



17 May 2014

Mr Wayne Forno
Branch Secretary-Treasurer
Transport Workers' Union of Australia-New South Wales Branch
via email: nswlegal1@twunsw.org.au

cc: sammy.marfatia@twunsw.org.au

Dear Mr Forno,

**Transport Workers' Union of Australia-New South Wales Branch
Financial Report for the year ended 31 December 2013 [FR2013/453]**

I acknowledge receipt of the financial report of the Transport Workers' Union of Australia-New South Wales Branch. The documents were lodged with the Fair Work Commission on 25 March 2014, and additional information was provided on 14 May 2014.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2014 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Fair Work Commission website. In particular, I draw your attention to [Financial reporting process](#) which explains the timeline requirements, and [Summary of financial reporting timelines](#) which sets out the timeline requirements in diagrammatical form.

I note the following timescale requirement:

Documents must be lodged with the Fair Work Commission within 14 days after meeting

Section 268 of the RO Act states that the full report and the designated officer's certificate are required to be lodged with the Fair Work Commission within 14 days **after** the meeting in which the reports are presented to the committee of management. The designated officer's certificate indicates that this meeting occurred on 2 May 2014. The financial report was initially lodged on 25

March 2014. In accordance with s.268, the full report should have been lodged with the Fair Work Commission between 2 May 2014 and 16 May 2014.

The full report and an amended designated officer's certificate were relodged on 14 May 2014, within the required timeframe.

Please note for future financial years that the report must be lodged after the meeting in which the reports are presented.

If you have any queries regarding this letter, please contact me on (03) 8661 7942 or via email at rebecca.lee@fwc.gov.au.

Yours sincerely,



Rebecca Lee
Regulatory Compliance Branch

12 May 2014

Ms Mary Anne Guina

Manager Organisations, Research and Advice
11 Exhibition Street Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001



Dear Mary,

**Ref: Lodgment Financial Report of the Transport Workers' Union of Australia, NSW
Branch for the year ended 31 December 2013**

In accordance with the *Fair Work (Registered Organisations) Act 2009 (the RO ACT)* (FR2001/2866), the audited financial report and concise financial report for the financial year end 31 December 2013 is enclosed for your perusal.

As per sec 268 of the *RO Act* members were provided the full financial report and two Committee of Management (COM) meetings were held where resolutions to accept and adopt the accounts respectively on 07 March and 02 May 2014 were confirmed.

The completed Annual return for the year ended 31 December 2013 is being forwarded for your consideration and record. Kindly confirm your acceptance of the same to sammy.marfatia@twunsw.org.au as soon as possible.

Further I declare the attached information provided is accurate and true.

If you require any further information in above matter please do not hesitate to contact Sammy Marfatia, COO/ Director Finance and Corporate Services on (02) 9912 0748.

Yours Faithfully


Wayne Forno
State Secretary

**TRANSPORT WORKERS' UNION OF
AUSTRALIA (NEW SOUTH WALES BRANCH)**

FINANCIAL REPORT

YEAR ENDED 31 DECEMBER 2013

PROUDLY CELEBRATING 125 YEARS

24 July 1888 -- 24 July 2013

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 2013 financial year.

Statement of Comprehensive Income and Statement of Financial Position:

REVENUE

Revenue earned from Member Contributions and Entrance Fees for the year was \$647,868 which when compared to the prior year has increased by \$62,065 i.e.10.59% (2012: \$585,803).

Service Fees for the financial year was \$1,206,298 an increase of \$317,400 (35.71%) when compared to the prior year. (2012: \$888,898)

The total income generated by the branch was \$1,869,824 an increase of \$378,902 (25.41%) when compared to the prior year (2012: \$1,490,922)

EXPENDITURE

- (i) **Employee Related Payments (ERP)** for the year was \$263,854 which includes salary on-costs, Superannuation payments, FBT, and annual 4% salary increase.) (2012: \$236,580)
- (ii) **Operating Expenditure** for the year was \$1,581,282 (2012: \$1,283,616). The increase in expenditure by \$297,666 relates to a mix of over and under spend in expenditure over the year.
- (iii) **Cumulative Operating Expenditure** which includes Employee Related payments for the year was \$1,865,864 (2012: \$1,537,229).

NET POSITION

The surplus for the year ended 2013 is \$3,960 (2012 Deficit: \$46,307)

CASH FLOW STATEMENT

The cash flow of the Branch has been managed to ensure liabilities are met when they fall due. Cash at the end of the year amounted to \$197,971 and reflects consistency in the cash flow experienced during the year. (2012:\$64,097).The Branch continues to perform to expectations.

.....*Wayne Forno*.....

WAYNE FORNO
BRANCH SECRETARY

Friday 07 March 2014

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

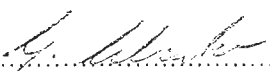
OPERATING REPORT

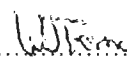
The Branch Committee of Management presents its operating report of the Transport Workers' Union of Australia, New South Wales Branch for the financial year ended 31 December 2013.

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.
3. The Branch's financials reported a surplus of \$3,960 for the year. (2012 Deficit: \$46,307).
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. Mr Wayne Forno is a director of TWU Superannuation Fund.
6. No officer's or employee's are a director of a company or board.
7. At the end of the financial year the number of registered members of the New South Wales Branch was 43,835.
8. The number of persons who were employees of the reporting unit on 31 December 2013 was 3, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis;
9. The names of each person who were members of the Branch Committee of Management at any time during the financial year are as follows:

	Name	Period Position Held
1	George Clarke	1 January 2013 to 31 December 2013
2	Charles McKay	1 January 2013 to 31 December 2013
3	Paul Eid	1 January 2013 to 31 December 2013
4	Brian Beckwith	1 January 2013 to 31 December 2013
5	Wayne Forno	1 January 2013 to 31 December 2013
6	Richard Olsen	1 January 2013 to 31 December 2013
7	Michael Forbes	1 January 2013 to 31 December 2013
8	Klaus Pinkas	1 January 2013 to 31 December 2013
9	Dennis Willcox	1 January 2013 to 31 December 2013
10	Trevor Binskin	1 January 2013 to 31 December 2013
11	Stephen Pettiford	1 January 2013 to 31 December 2013
12	David Cole	1 January 2013 to 31 December 2013
13	Richard Cockburn	1 January 2013 to 31 December 2013
14	Doug Fox	1 January 2013 to 31 December 2013
15	Donald McPherson	1 January 2013 to 31 December 2013
16	Mark Trevillian	1 January 2013 to 31 December 2013
17	Michael Aird	1 January 2013 to 31 December 2013
18	George Oei	1 January 2013 to 31 December 2013

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


.....
GEORGE CLARKE


.....
WAYNE FORNO

Friday 07 March 2014

Friday 07 March 2014

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 07 March, 2014, 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 2013.

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 General Manager of Fair Work Australia;
- (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 2013;
- (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 2013 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 General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; 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 2013 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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WAYNE FORNO
BRANCH SECRETARY

Friday 07 March 2014

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
INCOME			
Contributions and Entrance Fees		647,868	585,803
Interest		634	963
Property Rentals		14,536	14,414
Service Fees - Transport Workers' Union of New South Wales		1,206,298	888,898
Sundry Income		488	844
TOTAL INCOME		<u>1,869,824</u>	<u>1,490,922</u>
Depreciation expense		<u>20,728</u>	<u>17,033</u>
Officers benefits expense			
Wages and Salaries		97,195	90,540
Superannuation		9,549	8,785
Leave and other entitlements		17,102	6,341
Separation and redundancies		-	-
Other employee expenses (Fringe benefits)		2,052	1,636
		<u>125,898</u>	<u>107,302</u>
Employees benefits expense			
Wages and Salaries		105,278	101,561
Superannuation		9,930	9,369
Leave and other entitlements		19,306	15,143
Separation and redundancies		-	-
Other employee expenses (Fringe benefits)		3,442	3,205
		<u>137,956</u>	<u>129,278</u>
Other expenses			
Administration Fees - Transport Workers' Union of New South Wales		69,073	101,491
Affiliation Fees		16,247	15,728
Audit and Accountancy Fees		12,450	11,750
Badges		1,028	-
Bank Charges		2,399	1,963
Commission		482	601
Computer Costs		18,329	20,606
Donations	4A	-	7,500
Doubtful Debt Expense		5,101	-
Deficit on Disposal of Assets		-	13,353
Electricity		3,784	4,115
Freight		-	187
General Expenses		9,410	15,133
Insurance		2,147	2,064
IR Levy		2,860	-
Legal and Professional Fees		-	-
Meeting and Conference Expenses		13,230	21,668
Motor Car Expenses		14,486	16,465
Officials expenses		2,746	3,012
Payroll Tax		17,153	18,025

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

Postage	8,458	8,107
Printing and Stationery	2,164	13,363
Property Expenses	47,800	47,212
Staff Training	197	352
Telephones	11,341	13,443
Sustentation Fees –NSW – to Union NSW	1,206,298	888,898
Sustentation Fees - ACT – to Union NSW	113,384	58,580
Training Levy	715	-
	<u>1,581,282</u>	<u>1,283,616</u>
TOTAL EXPENDITURE	<u>1,865,864</u>	<u>1,537,229</u>
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	<u>3,960</u>	<u>(46,307)</u>
SURPLUS/(DEFICIT) FOR THE YEAR	<u>3,960</u>	<u>(46,307)</u>
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>3,960</u>	<u>(46,307)</u>

(The attached notes form part of these financial statements)

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	NOTE	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	197,971	64,097
Investments	6	2,554	2,554
Receivables	7	289,608	128,739
Prepayments		5,043	7,141
Total Current Assets		<u>495,176</u>	<u>202,531</u>
Non Current Assets			
Property, Plant and Equipment	8	29,359	48,503
Total Non Current Assets		<u>29,359</u>	<u>48,503</u>
TOTAL ASSETS		<u>524,535</u>	<u>251,034</u>
LIABILITIES			
Current Liabilities			
Payables	9	404,044	155,518
Provision for Accrued Annual Leave	10	40,829	30,679
Provision for Long Service Leave		40,644	29,779
Total Current Liabilities		<u>485,517</u>	<u>215,976</u>
Non Current Liabilities			
Provision for Long Service Leave		-	-
Total Non Current Liabilities		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>485,517</u>	<u>215,976</u>
NET ASSETS		<u>39,018</u>	<u>35,058</u>
ACCUMULATED FUNDS		<u>39,018</u>	<u>35,058</u>

(The attached notes form part of these financial statements)

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Accumulated Funds \$
Balance at 1 January 2012	81,365
Total Comprehensive Income for the Year	<u>(46,307)</u>
Balance at 31 December 2012	35,058
Total Comprehensive Income for the Year	<u>3,960</u>
Balance at 31 December 2013	<u>39,018</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 2013**

	Note	2013 \$	2012 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members			
- Contributions and Entrance Fees		651,527	574,716
Service Fees from Transport Workers' Union of New South Wales		1,033,863	880,313
Payments to Transport Workers' Union of New South Wales – Administration Fees		(63,210)	(161,583)
Payments to Suppliers and Employees		(361,203)	(456,320)
Payments to Transport Workers' Union of Australia			
- Sustentation Fees & Levies		(1,141,177)	(937,409)
Interest Received		634	963
Other Receipts		15,024	15,258
		<u>135,458</u>	<u>(84,062)</u>
NET CASH (USED IN) FOR OPERATING ACTIVITIES	11(b)	<u>135,458</u>	<u>(84,062)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for mobile phones		(1,584)	-
Proceeds from sale of motor vehicle		-	40,763
Payment for motor vehicle		-	(61,388)
		<u>(1,584)</u>	<u>(20,625)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(1,584)</u>	<u>(20,625)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Loan Repayment to Transport Workers' Union of New South Wales		-	-
		<u>-</u>	<u>-</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH HELD		133,874	(104,687)
Cash at beginning of Year		64,097	168,784
		<u>197,971</u>	<u>64,097</u>
CASH AT END OF YEAR	11(a)	<u>197,971</u>	<u>64,097</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 2013

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. In September 2013, the completion of 'Membership Connect' - new membership management system has resulted in the identification of aggregate unpaid member contributions for current and prior years amounting to \$5,088 (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.

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.

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*.

SIGNIFICANT ACCOUNTING POLICIES

The financial report of Transport Workers Union of Australia New South Wales Branch for the year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Committee of Management on 7 March 2014.

(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.

In prior year, the Transport Workers Union of Australia New South Wales Branch had earlier adopted Australian Accounting Standards – Reduced Disclosure Requirements for not-for-profit private sector entities that do not have public accountability, but this is no longer permissible.

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.

The adoption of AASB1053 Tier 1 reporting requirements has had no material impact on amounts recognised in the financial statements and related notes because it merely requires more detailed note disclosures on financial risk management than if these financial statements were prepared using Australian Accounting Standards – Reduced Disclosure Requirements.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (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. For FY 2012 using this method an amount of \$14,358 (GST inclusive) was recognized in the accounts at year end.
- (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 2013 (first time since the introduction of 'Membership Connect') a membership-debtors accrual journal for \$10,699 (GST inclusive) was 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 2013 (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

Motor vehicles are carried at cost, and where applicable, after any accumulated depreciation and any impairment in value.

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:

Motor Vehicles	33.33%
Mobile Phones	50.00%

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 de-recognized.

(h) Accounting Standards Issued But Not Yet Effective

There has been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(i) Financial Instruments (Cont'd)

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 Group's 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 2014.

The requirement in the accounting standards AASB 101 to recognise the prior year contributions in the year, as an adjustment to the prior year revenue has not been applied, since the matching of the receipts to the amount owed is conducted on a first in first out basis there is no specific allocation to paid contribution.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Receivables

After the introduction of the new 'Membership Connect' system in September 13 and considering all old debts - The amount of \$5,088 receivable represents:

<i>Financial Members in arrears</i>	\$ 77,703
<i>Less financial members FY 2014</i>	(\$ 72,615)
<i>Add: Un financial members in arrears</i>	\$ 5,611
<i>Less Un financial membership provision for BDD</i>	(\$5,611)
	<hr/>
	\$ 5,088

The estimated amount of \$5,088 unpaid contributions, will be pursued in the coming year and are accordingly recognised. Since the recognition of the past dues has only recently been identified, there is a risk that some members will not be able to meet these past dues owing and a restatement of the current reported profit will be required.

4. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK AUSTRALIA

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 General Manager of Fair Work Australia, 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 2013 (Cont'd)

[REDACTED]			
[REDACTED]			
[REDACTED]	[REDACTED]		
[REDACTED]	[REDACTED]		
[REDACTED]	[REDACTED]		

[REDACTED]			
[REDACTED]	[REDACTED]		
[REDACTED]	[REDACTED]		
[REDACTED]	[REDACTED]		

4B 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 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

4C 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.
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. Legal fees related to litigation and other legal matters
 - d. Penalties imposed under the RO Act.
3. Statement of Financial position
 - a. Payments to employer's for payroll deduction activity
 - b. Legal fees related to litigation and other legal matters

4D 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 and administration expenses
- Provision of office and office equipment and office utilities.

The Transport Workers Union of New South Wales receive reimbursement of the costs of the

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

above services as set out in the Statement of income and expenses

	2013	2012
	\$	\$
5. CASH AND CASH EQUIVALENTS		
Cash on Hand	1,125	1,125
Cash at Bank - National Australia Bank	<u>196,846</u>	<u>62,972</u>
	<u>197,971</u>	<u>64,097</u>
6. INVESTMENTS		
Available-for-Sale Financial Assets		
Listed shares at fair value	<u>2,554</u>	<u>2,554</u>
7. RECEIVABLES		
Debtor – Revenue Accruals	10,699	14,358
Less Provision for Doubtful Debts	(5,611)	-
Debtor - Transport Workers' Union of New South Wales	284,520	112,662
Sundry Debtors	<u>-</u>	<u>1,719</u>
	<u>289,608</u>	<u>128,739</u>
8. PROPERTY, PLANT AND EQUIPMENT		
MOTOR VEHICLES		
Motor Vehicles at cost	61,388	61,388
Less Accumulated Depreciation	<u>(33,349)</u>	<u>(12,885)</u>
	<u>28,039</u>	<u>48,503</u>
MOVEMENTS IN CARRYING AMOUNTS		
	2013	2012
	\$	\$
Balance at 1 January 2013	48,503	44,911
Additions	-	61,388
Disposals	-	(40,763)
Depreciation	<u>(20,464)</u>	<u>(17,033)</u>
Balance at 31 December 2013	<u>28,039</u>	<u>48,503</u>
MOBILE PHONES		
Mobile Phones at cost	1,584	-
Less Accumulated Depreciation	<u>(264)</u>	<u>-</u>
	<u>1,320</u>	<u>-</u>
TOTAL	<u>29,359</u>	<u>48,503</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 2013 (Cont'd)

	2013 \$	2012 \$
9. PAYABLES		
Creditor - Transport Workers' Union of New South Wales	71,789	6,523
Creditor - Transport Workers' Union of Australia	297,052	119,214
Creditors and Accruals	21,951	24,665
GST Payable	<u>13,252</u>	<u>5,116</u>
	<u>404,044</u>	<u>155,518</u>
10. OFFICERS & EMPLOYEE PROVISIONS		
Annual Leave		
Officers	18,350	13,431
Employees	<u>22,479</u>	<u>17,248</u>
	<u>40,829</u>	<u>30,679</u>
Long Service Leave		
Officers	28,230	21,205
Employees	<u>12,414</u>	<u>8,574</u>
	<u>40,644</u>	<u>29,779</u>
Separation and redundancies		
Officers	-	-
Employees	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Other		
Officers	-	-
Employees	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

11. 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 2013 were \$7,096,865 (2012: \$7,052,724).

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

	2013	2012
	\$	\$
12. CASH FLOW INFORMATION		
(a) For the purpose of the Statement of Cash Flows, Cash includes:		
Cash at Bank	196,846	62,972
Cash on Hand	<u>1,125</u>	<u>1,125</u>
	<u>197,971</u>	<u>64,097</u>
(b) Reconciliation of cash flow from operations with operating result		
Net Surplus	3,960	(46,307)
Non cash flows in operating results		
Depreciation	20,728	17,033
Changes in Assets and Liabilities		
Decrease/ (Increase) in Debtor - Transport Workers' Union of New South Wales	(171,858)	(8,585)
Decrease/(Increase) in Prepayments and Sundry Debtors	13,087	(9,107)
Increase in Employee Entitlement Provisions	21,015	10,412
Increase/(Decrease) in GST Payable	8,136	4,058
Increase/(Decrease) in Creditors and Accruals (Decrease)/Increase in Creditor-	(2,714)	(1,543)
Transport Workers' Union of Australia	177,838	10,069
(Decrease)/Increase in amount payable to Transport Workers' Union of New South Wales	<u>65,266</u>	<u>(60,092)</u>
CASH FLOWS FROM OPERATIONS	<u>135,458</u>	<u>(84,062)</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 2013 (Cont'd)

13. 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 Financial Report (Note 15).
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers is \$9,549 (2012: \$8,785).
- (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 6 and Note 8 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 in the Statement of Financial Position.

14. 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.

15. 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.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)

16. COMMITMENTS	2013	2012
	\$	\$
Costs in respect of a five year Sharp copier operating lease on office equipment 10-5-10 to 10-5-2014 (@ \$216 pm excl GST):		
- Less than one year	1,188	2,851
- One to five years	-	1,188
	<u>1,188</u>	<u>4,039</u>

17. 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:

Short term employee benefits	107,723	94,450
Post-employment benefits	9,549	8,785
Long-term employee benefits	6,574	2,431
Total remuneration	<u>123,846</u>	<u>105,666</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 2013 (Cont'd)

18. 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, as 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 2013 (Cont'd)

18. FINANCIAL RISK MANAGEMENT NOTE(Cont'd)

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

	2013	2012
	\$	\$
Cash and cash equivalents	<u>197,971</u>	<u>64,097</u>

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

	2013	2012
	\$	\$
Receivable – Revenue accrual	10,699	14,358
Less Provision for Doubtful Debts	(5,611)	-
Sundry Debtors	<u>284,520</u>	<u>114,381</u>
Total receivables	<u>289,608</u>	<u>128,739</u>

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 31st Dec 2013 it has \$197,971 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31st Dec 2013 was \$404,044

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).

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)

18. 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 2013	Floating interest rate	Non interest Bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	196,846	1,125	197,971
Term Deposit	-	-	-
Receivables	-	289,608	289,608
	<u>196,846</u>	<u>290,733</u>	<u>487,579</u>
Weighted average Interest rate	0.32%	-	
Financial Liabilities			
Payables	-	404,044	404,044
	<u>-</u>	<u>404,044</u>	<u>404,044</u>
Net Financial Assets (Liabilities)	<u>196,846</u>	<u>(113,311)</u>	<u>83,535</u>
31 December 2012	Floating interest rate	Non interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	62,972	1,125	64,097
Term Deposit	-	-	-
Receivables	-	128,739	128,739
	<u>62,972</u>	<u>129,918</u>	<u>192,836</u>
Weighted average Interest rate	1.05%		
Financial Liabilities			
Payables	-	155,518	155,518
	<u>-</u>	<u>155,518</u>	<u>155,518</u>
Net Financial Assets (Liabilities)	<u>62,972</u>	<u>(22,600)</u>	<u>37,318</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 2013 (Cont'd)**

18. FINANCIAL RISK MANAGEMENT NOTE(Cont'd)

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

Sensitivity Analysis

2013	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
	\$	\$	\$
Cash Assets	<u>196,846</u>	<u>984</u>	<u>(984)</u>
2012			
Cash Assets	<u>62,972</u>	<u>315</u>	<u>(315)</u>

(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.

19. 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



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Independent Auditor's Report To the Members of Transport Workers Union of Australia New South Wales Branch

We have audited the accompanying financial report of Transport Workers Union of Australia New South Wales Branch (the "Trade Union"), which comprises the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Committee of Management.

Responsibility of the Branch Committee of Management for the financial report

The Committee of Management of the Trade Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work Act 2009 (Registered Organisations). This responsibility includes such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Trade Union's preparation and fair presentation of the financial report 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 Trade Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion,

- a the financial report of Transport Workers Union of Australia New South Wales Branch
 - i presents fairly, in all material respects, the Trade Union's financial position as at 31 December 2013 and of its performance and cash flows for the year then ended, and
 - ii complies with Australian Accounting Standards and the relevant legislation
 - iii management appropriately applied the going concern basis of accounting

Report on the recovery of wages activity

The Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2)(c) of the Fair Work Act 2009 (Registered Organisations). Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the committee of management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

Auditor's opinion on the recovery of wages activity financial report

Based upon the management statements above, no opinion is expressed on the recovery of wages activity financial report of Transport Workers Union of Australia New South Wales Branch presents fairly all reporting guidelines of the General Manager, including:

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



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Other Matter

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Institute of Chartered Accountants in Australia.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Neville Sinclair
Partner - Audit & Assurance

Sydney, 7 March 2014

**TRANSPORT WORKERS' UNION OF AUSTRALIA
NEW SOUTH WALES BRANCH**

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

PROUDLY CELEBRATING 125 YEARS

24 July 1888 – 24 July 2013

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

CONCISE FINANCIAL REPORT 31 DECEMBER 2013

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on the Transport Workers' Union of Australia New South Wales Branch Concise Financial Report:

The financial statements and disclosures in the Concise Financial Report have been derived from the 2013 financial report of the Transport Workers' Union of Australia New South Wales Branch.

A copy of the full financial report and auditor's report can be sent to any member, free of charge, upon request.

This discussion and analysis is provided to assist members in understanding the Concise Report. The discussion and analysis is based on Transport Workers' Union of Australia New South Wales Branch 2013 financial report.

Statement of Comprehensive Income and Statement of Financial Position:

REVENUE

Revenue earned from Member Contributions and Entrance Fees for the year was \$647,868 which when compared to the prior year has increased by \$62,065 i.e. 10.59% (2012: \$585,803).

Service Fees for the financial year was \$1,206,298 an increase of \$317,400 (35.71%) when compared to the prior year. (2012:\$888,898)

The total income generated by the branch was \$1,869,824 an increase of \$378,902 (25.41%) when compared to the prior year (2012:\$1,490,922)

EXPENDITURE

- (i) **Employee Related Payments (ERP)** for the year was \$263,854 which includes salary on-costs, Superannuation payments, FBT, and annual 4% salary increase.) (2012:\$236,580)
- (ii) **Operating Expenditure** for the year was \$1,581,282 (2012:\$1,283,616). The increase in expenditure by \$297,666 relates to a mix of over and under spend in expenditure over the year.
- (iii) **Cumulative Operating Expenditure** which includes Employee Related payments for the year was \$1,865,864 (2012: \$1,537,229).

NET POSITION

The surplus for the year ended 2013 is \$3,960 (2012 Deficit: \$46,307)

CASH FLOW STATEMENT

The cash flow of the Branch has been managed to ensure liabilities are met when they fall due. Cash at the end of the year amounted to \$197,971 and reflects consistency in the cash flow experienced during the year. (2012:\$64,097).The Branch continues to perform to expectations.

.....*W Forno*.....
WAYNE FORNO
BRANCH SECRETARY

Friday 07 March 2014

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

CONCISE FINANCIAL REPORT 31 DECEMBER 2013

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 2013.

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.
3. The Branch's financials reported a surplus of \$3,960 for the year. (2012 Deficit: \$46,307).
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. Mr Wayne Forno is a director of TWU Superannuation Fund.
6. No officer's or employee's are a director of a company or board.
7. At the end of the financial year the number of registered members of the Branch was 43,835.
8. The number of persons who were employees of the reporting unit on 31 December 2013 was 3, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis;
9. The names of each person who were members of the Branch Committee of Management at any time during the financial year are as follows:

	Name	Period Position Held
1	George Clarke	1 January 2013 to 31 December 2013
2	Charles McKay	1 January 2013 to 31 December 2013
3	Paul Eid	1 January 2013 to 31 December 2013
4	Brian Beckwith	1 January 2013 to 31 December 2013
5	Wayne Forno	1 January 2013 to 31 December 2013
6	Richard Olsen	1 January 2013 to 31 December 2013
7	Michael Forbes	1 January 2013 to 31 December 2013
8	Klaus Pinkas	1 January 2013 to 31 December 2013
9	Dennis Willcox	1 January 2013 to 31 December 2013
10	Trevor Binskin	1 January 2013 to 31 December 2013
11	Stephen Pettiford	1 January 2013 to 31 December 2013
12	David Cole	1 January 2013 to 31 December 2013
13	Richard Cockburn	1 January 2013 to 31 December 2013
14	Doug Fox	1 January 2013 to 31 December 2013
15	Donald McPherson	1 January 2013 to 31 December 2013
16	Mark Trevillian	1 January 2013 to 31 December 2013
17	Michael Aird	1 January 2013 to 31 December 2013
18	George Oei	1 January 2013 to 31 December 2013

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


.....
GEORGE CLARKE


.....
WAYNE FORNO

Friday 07 March 2014

Friday 07 March 2014

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 07 March, 2014, 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 2013.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial report 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 2012;
- (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 2013 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 records 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) no information has been sought in any request of a member of the Branch or the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no order for inspection of the financial records was made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) during the financial year ended 31 December 2013 the Branch did not participate in any 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:


.....
WAYNE FORNO
BRANCH SECRETARY
Friday 08 March 2013

CONCISE FINANCIAL REPORT 31 DECEMBER 2013

**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
INCOME			
Contributions and Entrance Fees		647,868	585,803
Interest		634	963
Property Rentals		14,536	14,414
Service Fees - Transport Workers' Union of New South Wales		1,206,298	888,898
Sundry Income		488	844
TOTAL INCOME		<u>1,869,824</u>	<u>1,490,922</u>
Depreciation expense		<u>20,728</u>	<u>17,033</u>
Employee benefits expense			
Officers benefits expense			
Wages and Salaries		97,195	90,540
Superannuation		9,549	8,785
Leave and other entitlements		17,102	6,341
Separation and redundancies		-	-
Other employee expenses (Fringe benefits)		2,052	1,636
		<u>125,898</u>	<u>107,302</u>
Employees benefits expense			
Wages and Salaries		105,278	101,561
Superannuation		9,930	9,369
Leave and other entitlements		19,306	15,143
Separation and redundancies		-	-
Other employee expenses (Fringe benefits)		3,442	3,205
		<u>137,956</u>	<u>129,278</u>
Other expenses			
Administration Fees - Transport Workers' Union of New South Wales		69,073	101,491
Affiliation Fees		16,247	15,728
Audit and Accountancy Fees		12,450	11,750
Badges		1,028	-
Bank Charges		2,399	1,963
Commission		482	601
Computer Costs		18,329	20,606
Donations	3A	-	7,500
Doubtful Debt Expense		5,101	-
Deficit on Disposal of Assets		-	13,353
Electricity		3,784	4,115
Freight		-	187
General Expenses		9,410	15,133
Insurance		2,147	2,064
IR Levy		2,860	-
Legal and Professional Fees		-	-
Meeting and Conference Expenses		13,230	21,668
Motor Car Expenses		14,486	16,465
Officials expenses		2,746	3,012
Payroll Tax		17,153	18,025
Postage		8,458	8,107
Printing and Stationery		2,164	13,363
Property Expenses		47,800	47,212
Staff Training		197	352
Telephones		11,341	13,443

CONCISE FINANCIAL REPORT 31 DECEMBER 2013

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2013 Cont.

	NOTE	2013 \$	2012 \$
Sustentation Fees - NSW		1,206,298	888,898
Sustentation Fees - ACT		113,384	58,580
Training Levy		715	-
		<u>1,581,282</u>	<u>1,283,616</u>
TOTAL EXPENDITURE		<u>1,865,864</u>	<u>1,537,229</u>
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		<u>3,960</u>	<u>(46,307)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		3,960	(46,307)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,960</u>	<u>(46,307)</u>

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	2013 \$	2012 \$
ASSETS		
Current Assets		
Cash and cash equivalents	197,971	64,097
Investments	2,554	2,554
Receivables	289,608	128,739
Prepayments	5,043	7,141
Total Current Assets	<u>495,176</u>	<u>202,531</u>
Non Current Assets		
Property, Plant and Equipment	29,359	48,503
Total Non Current Assets	<u>29,359</u>	<u>48,503</u>
TOTAL ASSETS	<u>524,535</u>	<u>251,034</u>
LIABILITIES		
Current Liabilities		
Payables	404,044	155,518
Provision for Accrued Annual Leave	40,829	30,679
Provision for Long Service Leave	40,644	29,779
Total Current Liabilities	<u>485,517</u>	<u>215,976</u>
Non Current Liabilities		
Provision for Long Service Leave	-	-
Total Non Current Liabilities	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>485,517</u>	<u>215,976</u>
NET ASSETS	<u>39,018</u>	<u>35,058</u>
ACCUMULATED FUNDS	<u>39,018</u>	<u>35,058</u>

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Accumulated Funds \$
Balance at 1 January 2012	81,365
Total Comprehensive Income for the Year	<u>(46,307)</u>
Balance at 31 December 2012	35,058
Total Comprehensive Income for the Year	<u>3,960</u>
Balance at 31 December 2013	<u>39,018</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH
CONCISE FINANCIAL REPORT 31 DECEMBER 2013**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from Members		
- Contributions and Entrance Fees	651,527	574,716
Service Fees from Transport Workers' Union of New South Wales	1,033,863	880,313
Payments to Transport Workers' Union of New South Wales – Administration Fees	(63,210)	(161,583)
Payments to Suppliers and Employees	(361,203)	(456,320)
Payments to Transport Workers' Union of Australia		
- Sustentation Fees & Levies	(1,141,177)	(937,409)
Interest Received	634	963
Other Receipts	15,024	15,258
	<hr/>	<hr/>
NET CASH (USED IN) FOR OPERATING ACTIVITIES	135,458	(84,062)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for mobile phones	(1,584)	-
Proceeds from sale of motor vehicle	-	40,763
Payment for motor vehicle	-	(61,388)
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(1,584)	(20,625)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan Repayment to Transport Workers' Union of New South Wales	-	-
	<hr/>	<hr/>
NET CASH USED IN FINANCING ACTIVITIES	-	-
NET INCREASE/(DECREASE) IN CASH HELD	133,874	(104,687)
Cash at beginning of Year	64,097	168,784
	<hr/>	<hr/>
CASH AT END OF YEAR	197,971	64,097

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

CONCISE FINANCIAL REPORT 31 DECEMBER 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The Concise Financial Report has been prepared in accordance with Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards for the financial year 2013 and onward, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial statements, specific disclosures and other information included in the Concise Financial Report are derived from and are consistent with the full report of the Transport Workers' Union of Australia New South Wales Branch. The Concise Financial Report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Transport Workers' Union of Australia New South Wales Branch as the full financial report.

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. In September 2013, the completion of 'Membership Connect' - new membership management system has resulted in the identification of aggregate unpaid member contributions for current and prior years amounting to \$5,088 (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.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK AUSTRALIA

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 General Manager of Fair Work Australia, 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).
- (4) during the financial year ended 31 December 2013 the Branch did not participate in any recovery of wages activity

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH
CONCISE FINANCIAL REPORT 31 DECEMBER 2013

2D 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 and administration expenses
- Provision of office and office equipment and office utilities.

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

2E. OFFICERS & EMPLOYEE PROVISIONS

Annual Leave		
Officers	18,350	13,431
Employees	<u>22,479</u>	<u>17,248</u>
	<u>40,829</u>	<u>30,679</u>
Long Service Leave		
Officers	28,230	21,205
Employees	<u>12,414</u>	<u>8,574</u>
	<u>40,644</u>	<u>29,779</u>
Separation and redundancies		
Officers	-	-
Employees	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Other		
Officers	-	-
Employees	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

NOTE 3: 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 2013 were \$7,096,865 (2012: \$7,052,724).

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Independent Auditor's Report

To the Members of Transport Workers' Union of Australia New South Wales Branch

Report on the concise financial report

We have audited the accompanying concise financial report of Transport Workers' Union of Australia New South Wales Branch comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Transport Workers' Union of Australia New South Wales Branch for the year ended 31 December 2013. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Directors responsibility for the concise financial report

The Directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001, and for such internal control as the directors determine are necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Transport Workers' Union of Australia New South Wales Branch for the year ended 31 December 2013. Our audit report on the financial report for the year was signed on 31 December 2013 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

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TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

CONCISE AUDIT REPORT 31 DECEMBER 2013

Independent Auditor's Report, Cont.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report 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 entity's internal control.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports, and *Fair Work (Registered Organisations) Act 2009*.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion, the concise financial report of Transport Workers' Union of Australia New South Wales Branch for the year ended 31 December 2013 complies with Accounting Standard AASB 1039 Concise Financial Reports and *Fair Work (Registered Organisations) Act 2009*.

Report on the recovery of wages activity

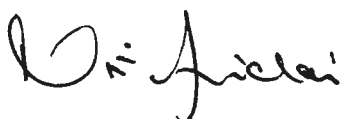
We have been advised that no recovery of wages activity has been undertaken in the current financial year.

Other Matter

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Institute of Chartered Accountants in Australia



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Neville Sinclair
Partner - Audit & Assurance Services
Sydney, 7 March 2014

Wayne Forno State Secretary

20 March 2014

Ms Mary Anne Guina

Manager Organisations, Research and Advice
11 Exhibition Street Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Lift and peel
Sender to keep
605 07430286 094

Sent on 20.3.14

Dear Mary,

**Ref: Lodgment Financial Report of the Transport Workers' Union of Australia, NSW
Branch for the year ended 31 December 2013**

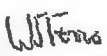
In accordance with the *Fair Work (Registered Organisations) Act 2009 (the RO ACT)* (FR2001/2866), the audited financial report and concise financial report for the financial year end 31 December 2013 is enclosed for your perusal.

As per sec 268 of the RO Act members were provided the full financial report at the first Committee of Management meeting held on Friday 07 March 2014 to accept the accounts. The second Committee of Management meeting will be held on Friday 02 May 2014 to adopt the accounts respectively where a resolution will be passed to accept and confirm the accounts. The Annual return for the year ended 31 December 2013 is being forwarded for your consideration and record. Kindly confirm your acceptance of the same to sammy.marfatia@twunsw.org.au as soon as possible.

Further I declare the attached information provided is accurate and true.

If you require any further information in above matter please do not hesitate to contact Sammy Marfatia, COO/ Director Finance and Corporate Services on (02) 9912 0748.

Yours Faithfully


Wayne Forno
State Secretary

P: 02 9912 0700 F: 02 9891 4953 E: info@twunsw.org.au W: www.twunsw.org.au

20 March 2014

Ms Mary Anne Guina

Manager Organisations, Research and Advice
11 Exhibition Street Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001



Dear Mary,

**Ref: Lodgment Financial Report of the Transport Workers' Union of Australia, NSW
Branch for the year ended 31 December 2013**

In accordance with the *Fair Work (Registered Organisations) Act 2009 (the RO ACT)* (FR2001/2866), the audited financial report and concise financial report for the financial year end 31 December 2013 is enclosed for your perusal.

As per *sec 268 of the RO Act* members were provided the full financial report at the first Committee of Management meeting held on Friday 07 March 2014 to accept the accounts. The second Committee of Management meeting will be held on Friday 02 May 2014 to adopt the accounts respectively where a resolution will be passed to accept and confirm the accounts. The Annual return for the year ended 31 December 2013 is being forwarded for your consideration and record. Kindly confirm your acceptance of the same to sammy.marfatia@twunsw.org.au as soon as possible.

Further I declare the attached information provided is accurate and true.

If you require any further information in above matter please do not hesitate to contact Sammy Marfatia, COO/ Director Finance and Corporate Services on (02) 9912 0748.

Yours Faithfully


Wayne Forno
State Secretary

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Fyshwick ACT 2609

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**TRANSPORT WORKERS' UNION OF
AUSTRALIA (NEW SOUTH WALES BRANCH)**

FINANCIAL REPORT

YEAR ENDED 31 DECEMBER 2013

PROUDLY CELEBRATING 125 YEARS

24 July 1888 – 24 July 2013

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 2013 financial year.

Statement of Comprehensive Income and Statement of Financial Position:

REVENUE

Revenue earned from Member Contributions and Entrance Fees for the year was \$647,868 which when compared to the prior year has increased by \$62,065 i.e.10.59% (2012: \$585,803).

Service Fees for the financial year was \$1,206,298 an increase of \$317,400 (35.71%) when compared to the prior year. (2012: \$888,898)

The total income generated by the branch was \$1,869,824 an increase of \$378,902 (25.41%) when compared to the prior year (2012: \$1,490,922)

EXPENDITURE

- (i) **Employee Related Payments (ERP)** for the year was \$263,854 which includes salary on-costs, Superannuation payments, FBT, and annual 4% salary increase.) (2012: \$236,580)
- (ii) **Operating Expenditure** for the year was \$1,581,282 (2012: \$1,283,616). The increase in expenditure by \$297,666 relates to a mix of over and under spend in expenditure over the year.
- (iii) **Cumulative Operating Expenditure** which includes Employee Related payments for the year was \$1,865,864 (2012: \$1,537,229).

NET POSITION

The surplus for the year ended 2013 is \$3,960 (2012 Deficit: \$46,307)

CASH FLOW STATEMENT

The cash flow of the Branch has been managed to ensure liabilities are met when they fall due. Cash at the end of the year amounted to \$197,971 and reflects consistency in the cash flow experienced during the year. (2012:\$64,097).The Branch continues to perform to expectations.

.....*Wayne Forno*.....

WAYNE FORNO
BRANCH SECRETARY

Friday 07 March 2014

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 2013.

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.
3. The Branch's financials reported a surplus of \$3,960 for the year. (2012 Deficit: \$46,307).
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. Mr Wayne Forno is a director of TWU Superannuation Fund.
6. No officer's or employee's are a director of a company or board.
7. At the end of the financial year the number of registered members of the New South Wales Branch was 43,835.
- 8.. The number of persons who were employees of the reporting unit on 31 December 2013 was 3, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis;
9. The names of each person who were members of the Branch Committee of Management at any time during the financial year are as follows:

	Name	Period Position Held
1	George Clarke	1 January 2013 to 31 December 2013
2	Charles McKay	1 January 2013 to 31 December 2013
3	Paul Eid	1 January 2013 to 31 December 2013
4	Brian Beckwith	1 January 2013 to 31 December 2013
5	Wayne Forno	1 January 2013 to 31 December 2013
6	Richard Olsen	1 January 2013 to 31 December 2013
7	Michael Forbes	1 January 2013 to 31 December 2013
8	Klaus Pinkas	1 January 2013 to 31 December 2013
9	Dennis Willcox	1 January 2013 to 31 December 2013
10	Trevor Binskin	1 January 2013 to 31 December 2013
11	Stephen Pettiford	1 January 2013 to 31 December 2013
12	David Cole	1 January 2013 to 31 December 2013
13	Richard Cockburn	1 January 2013 to 31 December 2013
14	Doug Fox	1 January 2013 to 31 December 2013
15	Donald McPherson	1 January 2013 to 31 December 2013
16	Mark Trevillian	1 January 2013 to 31 December 2013
17	Michael Aird	1 January 2013 to 31 December 2013
18	George Oei	1 January 2013 to 31 December 2013

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


.....
GEORGE CLARKE


.....
WAYNE FORNO

Friday 07 March 2014

Friday 07 March 2014

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 07 March, 2014, 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 2013.

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 General Manager of Fair Work Australia;
- (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 2013;
- (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 2013 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 General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; 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 2013 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:

.....
W.F. Forno

WAYNE FORNO
BRANCH SECRETARY

Friday 07 March 2014

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
INCOME			
Contributions and Entrance Fees		647,868	585,803
Interest		634	963
Property Rentals		14,536	14,414
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Depreciation expense		<u>20,728</u>	<u>17,033</u>
Officers benefits expense			
Wages and Salaries		97,195	90,540
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Leave and other entitlements		17,102	6,341
Separation and redundancies		-	-
Other employee expenses (Fringe benefits)		2,052	1,636
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Other expenses			
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Bank Charges		2,399	1,963
Commission		482	601
Computer Costs		18,329	20,606
Donations	4A	-	7,500
Doubtful Debt Expense		5,101	-
Deficit on Disposal of Assets		-	13,353
Electricity		3,784	4,115
Freight		-	187
General Expenses		9,410	15,133
Insurance		2,147	2,064
IR Levy		2,860	-
Legal and Professional Fees		-	-
Meeting and Conference Expenses		13,230	21,668
Motor Car Expenses		14,486	16,465
Officials expenses		2,746	3,012
Payroll Tax		17,153	18,025

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH		
Postage	8,458	8,107
Printing and Stationery	2,164	13,363
Property Expenses	47,800	47,212
Staff Training	197	352
Telephones	11,341	13,443
Sustentation Fees –NSW – to Union NSW	1,206,298	888,898
Sustentation Fees - ACT – to Union NSW	113,384	58,580
Training Levy	715	-
	<u>1,581,282</u>	<u>1,283,616</u>
TOTAL EXPENDITURE	<u>1,865,864</u>	<u>1,537,229</u>
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	<u>3,960</u>	<u>(46,307)</u>
SURPLUS/(DEFICIT) FOR THE YEAR	3,960	(46,307)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>3,960</u>	<u>(46,307)</u>

(The attached notes form part of these financial statements)

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	NOTE	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	197,971	64,097
Investments	6	2,554	2,554
Receivables	7	289,608	128,739
Prepayments		<u>5,043</u>	<u>7,141</u>
Total Current Assets		<u>495,176</u>	<u>202,531</u>
Non Current Assets			
Property, Plant and Equipment	8	<u>29,359</u>	<u>48,503</u>
Total Non Current Assets		<u>29,359</u>	<u>48,503</u>
TOTAL ASSETS		<u>524,535</u>	<u>251,034</u>
LIABILITIES			
Current Liabilities			
Payables	9	404,044	155,518
Provision for Accrued Annual Leave	10	40,829	30,679
Provision for Long Service Leave		<u>40,644</u>	<u>29,779</u>
Total Current Liabilities		<u>485,517</u>	<u>215,976</u>
Non Current Liabilities			
Provision for Long Service Leave		<u>-</u>	<u>-</u>
Total Non Current Liabilities		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>485,517</u>	<u>215,976</u>
NET ASSETS		<u>39,018</u>	<u>35,058</u>
ACCUMULATED FUNDS		<u>39,018</u>	<u>35,058</u>

(The attached notes form part of these financial statements)

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Accumulated Funds \$
Balance at 1 January 2012	81,365
Total Comprehensive Income for the Year	<u>(46,307)</u>
Balance at 31 December 2012	35,058
Total Comprehensive Income for the Year	<u>3,960</u>
Balance at 31 December 2013	<u>39,018</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 2013**

	Note	2013 \$	2012 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members			
- Contributions and Entrance Fees		651,527	574,716
Service Fees from Transport Workers' Union of New South Wales		1,033,863	880,313
Payments to Transport Workers' Union of New South Wales – Administration Fees		(63,210)	(161,583)
Payments to Suppliers and Employees		(361,203)	(456,320)
Payments to Transport Workers' Union of Australia - Sustentation Fees & Levies		(1,141,177)	(937,409)
Interest Received		634	963
Other Receipts		<u>15,024</u>	<u>15,258</u>
NET CASH (USED IN) FOR OPERATING ACTIVITIES	11(b)	<u>135,458</u>	<u>(84,062)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for mobile phones		(1,584)	-
Proceeds from sale of motor vehicle		-	40,763
Payment for motor vehicle		<u>-</u>	<u>(61,388)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(1,584)</u>	<u>(20,625)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Loan Repayment to Transport Workers' Union of New South Wales		-	-
NET CASH USED IN FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH HELD		133,874	(104,687)
Cash at beginning of Year		64,097	168,784
CASH AT END OF YEAR	11(a)	<u>197,971</u>	<u>64,097</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 2013

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. In September 2013, the completion of 'Membership Connect' - new membership management system has resulted in the identification of aggregate unpaid member contributions for current and prior years amounting to \$5,088 (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.

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.

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*.

SIGNIFICANT ACCOUNTING POLICIES

The financial report of Transport Workers Union of Australia New South Wales Branch for the year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Committee of Management on 7 March 2014.

(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.

In prior year, the Transport Workers Union of Australia New South Wales Branch had earlier adopted Australian Accounting Standards – Reduced Disclosure Requirements for not-for-profit private sector entities that do not have public accountability, but this is no longer permissible.

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.

The adoption of AASB1053 Tier 1 reporting requirements has had no material impact on amounts recognised in the financial statements and related notes because it merely requires more detailed note disclosures on financial risk management than if these financial statements were prepared using Australian Accounting Standards – Reduced Disclosure Requirements.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (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. For FY 2012 using this method an amount of \$14,358 (GST inclusive) was recognized in the accounts at year end.
- (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 2013 (first time since the introduction of 'Membership Connect') a membership-debtors accrual journal for \$10,699 (GST inclusive) was 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 2013 (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

Motor vehicles are carried at cost, and where applicable, after any accumulated depreciation and any impairment in value.

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:

Motor Vehicles	33.33%
Mobile Phones	50.00%

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 de-recognized.

(h) Accounting Standards Issued But Not Yet Effective

There has been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(i) Financial Instruments (Cont'd)

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 Group's 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 2014.

The requirement in the accounting standards AASB 101 to recognise the prior year contributions in the year, as an adjustment to the prior year revenue has not been applied, since the matching of the receipts to the amount owed is conducted on a first in first out basis there is no specific allocation to paid contribution.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Receivables

After the introduction of the new 'Membership Connect' system in September 13 and considering all old debts - The amount of \$5,088 receivable represents:

<i>Financial Members in arrears</i>	\$ 77,703
<i>Less financial members FY 2014</i>	(\$ 72,615)
<i>Add: Un financial members in arrears</i>	\$ 5,611
<i>Less Un financial membership provision for BDD</i>	(\$5,611)
	<hr/>
	\$ 5,088

The estimated amount of \$5,088 unpaid contributions, will be pursued in the coming year and are accordingly recognised. Since the recognition of the past dues has only recently been identified, there is a risk that some members will not be able to meet these past dues owing and a restatement of the current reported profit will be required.

4. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK AUSTRALIA

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 General Manager of Fair Work Australia, 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
above services as set out in the Statement of income and expenses

	2013	2012
	\$	\$
5. CASH AND CASH EQUIVALENTS		
Cash on Hand	1,125	1,125
Cash at Bank - National Australia Bank	<u>196,846</u>	<u>62,972</u>
	<u>197,971</u>	<u>64,097</u>
6. INVESTMENTS		
Available-for-Sale Financial Assets		
Listed shares at fair value	<u>2,554</u>	<u>2,554</u>
7. RECEIVABLES		
Debtor – Revenue Accruals	10,699	14,358
Less Provision for Doubtful Debts	(5,611)	-
Debtor - Transport Workers' Union of New South Wales	284,520	112,662
Sundry Debtors	<u>-</u>	<u>1,719</u>
	<u>289,608</u>	<u>128,739</u>
8. PROPERTY, PLANT AND EQUIPMENT		
MOTOR VEHICLES		
Motor Vehicles at cost	61,388	61,388
Less Accumulated Depreciation	<u>(33,349)</u>	<u>(12,885)</u>
	<u>28,039</u>	<u>48,503</u>
MOVEMENTS IN CARRYING AMOUNTS		
	2013	2012
	\$	\$
Balance at 1 January 2013	48,503	44,911
Additions	-	61,388
Disposals	-	(40,763)
Depreciation	<u>(20,464)</u>	<u>(17,033)</u>
Balance at 31 December 2013	<u>28,039</u>	<u>48,503</u>
MOBILE PHONES		
Mobile Phones at cost	1,584	-
Less Accumulated Depreciation	<u>(264)</u>	<u>-</u>
	<u>1,320</u>	<u>-</u>
TOTAL	<u>29,359</u>	<u>48,503</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 2013 (Cont'd)**

	2013 \$	2012 \$
9. PAYABLES		
Creditor - Transport Workers' Union of New South Wales	71,789	6,523
Creditor - Transport Workers' Union of Australia	297,052	119,214
Creditors and Accruals	21,951	24,665
GST Payable	<u>13,252</u>	<u>5,116</u>
	<u>404,044</u>	<u>155,518</u>
10. OFFICERS & EMPLOYEE PROVISIONS		
Annual Leave		
Officers	18,350	13,431
Employees	<u>22,479</u>	<u>17,248</u>
	<u>40,829</u>	<u>30,679</u>
Long Service Leave		
Officers	28,230	21,205
Employees	<u>12,414</u>	<u>8,574</u>
	<u>40,644</u>	<u>29,779</u>
Separation and redundancies		
Officers	-	-
Employees	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Other		
Officers	-	-
Employees	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

11. 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 2013 were \$7,096,865 (2012: \$7,052,724).

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

	2013 \$	2012 \$
12. CASH FLOW INFORMATION		
(a) For the purpose of the Statement of Cash Flows, Cash includes:		
Cash at Bank	196,846	62,972
Cash on Hand	<u>1,125</u>	<u>1,125</u>
	<u>197,971</u>	<u>64,097</u>
(b) Reconciliation of cash flow from operations with operating result		
Net Surplus	3,960	(46,307)
Non cash flows in operating results		
Depreciation	20,728	17,033
Changes in Assets and Liabilities		
Decrease/ (Increase) in Debtor - Transport Workers' Union of New South Wales	(171,858)	(8,585)
Decrease/(Increase) in Prepayments and Sundry Debtors	13,087	(9,107)
Increase in Employee Entitlement Provisions	21,015	10,412
Increase/(Decrease) in GST Payable	8,136	4,058
Increase/(Decrease) in Creditors and Accruals (Decrease)/Increase in Creditor-	(2,714)	(1,543)
Transport Workers' Union of Australia (Decrease)/Increase in amount payable to Transport Workers' Union of New South Wales	177,838	10,069
	<u>65,266</u>	<u>(60,092)</u>
CASH FLOWS FROM OPERATIONS	<u>135,458</u>	<u>(84,062)</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 2013 (Cont'd)

13. 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 Financial Report (Note 15).
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers is \$9,549 (2012: \$8,785).
- (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 6 and Note 8 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 in the Statement of Financial Position.

14. 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.

15. 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.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)**

16. COMMITMENTS	2013	2012
	\$	\$
Costs in respect of a five year Sharp copier operating lease on office equipment 10-5-10 to 10-5-2014 (@ \$216 pm excl GST):		
- Less than one year	1,188	2,851
- One to five years	-	1,188
	<u>1,188</u>	<u>4,039</u>

17. 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:

Short term employee benefits	107,723	94,450
Post-employment benefits	9,549	8,785
Long-term employee benefits	6,574	2,431
	<u>123,846</u>	<u>105,666</u>
Total remuneration		

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)

18. 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, as 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 2013 (Cont'd)**

18. FINANCIAL RISK MANAGEMENT NOTE(Cont'd)

(b) Credit Risk (Cont'd)

	2013	2012
	\$	\$
Cash and cash equivalents	197,971	64,097

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

	2013	2012
	\$	\$
Receivable – Revenue accrual	10,699	14,358
Less Provision for Doubtful Debts	(5,611)	-
Sundry Debtors	284,520	114,381
Total receivables	289,608	128,739

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 31st Dec 2013 it has \$197,971 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31st Dec 2013 was \$404,044

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).

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)**

18. 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 2013	Floating interest rate	Non interest Bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	196,846	1,125	197,971
Term Deposit	-	-	-
Receivables	-	289,608	289,608
	<u>196,846</u>	<u>290,733</u>	<u>487,579</u>
Weighted average Interest rate	0.32%	-	
Financial Liabilities			
Payables	-	404,044	404,044
Net Financial Assets (Liabilities)	<u>196,846</u>	<u>(113,311)</u>	<u>83,535</u>
31 December 2012	Floating interest rate	Non interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	62,972	1,125	64,097
Term Deposit	-	-	-
Receivables	-	128,739	128,739
	<u>62,972</u>	<u>129,918</u>	<u>192,836</u>
Weighted average Interest rate	1.05%		
Financial Liabilities			
Payables	-	155,518	155,518
Net Financial Assets (Liabilities)	<u>62,972</u>	<u>(22,600)</u>	<u>37,318</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 2013 (Cont'd)**

18. FINANCIAL RISK MANAGEMENT NOTE(Cont'd)

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

Sensitivity Analysis

2013	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
Cash Assets	\$ 196,846	\$ 984	\$ (984)
2012			
Cash Assets	62,972	315	(315)

(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.

19. 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



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Independent Auditor's Report To the Members of Transport Workers Union of Australia New South Wales Branch

We have audited the accompanying financial report of Transport Workers Union of Australia New South Wales Branch (the "Trade Union"), which comprises the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Committee of Management.

Responsibility of the Branch Committee of Management for the financial report

The Committee of Management of the Trade Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work Act 2009 (Registered Organisations). This responsibility includes such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Trade Union's preparation and fair presentation of the financial report 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 Trade Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion,

- a the financial report of Transport Workers Union of Australia New South Wales Branch
 - i presents fairly, in all material respects, the Trade Union's financial position as at 31 December 2013 and of its performance and cash flows for the year then ended, and
 - ii complies with Australian Accounting Standards and the relevant legislation
 - iii management appropriately applied the going concern basis of accounting

Report on the recovery of wages activity

The Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2)(c) of the Fair Work Act 2009 (Registered Organisations). Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the committee of management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

Auditor's opinion on the recovery of wages activity financial report

Based upon the management statements above, no opinion is expressed on the recovery of wages activity financial report of Transport Workers Union of Australia New South Wales Branch presents fairly all reporting guidelines of the General Manager, including:

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



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Other Matter

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Institute of Chartered Accountants in Australia.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Neville Sinclair
Partner - Audit & Assurance

Sydney, 7 March 2014