financial affairs during the year. The profit for the year has helped the Branch net assets return to positive zone.
3. The Branch's financials reported a surplus of \$51,077 for the year. (FY 2016: \$37,681).
4. All members have a right to resign in accordance with rule 16.1 of the Union's Registered Rules and section 174 (1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174 (1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a Branch of the organisation. There was no change to this rule during the year..
5. Richard Olsen is a director of TWU Superannuation Fund.
6. At the end of the financial year the number of registered members of the New South Wales Branch was 23,237. (NSW 21,616 and ACT 1,621)
7. The number of persons who were employees of the reporting unit on 31 December 2017 was 3, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis;
8. The names of each person who were members of the Branch Committee of Management at any time during the financial year are as follows:

		Period Position Held
1	Richard Olsen	1 January 2017 to 31 December 2017
2	George Clarke	1 January 2017 to 17 November 2017
3	Charles McKay	1 January 2017 to 31 December 2017
4	Paul Eid	1 January 2017 to 31 December 2017
5	Brian Beckwith	1 January 2017 to 31 December 2017
6	Mick Pieri	1 January 2017 to 31 December 2017
7	Robert Pirc	1 January 2017 to 31 December 2017
8	Mark Trevillian	1 January 2017 to 31 December 2017
9	Michael Forbes	1 January 2017 to 31 December 2017
10	Klaus Pinkas	1 January 2017 to 31 December 2017
11	Trevor Binskin	1 January 2017 to 31 December 2017
12	Stephen Pettiford	1 January 2017 to 31 December 2017
13	Richard Cockburn	1 January 2017 to 31 December 2017
14	Doug Fox	1 January 2017 to 31 December 2017
15	Donald McPherson	1 January 2017 to 10 November 2017
16	Mark Trevillian	1 January 2017 to 31 December 2017
17	Ray Childs	1 January 2017 to 31 December 2017
18	George Oei	1 January 2017 to 31 December 2017
19	Jason Larfield	10 November 2017 to 31 December 2017

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


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CHARLES MCKAY


.....
RICHARD OLSEN

Friday 29 June 2018

Friday 29 June 2018

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 09 March, 2018, the Branch Committee of Management of the Transport Workers' Union of Australia, New South Wales Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 December 2017.

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

- (a) The Financial Statements and notes comply with the Australian Accounting Standards;
- (b) The Financial Statements and notes comply with the reporting guidelines of the Commissioner;
- (c) The Financial Statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 31 December 2017;
- (d) There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) During the financial year ended 31 December 2017 and since the end of the financial year:
 - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the Financial Statements of the Branch have been kept, as far as practicable, in a consistent manner to each of the other Branches and national office 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, that information has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, the Branch has complied.
- (f) during the financial year ended 31 December 2017 did not undertake recovery of wages activity. The TWU of Australia (NSW Branch) assisted with recovery of TWU member wages. However as and when decreed by the court we confirm that any settlement or recovery of wages is directly managed between the employer and the employee (i.e. our TWU member) and at no point of time is any money banked the Union's TWU Branch bank account

For the Branch Committee of Management:



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RICHARD OLSEN
BRANCH SECRETARY

Friday 29 June 2018

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

	NOTE	2017 \$	2016 \$
INCOME			
Contributions and Entrance Fees		749,916	723,808
Interest		107	327
Property Rentals		16,071	15,783
Service Fees - Transport Workers' Union of New South Wales		1,236,584	1,233,278
Sundry Income		369	1,541
TOTAL INCOME		2,003,047	1,974,737
Depreciation expense		-	-
Officers benefits expense (holders of office)			
Wages and Salaries		110,059	108,488
Superannuation		15,792	13,770
Leave and other entitlements		21,592	19,236
Separation and redundancies		-	-
Other employee expenses (Fringe benefits)		-	-
		<u>147,443</u>	<u>141,494</u>
Employees benefits expense			
Wages and Salaries		120,006	123,055
Superannuation		16,922	14,618
Leave and other entitlements		9,572	22,867
Separation and redundancies		-	-
Other employee expenses (Fringe benefits)		146	(1,138)
		<u>146,646</u>	<u>159,402</u>
Other expenses			
Administration Fees - Transport Workers' Union of New South Wales		45,696	42,468
Affiliation Fees		16,880	14,716
Audit and Accountancy Fees		6,319	11,900
Advertising/Media Campaign		270	
Badges		1,240	1,335
Bank Charges		2,398	2,009
Commission		485	385
Computer Costs		23,656	20,955
Country Organising		-	204
Donations	5	318	5,409
Doubtful Debt Expense		-	-
Deficit on Disposal of Assets		-	-
Electricity		4,016	3,242
Freight		-	-
General Expenses		23,885	7,731
Insurance		4,099	2,599
IR Levy		2,892	2,594
Legal and Professional Fees		-	2,304

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2017
(CONT'D)**

	NOTE	2017 \$	2016 \$
Meeting and Conference Expenses		25,038	23,208
Motor Car Expenses		35,537	41,487
Officials expenses		7,468	5,109
Payroll Tax		20,441	19,769
Postage		2,892	4,790
Printing and Stationery		7,515	5,754
Property Expenses		48,711	47,857
Staff Training		96	1,177
Telephones		8,438	7,551
Sustentation Fees – NSW – to TWU of NSW (National Office)		1,236,584	1,233,278
Sustentation Fees – ACT – to TWU of NSW (National Office)		132,285	127,680
Training Levy		723.00	649
Financial Support from Transport Workers' Union of New South Wales		-	-
		<u>1,657,882</u>	<u>1,636,160</u>
TOTAL EXPENDITURE		<u>1,951,971</u>	<u>1,937,056</u>
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		<u>51,077</u>	<u>37,681</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>51,077</u>	<u>37,681</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>51,077</u>	<u>37,681</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	NOTE	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	13	236,630	160,015
Investments	14	8,384	6,844
Receivables	15	103,559	169,129
Prepayments and Deposits		<u>13,150</u>	<u>14,219</u>
Total Current Assets		<u>361,723</u>	<u>350,207</u>
Non Current Assets			
Property, Plant and Equipment	16	<u>-</u>	<u>-</u>
Total Non Current Assets		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>361,723</u>	<u>350,207</u>
LIABILITIES			
Current Liabilities			
Payables	17	190,926	231,086
Provision for Accrued Annual Leave	18	28,822	41,715
Provision for Long Service Leave	18	<u>80,924</u>	<u>68,972</u>
Total Current Liabilities		<u>300,672</u>	<u>341,773</u>
Non Current Liabilities			
Provision for Long Service Leave		<u>-</u>	<u>-</u>
Total Non Current Liabilities		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>300,672</u>	<u>341,773</u>
NET ASSETS		<u>61,051</u>	<u>8,434</u>
EQUITY			
AFS Reserve		5,830	4,290
Accumulated Funds		55,221	4,144
TOTAL EQUITY		<u>61,051</u>	<u>8,434</u>

(The attached notes form part of these financial statements)

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	AFS Reserve	Accumulated Funds \$	Total Equity
Balance at 1 January 2016	-	(33,537)	(33,537)
Total Comprehensive Income for the Year	<u>4,290</u>	<u>37,681</u>	<u>41,971</u>
Balance at 31 December 2016	4,290	4,144	8,434
Total Comprehensive Income for the Year		51,077	51,077
Revaluation	<u>1,540</u>	<u>-</u>	<u>1,540</u>
Balance at 31 December 2017	<u>5,830</u>	<u>55,221</u>	<u>61,051</u>

(The attached notes form part of these financial statements)

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members			
- Contributions and Entrance Fees		749,022	722,252
Service Fees from Transport Workers' Union of New South Wales		1,304,654	1,274,210
Payments to Transport Workers' Union of New South Wales – Administration Fees		(9,316)	(37,323)
Payments to Suppliers and Employees		(582,034)	(468,043)
Payments to Transport Workers' Union of Australia – Sustentation Fees & Levies		(1,402,258)	(1,445,055)
Interest Received		107	327
Other Receipts		16,440	17,324
		<u>76,615</u>	<u>63,692</u>
NET CASH (USED IN) FOR OPERATING ACTIVITIES	20(b)	<u>76,615</u>	<u>63,692</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for mobile phones		-	-
Proceeds from sale of motor vehicle		-	-
Payment for motor vehicle		-	-
		<u>-</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
NET CASH USED IN FINANCING ACTIVITIES		-	-
NET INCREASE/ (DECREASE) IN CASH HELD		76,615	63,692
Cash at beginning of Year		160,015	96,323
		<u>236,630</u>	<u>160,015</u>
CASH AT END OF YEAR	20(a)	<u>236,630</u>	<u>160,015</u>

(The attached notes form part of these financial statements)

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. CHANGE IN ACCOUNTING POLICY

Revenue Recognition

The union has applied the accrual basis of accounting for member contributions since the 31 December 2011 financial report using the month of January receipts to account for unpaid December contributions for Payroll deductions and direct debit recovery. For the financial year FY 2017 the unpaid member contributions (refer note 3) amounts due for 30 and 60 days is \$5,121 (FY 2016: \$4,227) (GST Inclusive). The Committee seeks to recover these unpaid contributions over the coming year and has recognised the amounts in the current years reported revenue as an accrual. In line with AASB 118 'Revenue', membership income received for future years will be recognized when due. As at 31 December 2017 Membership Fees \$4,340 (GST Inclusive) has been carried forward to 2018. Refer to Note 3 for estimates of recoverable values.

According to AASB 101 Presentation of financial Statements for NFP's in making its assessment, of material uncertainties the ability to continue as a 'Going Concern' would not be affected should the debt not be collected due to the financial support from the Transport Workers Union of NSW. Refer Note 19.

2. STATEMENT OF ACCOUNTING POLICIES

The financial report is for the New South Wales Branch of the Transport Workers' Union of Australia, and in accordance with the Fair Work (Registered Organisations) Act 2009 the Branch is a reporting unit. The Transport Workers' Union of Australia is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The New South Wales Branch is a Branch of the registered organisation. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the New South Wales Branch are not subject to the *Corporations Act 2001*. The Transport Workers' Union of Australia NSW Branch is a not-for-profit entity.

SIGNIFICANT ACCOUNTING POLICIES

The financial report of Transport Workers Union of Australia New South Wales Branch for the year ended 31 December 2017 was authorised for issue in accordance with a resolution of the Committee of Management on 9 March 2018.

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards. As such the New South Wales Branch have, prepared a full set of general purpose financial statements to apply the Tier 1 reporting requirements under AASB 1053.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the Branch in the preparation of the financial report.

(b) Revenue

- (i) Revenue received for services and management fee/s is recognised when the service is provided.
- (ii) In prior years, revenue (contributions and entrance fees) was accounted on cash basis that is using the contributions-in-transit method.
- (iii) A decision was made in FY 2011 (*1(b) Financial Report FY 2011*) to move away from the cash basis contributions-in-transit method and recognize prior year revenue being received in the current year by an accrual journal at year end. That is membership income/revenue should be recognised in the subscription year in which the service was provided.
- (iv) For the financial year FY 2017 the membership-debtors accrual journal for \$5,121 (FY 2016: \$4,227) (GST inclusive) has been accounted at year end recognising prior year revenue being received in the current year which complies with *AASB101-Presentation of Financial Statements*.
- (v) Service Fees received interest, received and rental income from the Transport Workers' Union of New South Wales is accounted for on an accrual basis.

(c) Income tax

No provision for Income Tax is necessary as Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997.

(d) Employee Entitlements

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Branch to employee superannuation funds and are charged as expenses when incurred.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(e) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Available-for-sale financial assets

Investments, which are classified as available for sale, are measured at fair value.

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

(g) Property Plant and Equipment

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Branch commencing from the time the asset is ready for use.

The depreciation rates used for each class of assets are:

Mobile Phones	50.00%
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The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each period end date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is derecognised.

(h) New Standards and interpretations not yet adopted

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below. The Company does not plan to adopt these standard early.

(i) AASB 9 Financial Instruments (2014)

AASB 9, approved in December 2014, replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 9.

(ii) AASB 16 Leases

AASB 16 removes the lease classification test for lessees and requires all the leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 16.

(iii) AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2017.

(i) Accounting Standards

There were no new accounting standards which were adopted during the financial year.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(j) Financial Instruments

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial liabilities

The Branch financial liabilities include borrowings and trade and other payable. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgments in applying the Branch's accounting principles

There are no critical judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

In line with section 125 and 131 of AASB 101, the monies would be recovered and as such there will not be any significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Receivables

After the introduction of the new 'Membership Connect' system in September 2013 and considering debts overdue by 30 and 60 days - The amount of \$5,121 (FY 2016 \$4,227) (including GST) has been considered as receivable, which represents:

	2017	2016
Financial Members in arrears	\$ 5,121	\$ 4,227
Less financial members for future periods	-	-
Add: Un-financial members in arrears	-	-
Less provision for doubtful debts (including gst)	-	-
	<hr/> \$ 5,121	<hr/> \$ 4,227

The estimated amount of \$5,121 (FY 2016 \$4,227) unpaid contributions, will be pursued in the coming year and are accordingly recognized as a receivable.

The member debtors for FY 2017 have been determined based on the expected recovery of debts after making allowance for the age of the debts and the values outstanding in each case. The aging of the debts has been determined in accordance with the revenue recognition policy in Note 1.

4. INFORMATION TO BE PROVIDED TO MEMBERS OR THE COMMISSIONER

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

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

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

5. DONATIONS

Non-reportable donations less than \$1,000 (excl GST)

Details to whom payment made	Purpose	2017 \$	2016 \$
Australian Labor Party ACT Branch	ACT Labor 2016 Annual Conference sitting fees for 9 delegates	-	409
Australian Labor Party ACT Branch	7 Conference Delegate tickets at \$45.45 each	318	-
Total		318	409

Reportable donations equal to or exceeding \$1,000 (excl GST)

Details to whom payment made	Purpose	2017 \$	2016 \$
Mick Gentleman	Donation for ACT Legislative Assembly elections held on 15/10/16	-	2,000
Rachel Stephen-Smith	Donation for ACT Legislative Assembly elections held on 15/10/16	-	2,000
Angie Drake	Donation for ACT Legislative Assembly elections held on 15/10/16	-	1,000
Total		Nil	5,000

6. RECOVERY OF WAGES ACTIVITY

The Transport Workers Union ("TWU") of Australia (NSW Branch) has not undertaken recovery of wages activity. The Transport Workers Union (TWU) of Australia (NSW Branch) does assist with recovery of TWU member wages. However as and when decreed by the court we confirm that any settlement or recovery of wages is directly managed between the employer and the employee (i.e. our TWU member) and at no point of time is any money banked to the Union's TWU Branch bank account.

Reportable amounts are NIL for

- a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b. any donations or other contributions deducted from recovered money

7. SPECIFIED ITEMS THAT HAVE NOT OCCURRED

The following prescribed disclosures under the reporting guidelines of *the Fair Work (registered Organisations) Act, 2009*, have not occurred in the reporting period

1. Statement of Comprehensive Income - revenue
 - a. Capitation fees
 - b. Compulsory levies
 - c. Donations or grants received.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

7. SPECIFIED ITEMS THAT HAVE NOT OCCURRED (Cont'd)

2. Statement of Comprehensive Income – expenses
 - a. Payments to employer's for payroll deduction activity
 - b. Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters
 - c. Penalties imposed under the RO Act.
 - d. Grants paid < \$1,000
 - e. Grants paid ≥\$1,000
 - f. Capitation fees paid
 - g. Compulsory levies imposed

3. Statement of Financial position
 - a. Payments to employers for payroll deduction activity

8. ADMINISTRATION

The financial affairs of the branch are administered by another Transport Workers Union of New South Wales. The services provided included

- Receipt and processing of member contributions
- Payment of wages, legal and administration expenses
- Provision of office and office equipment and office utilities.

The Transport Workers Union of New South Wales receives reimbursement of the costs of the above services as set out in the Statement of income and expenses.

9. DISCLOSURES IN RESPECT OF STATEMENT OF COMPREHENSIVE INCOME

9 (a) LEGAL AND PROFESSIONAL FEES

	2017	2016
	\$	\$
Legal costs - litigation	-	-
Legal costs – other matters	-	2,304
Total	<u>-</u>	<u>2,304</u>
 Audit Fees		
Audit Of Accounts	6,319	11,900
Audit Fees -- Others	-	-
Total	<u>6,319</u>	<u>11,900</u>
 9 (b) OTHER EXPENSES		
Payments to employers for payroll deduction activity	<u>-</u>	<u>-</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

DISCLOSURES IN RESPECT OF STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

9 (c) EXPENSES

Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters

	2017 \$	2016 \$
Affiliation Fees		
ALP NSW Branch	-	-
ALP ACT Branch	5,659	5,551
Unions ACT	11,221	9,165
Total Affiliation Fees	<u>17,180</u>	<u>14,716</u>
Capitation Fees		
Capitation Fees - Paid	-	-
Capitation Fees - Accrued	-	-
Total (Capitation Fees)	<u>-</u>	<u>-</u>
National Council Fund		
Contributions paid	-	-
Total National Council Fund	<u>-</u>	<u>-</u>

9 (d) Fees and/or allowances paid to persons in respect of their attendances as representatives of the Union at conferences or other meetings.

	2017 \$	2016 \$
Branch Committee of Management (BCOM) Attendance Fees paid to independent Committee members as per bullet point 8 page 3	17,504	15,577
	-	-
	<u>17,504</u>	<u>15,577</u>

9 (e) Expenses incurred in connection with holding meetings of members of the Union and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible.

	2017 \$	2016 \$
Branch Committee of Management (BCOM) Meeting Expenses	6,648	2,750
	-	-
	<u>6,648</u>	<u>2,750</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

10. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION

10 (a) Employee provisions related to holders of office

	2017	2016
	\$	\$
Officers provisions		
Annual leave	9,152	13,610
Long service leave	51,875	44,845
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>61,027</u>	<u>58,455</u>

10 (b) Employee provisions related to employees (other than holders of office)

	2017	2016
	\$	\$
Employees provisions		
Annual leave	19,670	28,105
Long service leave	29,049	24,127
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>48,719</u>	<u>52,232</u>

10 (c) Payables in respect of legal costs and other expenses related to litigation or other legal matters;

	2017	2016
	\$	\$
Litigation	-	-
Other Legal matters	-	-
	<u>-</u>	<u>-</u>

11. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY

The following equity items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. No separate fund or account operated in respect of compulsory levies raised by the Union or voluntary contributions collected from members of the Union.
- b. No monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets.
- c. No separate fund or account which is required by the rules of the Union or rules of a Branch of the Union.
- d. No transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the Union.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

12. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS

Amounts received/paid to/from other reporting units of the Union

Amounts received and paid in respect of the Capitation Fees and other charges have been incorporated as part of the Statement of Cash Flows.

13. CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash on Hand	1,125	1,125
Cash at Bank - National Australia Bank	<u>235,505</u>	<u>158,890</u>
	<u>236,630</u>	<u>160,015</u>

14. INVESTMENTS

AVAILABLE-FOR-SALE FINANCIAL ASSET	2017	2016
	\$	\$
Boral Limited	1,410	979
Lindsay Australia Limited	769	731
Insurance Australia Group Ltd	<u>6,205</u>	<u>5,134</u>
Total	<u>8,384</u>	<u>6,844</u>

Fair value of listed shares is determined by reference to quoted market prices on the Australian Securities Exchange at the reporting date.

Movement Schedule	2017	2016
	\$	\$
<u>Boral Limited</u>		
Opening January	979	364
Additions	-	-
Revaluations	<u>431</u>	<u>615</u>
Closing December	<u>1,410</u>	<u>979</u>
<u>Lindsay Australia Limited</u>		
Opening January	731	272
Additions	-	-
Revaluations	<u>38</u>	<u>459</u>
Closing December	<u>769</u>	<u>731</u>
<u>Insurance Australia Group Ltd</u>		
Opening January	5,134	1,908
Additions	-	-
Revaluations	<u>1,071</u>	<u>3,226</u>
Closing December	<u>6,205</u>	<u>5,134</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

The Union measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets, financial liabilities and available-for-sale financial assets at fair value through profit or loss (FVTPL)
- The Union has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
 (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
 (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Recognised fair value measurements

The following table presents the Union's assets and liabilities measured and recognised at fair value at 31 December 2017 and 2016

At 31 December 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Boral Limited – Fair Value	1,410	-	-	1,410
Lindsay Australia Limited – Fair Value	769	-	-	769
Insurance Australia Group Ltd – Fair Value	6,205	-	-	6,205
Total Financial Assets	8,384	-	-	8,384
At 31 December 2016	Level 1	Level 2	Level 3	Total
Financial Assets				
Boral Limited – Fair Value	979	-	-	979
Lindsay Australia Limited – Fair Value	731	-	-	731
Insurance Australia Group Ltd – Fair Value	5,134	-	-	5,134
Total Financial Assets	6,844	-	-	6,844

There were no transfers between levels for recurring fair value measurements during the year. The Unions policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

For all financial instruments other than those measured at fair value, their carrying value approximates fair value.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

15. RECEIVABLES

	2017	2016
	\$	\$
Debtor – Revenue Accruals	5,121	4,227
Less Provision for Doubtful Debts	-	-
Debtor - Transport Workers' Union of New South Wales	95,261	163,331
Sundry Debtors	3,177	1,571
	<u>103,559</u>	<u>169,129</u>

Amount receivable from Transport Workers Union of New South Wales as of 31 Dec 2017 \$95,261 (FY 2016 \$163,331)

Amount receivable from Transport Workers Union of Australia as of 31 Dec 2017 NIL (FY 2016: NIL)

16. PROPERTY, PLANT AND EQUIPMENT

MOTOR VEHICLES

	2017	2016
	\$	\$
Motor Vehicles at cost	-	-
Less Accumulated Depreciation	-	-
	<u>-</u>	<u>-</u>

MOVEMENTS IN CARRYING AMOUNTS

	2017	2016
	\$	\$
Balance at 1 January 2015	-	-
Additions	-	-
Disposals	-	-
Depreciation	-	-
Balance at 31 December 2015	<u>-</u>	<u>-</u>

17. PAYABLES

	2017	2016
	\$	\$
Creditor - Transport Workers' Union of New South Wales	42,337	5,957
Creditor - Transport Workers' Union of Australia	101,061	134,450
Creditors and Accruals	38,955	81,108
GST Payable	8,573	9,571
	<u>190,926</u>	<u>231,086</u>

Amount payable to Transport Workers Union of New South Wales as of 31 Dec 2017 \$95,261 (FY 2016: \$163,331)

Amount payable to Transport Workers Union of Australia as of 31 Dec 2017 \$101,061 (FY 2016: \$134,450)

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)**

18. OFFICERS & EMPLOYEE PROVISIONS

	2017	2016
	\$	\$
Annual Leave		
Officers	9,152	13,610
Employees	25,935	28,105
	<u>35,087</u>	<u>41,715</u>
 Long Service Leave		
Officers	51,875	44,845
Employees	29,049	24,127
	<u>80,924</u>	<u>68,972</u>
 Separation and Redundancies		
Officers	-	-
Employees	-	-
	<u>-</u>	<u>-</u>
 Other Employee Provisions		
Officers	-	-
Employees	-	-
	<u>-</u>	<u>-</u>

No separation, redundancies or any other employee provisions have been paid or provided for officers and employees during the year.

19. FINANCIAL DEPENDENCE

The Transport Workers' Union of Australia New South Wales Branch is dependent upon the ongoing financial support of the Transport Workers' Union of New South Wales in order to pay its debts as and when they fall due. In this regard the net assets of the Union at 31 December 2017 were \$11,657,061 (FY 2016: \$5,203,408).

Transport Workers' Union of New South Wales has agreed to provide unconditional ongoing financial support to The Transport Workers' Union of Australia New South Wales Branch as and when required.

The Transport Workers' Union of Australia New South Wales Branch has not provided financial support to another reporting unit to continue as a going concern.

The Transport Workers Union of Australia, New South Wales Branch's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

	2017 \$	2016 \$
20. CASH FLOW INFORMATION		
(a) For the purpose of the Statement of Cash Flows, Cash includes:		
Cash at Bank	235,505	158,890
Cash on Hand	<u>1,125</u>	<u>1,125</u>
	<u>236,630</u>	<u>160,015</u>
(b) Reconciliation of cash flow from operations with operating result		
Net Surplus	51,077	37,681
Non cash flows in operating results		
Depreciation	-	-
Changes in Assets and Liabilities		
Decrease/ (Increase) in Debtor - Transport Workers' Union of New South Wales	68,070	40,932
Decrease/(Increase) in Prepayments and Sundry Debtors	(1,431)	(3,621)
Increase/(Decrease) in Employee Entitlement Provisions	(941)	17,030
Increase/(Decrease) in GST Payable	(998)	2,052
Increase/(Decrease) in Creditors and Accruals (Decrease)/Increase in Creditor-	(42,153)	48,570
Transport Workers' Union of Australia (Decrease)/Increase in amount payable to Transport Workers' Union of New South Wales	(33,389)	(84,097)
	<u>36,380</u>	<u>5,145</u>
CASH FLOWS FROM OPERATIONS	<u>76,615</u>	<u>63,692</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

21. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Operating Statement and in the Financial Report (Note 10(a) and Note 18).
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers is \$15,792 (FY 2016: \$13,770).
- (c) There have been no other transactions between the officers and the Branch other than those relating to their membership of the Branch and the reimbursement by the Branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- (d) Service Fees received from, and administration fees paid to the Transport Workers' Union of New South Wales are disclosed as income and expenses respectively in the Statement of Comprehensive Income and as cash received and cash paid respectively in the Statement of Cash Flows.
- (e) Amounts receivable from and payable to the Transport Workers' Union of New South Wales at balance date are disclosed at Note 15 and Note 17 of the accounts respectively.

The ultimate controlling entity of the Branch is the Transport Workers' Union of Australia.

Transactions with Ultimate Controlling Entity:

- (a) Sustentation Fees and Levies are disclosed as expenses in the Statement of Comprehensive Income and as payments in the Statement of Cash Flows.
- (b) The amounts payable to the Ultimate Controlling Entity at balance date are disclosed at Note 17

22. RELATED PARTY

Transactions with key management personnel.

Key management persons are those persons having authority and responsibility for planning, directing and controlling the activities of the Branch, directly or indirectly, including any member of the Committee of Management.

Key management personnel remuneration includes the following expenses:

	2017 \$	2016 \$
Short term employee benefits	126,556	124,110
Post-employment benefits	15,792	13,770
Long-term employee benefits	5,709	3,614
Total remuneration	148,057	141,494

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

23. CORPORATE GOVERNANCE FRAMEWORK

The Transport Workers' Union of Australia NSW Branch has been an 'early adopter' and established a Governance Framework which is based on best practice for non-profit organizations. Governance sets out the standards of accountability and transparency expected of the Union, by our many stakeholders and members. The overall aim of the framework is to drive performance improvement while meeting our obligations through strong leadership, integrity, responsible and ethical decision-making and management, accountability and performance improvement.

24. SUPERANNUATION

Employees of the Branch are entitled to benefits from a superannuation plan on retirement, disability or death. The Branch participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. The Branch's liability is limited to paying the contributions to the plan.

25. COMMITMENTS	2017	2016
	\$	\$
Costs in respect of a five year Fuji Xerox copier operating lease on office equipment 15-12-17 to 15-12-2022 (@ \$392 pm excl GST):		
- Less than one year	4,705	5,362
- One to five years	<u>18,429</u>	<u>6,702</u>
	<u>23,134</u>	<u>12,064</u>

26. CONTINGENCIES

Contingent liabilities

The Union has guaranteed the novated lease payments and the lease termination cost, should the employee leave the employ of the Union and elects not to retain the novated car lease. Accordingly, a potential liability arises for the repayment of motor vehicle lease payments to Orix Australia Corporation Limited (financier), upon the dismissal or resignation of an employee until such time the lease is terminated. As the amount of the commitment is contingent to the above event it cannot be determined as it is subject to the employment circumstances and election from the employee.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

27. FINANCIAL RISK MANAGEMENT NOTE

(a) General objectives, policies, and processes

The Transport Workers' Union of Australia NSW Branch is exposed to risks that may arise from its use of financial instruments. This note describes the Branch's objectives, policies, and processes for managing those risks and the methods used to measure them. The Transport Workers' Union of Australia NSW Branch has no financial instruments relevant to the risk mentioned and this objective does not apply.

There have been no substantive changes in the Branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The Finance Committee and Branch Committee of Management have overall responsibility for the determination of the Branch's risk management objectives and policies.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, are disclosed below:

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

27. FINANCIAL RISK MANAGEMENT NOTE (Cont'd)

(b) *Credit Risk (Cont'd)*

	2017 \$	2016 \$
Cash and cash equivalents	236,630	160,015

The cash and cash equivalents are held in high quality Australian financial banking institutions.

	2017 \$	2016 \$
Receivable – Revenue accrual	5,121	4,227
Less Provision for Doubtful Debts	-	-
Sundry Debtors	98,438	164,902
Total receivables	103,559	169,129

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

(c) *Liquidity Risk*

Liquidity risk is the risk that the Branch may encounter difficulties in raising funds to meet commitments associated with financial instruments.

The Branch is not significantly exposed to this risk; as at 31 Dec 2017 it has \$236,630 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 Dec 2017 were \$300,672.

The Branch manages liquidity risk by monitoring cash flows. Further the Transport Workers' Union of New South Wales has made an undertaking to provide financial support to the Branch.

(d) *Market Risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

27. FINANCIAL RISK MANAGEMENT NOTE(Cont'd)

(e) (i) *Interest Rate Risk*

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

31 December 2017	Floating interest rate	Non interest Bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	235,505	1,125	236,630
Term Deposit	-	-	-
Receivables	-	103,559	103,559
	<u>235,505</u>	<u>104,684</u>	<u>340,189</u>
Weighted average Interest rate	0.05%	-	
Financial Liabilities			
Payables	-	190,926	190,926
Net Financial Assets (Liabilities)	<u>235,505</u>	<u>(86,242)</u>	<u>149,263</u>
31 December 2016	Floating interest rate	Non interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	158,890	1,125	160,015
Term Deposit	-	-	-
Receivables	-	169,129	169,129
	<u>158,890</u>	<u>170,254</u>	<u>329,144</u>
Weighted average Interest rate	0.17%		
Financial Liabilities			
Payables	-	231,086	231,086
Net Financial Assets (Liabilities)	<u>158,890</u>	<u>(60,832)</u>	<u>98,058</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)

27. FINANCIAL RISK MANAGEMENT NOTE (Cont'd)

(e)(i) Interest Rate Risk (Cont'd)

Sensitivity Analysis

2017	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
Cash Assets	\$ 235,505	\$ 1,178	\$ (1,178)
2016			
Cash Assets	158,890	794	(794)

(e) (ii) Other Price Risks

The Branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(e) (iii) Foreign Exchange Risk

The Branch is not directly exposed to foreign exchange rate.

28. AMALGAMATIONS AND RESTRUCTURES

The Branch has not acquired any asset or liability during the financial year as a result of an Amalgamation or restructure; or a determination by the General Manager under subsection 245(1) of the RO Act; or a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

29. FINANCIAL SUPPORT RECEIVED FROM ANOTHER REPORTING UNIT

Transport Workers' Union of New South Wales has agreed to provide unconditional ongoing financial support to The Transport Workers' Union of Australia New South Wales Branch as and when required.

30. ADMINISTRATION BY ANOTHER ENTITY

The Branch financial affairs are not administered by another entity
No payments were made during the reporting period to a former related party of the Branch.

31. FINANCIAL SUPPORT

The Transport Workers' Union of Australia New South Wales Branch has not provided financial support to another reporting unit to continue as a going concern.

32. BRANCH OFFICE DETAILS

The Registered Office of the Transport Workers' Union of Australia NSW Branch is located at:

Quinn House
31 Cowper Street
PARRAMATTA NSW 2150



Independent Auditor's Report

To the Members of Transport Workers' Union of Australia (NSW Branch)

Opinion

We have audited the financial report of Transport Workers' Union of Australia (NSW Branch) (the Reporting Unit), which comprises the statement of financial position as at 31 December 2017, the statement of profit and loss and comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Transport Workers' Union of Australia (NSW Branch) as at 31 December 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Restriction on use and distribution

The Financial Statements have been prepared to assist the Members of Transport Workers' Union of Australia (NSW Branch) in complying with the financial reporting requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

As a result, the Financial Statements and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Member of Transport Workers' Union of Australia (NSW Branch) and should not be used by or distributed to parties other than the Member of Transport Workers' Union of Australia (NSW Branch). We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Statements to which it relates, to any person other than the Member of Transport Workers' Union of Australia (NSW Branch) or for any other purpose than that for which it was prepared.

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.

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

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

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

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our 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 our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the Financial Statements is located at the *Auditing and Assurance Standards Board* website at:

[http://www.auasb.gov.au/auditors_responsibilities/ar\[7\].pdf](http://www.auasb.gov.au/auditors_responsibilities/ar[7].pdf). This description forms part of our Auditor's Report.

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



KPMG



Jonathan Rudman
Partner
Parramatta
29 June 2018

