



2 September 2015

Mr Peter Biagini  
Branch Secretary  
Transport Workers' Union of Australia-Queensland Branch  
[info@twuqld.asn.au](mailto:info@twuqld.asn.au)

CC: BDO, PA Gallagher by email: [info.brisbane@bdo.com.au](mailto:info.brisbane@bdo.com.au)

Dear Mr Biagini,

**Transport Workers' Union of Australia - Queensland Branch  
Financial Report for the year ended 31 December 2014 - [FR2014/410]**

I acknowledge receipt of the financial report of the Transport Workers' Union of Australia - Queensland Branch. The documents were lodged with the Fair Work Commission on 12 May 2015. Further information was received from the branch on 29 June, 3 July, 7 August and 1 September 2015.

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

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 2015 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.

**Key Management Personnel**

I note that the organisation supplied a further key management personnel note.

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

The further key management personnel note was required as it was unclear which entity had paid the expenses contained in the note and clarification was sought concerning the term 'cash benefits' and whether this encompassed wages and leave.

## **Employee and Officer Expenses and Provisions**

### Disclosure of employee expenses to office holders and other employees

The Reporting Guidelines require reporting units to disclose in the Statement of Comprehensive Income or in the notes to the financial statements employee expenses to holders of office (item 16(f)) and employee expenses to other employees (item 16(g)).

This information is *in addition* to the key management personnel note. It is normally disclosed in a separate note to the report.

Item 16(f) and 16(g) of the Reporting Guidelines also requires these expenses to be separately disclosed as follows:

- Wages and salaries;
- Superannuation;
- Leave and other entitlements;
- Separation and redundancies; and
- Other employee expenses.

The notes attempted to blend this into the Key Management Personnel note but consequently did not provide disclosures in all of the categories required above.

In future years please ensure that expenses for office holders and other employees are disclosed correctly in accordance with the Reporting Guidelines.

Please note that Reporting Guideline 17 states that if the activities identified in item 16 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

### Disclosure of employee provisions to office holders and other employees

The Reporting Guidelines also require either the Statement of Financial Position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 20(c) and 20 (d)). Item 20(c) and 20(d) of the Reporting Guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

Note 14 discloses this liability in part for annual leave and long service leave but does not separately disclose the employee provisions based on all of the categories indicated above.

In future years please ensure that employee provisions for office holders and other employees are disclosed correctly in accordance with the Reporting Guidelines.

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

These line items must appear in the report even if the amount is NIL.

## Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at [catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au).

Yours sincerely



**CATHERINE BEBBINGTON**  
Regulatory Compliance Branch

**FAIR WORK COMMISSION**  
Tel: 03 8661 7974  
Fax: 03 9655 0410  
[catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au)

11 Exhibition Street, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

[www.fwc.gov.au](http://www.fwc.gov.au)

Address: 11 Alexandra Place, Murarrie QLD 4172

Phone: 3890 3066 • 1800 804 533 (free call outside metro area)

Fax: 3890 1105 Email: info@twuqld.asn.au

## Section 268 Fair Work (Registered Organisations) Act 2009

### CERTIFICATE OF DESIGNATED OFFICER

#### 2014 Financial Report (The Full Report)

I, Peter Biagini, being the Secretary of the Transport Workers Union of Australia, Queensland Branch, hereby certify:

- that the documents lodged herewith are copies of the full report for the Transport Workers Union of Australia, Queensland Branch for the period ended 31<sup>st</sup> December 2014 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the Full Report was provided to the members of the reporting unit by posting on the Union's website on 6<sup>th</sup> May 2015; and
- that the Full Report was presented to a meeting of the Branch Committee of Management of the Reporting Unit on 28<sup>th</sup> April 2015 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



Peter Biagini  
Branch Secretary  
Transport Workers Union of Australia  
Queensland Branch

Dated: 29 June 2015

# Transport Workers' Union of Australia Queensland

Branch



ABN: 80 519 643 130

Address: 11 Alexandra Place, Murarrie QLD 4172

Phone: 3890 3066 • 1800 804 533 (free call outside metro area)

Fax: 3890 1105 Email: info@twuqld.asn.au

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- that the Full Report was presented to a meeting of the Branch Committee of Management of the Reporting Unit on 28<sup>th</sup> April 2014 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

A handwritten signature in black ink, appearing to read 'Peter Biagini', written over a horizontal line.

Peter Biagini  
Branch Secretary  
Transport Workers Union of Australia  
Queensland Branch

Dated: 11 May 2015

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

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## INDEPENDENT AUDITOR'S REPORT

To members of Transport Workers Union Australia (QLD Branch)

### Report on the Financial Report

We have audited the accompanying financial report of Transport Workers Union Australia (QLD Branch), which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and management committee declaration.

#### Committee's Responsibility for the Financial Report

The Branch Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), and for such internal control as The Branch Committee of Management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

The financial report has been prepared for the distribution to members of the Union for the purpose of fulfilling the requirements of subsections 265(1) and 265(5) of the Fair Work (Registered Organisations) Act 2009 in relation to the financial report and independent auditors' report.

#### 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch 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 independence requirements of the Australian professional accounting bodies.

## Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Transport Workers Union Australia (QLD Branch) as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards.

### In our opinion:

- 1) All information and explanation that, under Section 257 of the Fair Work (Register Organisations) Act 2009, officers or employees of the Association were required to provide, were provided;
- 2) In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and requirement imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
- 3) In our opinion, Management's use of the going concern basis of accounting in the preparation of the reporting union's financial statement is appropriate

Where necessary, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

## Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the requirements of subsections 265(1) and 265(5) of the Fair Work (Registered Organisations) Act 2009. As a result, the financial report may not be suitable for another purpose.

BDO Audit Pty Ltd

P A Gallagher

Director

Brisbane, 14 April 2015



Tel: +61 7 3237 5999  
Fax: +61 7 3221 9227  
www.bdo.com.au

Level 10, 12 Creek St  
Brisbane QLD 4000  
GPO Box 457 Brisbane QLD 4001  
Australia

**DECLARATION OF INDEPENDENCE BY P A GALLAGHER TO THE COMMITTEE MEMBERS OF TRANSPORT WORKERS UNION AUSTRALIA (QLD BRANCH)**

As lead auditor of Transport Workers Union Australia (QLD Branch) for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

1. the auditor independence requirements of the Fair Work (Registered Organisations) Act 2009 in relation to the audit; and
2. any applicable code of professional conduct in relation to the audit.

This declaration is in respect Transport Workers Union Australia (QLD Branch).

A handwritten signature in black ink, appearing to read 'P A Gallagher', written in a cursive style.

**P A Gallagher**  
Director

**BDO Audit Pty Ltd**

Brisbane, 14 April 2015

## **TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**

### **OPERATING REPORT**

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009, the Committee of Management of the Transport Workers Union of Australia (QLD Branch) presents the following Operating Report in respect of the financial year ended 31 December 2014.

#### **Membership**

Total membership of the Branch as at 31 December 2014 was 10,595, of which 8,657 were financial members. (This translates into 9,298 effective members for 2014. In 2013 there were 9,558 effective members).

Persons eligible to do so under the rules of the Branch were actively encouraged to join the Branch.

#### **Principal Activities**

The principal activities of the Union during the financial year were the provision of industrial, professional and managerial services to the members consistent with the objects and rules of the Union and in particular, protecting and improving the interests of members.

The Branch produced a range of publications for its members.

#### **Significant Changes in Principal Activities**

There were no significant changes in the nature of the Union's principal activities during the financial year.

In comparison to the preceding year, the investment portfolio didn't perform well. This, along with a 3% decrease in financial members has contributed to the decrease in total income.

#### **Number of Employees**

At 31 December 2014, there were 29 persons employed by the Branch.

#### **Rights of Members to Resign**

Pursuant to section 174 of the Fair Work (Registered Organisations) Act 2009, members could resign from the Branch by written notice addressed and delivered to the Secretary-Treasurer in accordance with the rule 22A of the Branch.

#### **Trustees or Directors of Public Sector Superannuation Scheme**

The following officers of the Transport Workers Union of Australia (QLD Branch) were officeholders of the TWU Nominees Pty Ltd, which is trustee of the TWU Superannuation Fund:

Mr Peter Biagini            appointed 10/01/2011

To the best of the knowledge of the Committee, no other officer or member of the Union has held any position as Trustee or Director of Trustee Company of a Superannuation Entity or an Exempt Public Sector Superannuation Scheme at any time during the financial year. There has been no criterion for any other officer or member of the Union to hold such a position during the year financial year.

#### **Affiliations & Directorships**

The Branch is affiliated with the Australian Labor Party ("ALP"). Delegates were credentialed to the State meetings of the ALP. The Assistant Branch Secretary is a member of the ALP State Administrative Committee.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

OPERATING REPORT (CONTINUED)

**Members of Committee of Management**

The persons who held office as members of the Committee of Management at any time during the financial year were:

<b>Name</b>	<b>Position</b>	<b>Period in Office this year</b>
Peter Biagini	Secretary	1 January 2014 - 31 December 2014
Scott Connolly	Assistant Secretary	1 January 2014 - 31 December 2014
Brad Wyatt	President	1 January 2014 - 31 December 2014
Grant Mitchell	Vice-President	1 January 2014 - 31 December 2014
Darren White	Trustee	1 January 2014 - 31 December 2014
Michael Cardile	Trustee	1 January 2014 - 31 December 2014
Henry Adsett	Committee Member	1 January 2014 - 31 December 2014
Jewell Norfolk	Committee Member	1 January 2014 - 31 December 2014
Gary Dickfos	Committee Member	1 January 2014 - 31 December 2014
Brett Perry	Committee Member	1 January 2014 - 31 December 2014
Francis Whitfield	Committee Member	1 January 2014 - 31 December 2014
Ken Suesee	Committee Member	1 January 2014 - 31 December 2014
Peter Ferguson	Committee Member	1 January 2014 - 31 December 2014
Craig Williams	Committee Member	1 January 2014 - 31 December 2014
Ricky Cameron	Committee Member	1 May 2013 - 28 October 2014
Brett Lovett	Committee Member	1 January 2014 - 24 June 2014

The Association maintained its rules and reported according to statutory requirements.

Dated at Brisbane this 14<sup>th</sup> day of April 2015



.....  
**Peter Biagini**  
Branch Secretary

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

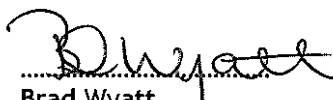
STATEMENT BY MEMBERS OF THE COMMITTEE

On the 14<sup>th</sup> day of April 2015 the Committee of Management of Transport Workers Union of Australia (QLD Branch) passed the following resolution in relation to the general-purpose financial report (GPFR) of the Branch for the financial year ended 31 December 2014.


The 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 Commission;
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) There are reasonable grounds to believe the reporting unit will be able to pay its debts as and when they become due and payable;
- e) During the financial year to which the GPFR relates and since the end of that year:
  - i) Meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned;
  - ii) The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
  - iii) The financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
  - iv) The information sought in any request of a member of the reporting unit or the General Manager of Fair Work Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Commission;
  - v) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) In relation to recovery of wages activity:
  - i) The financial report on recovery of wages activity was not prepared because wages were paid directly to workers. No revenue is derived from this activity; and
  - ii) No fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were received from moneys recovered from employers on behalf of workers.

Signed on behalf of the Committee of Management:

  
.....  
Brad Wyatt  
Branch President

Date 14/04/2015

  
.....  
Peter Biagini  
Branch Secretary

Date 14/04/2015

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
<b>INCOME</b>			
Interest		518	1,400
Investment income		539,973	496,710
Rental income		46,465	50,818
TWU Australia reimbursement		69,928	14,725
Reimbursement & Sponsorship		139,149	136,283
Director Fees		30,000	30,000
Advertising		35,570	16,391
Realised Gain/(Loss) on investments		272,492	(9,571)
Unrealised Gain/(Loss) on Investments		(254,845)	1,297,951
Membership subscriptions		4,395,525	4,344,076
Profit/(Loss) on sale of fixed assets		2,036	(3,911)
Other income		<u>6,915</u>	<u>7,749</u>
<b>TOTAL INCOME</b>		<b>5,283,726</b>	<b>6,382,621</b>
<b>LESS EXPENSES</b>			
Accounting & Audit fees		38,988	24,898
Advertising		94,749	139,506
Affiliation fees	2	131,764	143,490
Bank charges		32,716	32,178
Cleaning		17,989	18,102
Computer expenses		112,107	113,996
Consumables		433	2,795
Delegates Conference		51,549	-
Delegates & BCOM Training		18,411	37,269
Depreciation		366,139	252,207
Donations		54,541	63,809
Electricity		30,489	32,351
Entertainment expenses		-	-
Fees and permits		96,723	102,816
Freight and cartage		1,688	3,153
Fringe benefits		58,898	40,329
General expenses	3	330,809	176,708
Insurance		56,710	51,532
Legal costs		243,878	389,310
Motor vehicle expenses		157,204	152,591
Organising expenses		2,961	6,857
Other Federal Expenses		29,455	21,976
Payroll tax		100,136	103,717
Postage		59,257	56,354
Printing and stationery		<u>37,721</u>	<u>36,652</u>
Expenses carried forward		<b>2,125,315</b>	<b>2,002,596</b>

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
Expenses brought forward		2,125,315	2,002,596
Rates and taxes		9,860	10,232
Recruitment		-	-
Rent		27,261	29,890
Repairs and maintenance		15,671	14,245
Salaries and Wages	6	2,586,390	2,528,577
Security costs		7,405	8,958
Staff training and welfare		33,427	27,354
Subscriptions		15,905	11,645
Superannuation		324,961	312,950
Sustentation fees		775,327	766,213
Telephone		132,096	101,519
Travelling expenses		132,344	144,748
Uniforms		<u>5,667</u>	<u>12,283</u>
<b>TOTAL EXPENSES</b>		<u><b>6,191,629</b></u>	<u><b>5,971,209</b></u>
<b>OPERATING PROFIT/(LOSS) FOR THE YEAR</b>		<u><b>(907,903)</b></u>	<u><b>411,411</b></u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified into Profit or Loss:			
Net transfers in/(out) of Fund Reserves		<u><b>62,636</b></u>	<u><b>36,788</b></u>
Items that may be subsequently reclassified into Profit or Loss:			
		<u><b>-</b></u>	<u><b>-</b></u>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<u><b>62,636</b></u>	<u><b>36,788</b></u>
<b>Total comprehensive income attributable to the organisation</b>		<u><u><b>(845,267)</b></u></u>	<u><u><b>448,199</b></u></u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	25,789	143,282
Cash held for Specific Purposes (Reserves)	7	119,253	63,290
Trade and other receivables	8	194,204	71,698
Other investments	9	-	500,000
Other assets	10	<u>83,316</u>	<u>102,083</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>422,562</b></u>	<u><b>880,353</b></u>
<b>NON-CURRENT ASSETS</b>			
Other Investments	9	8,904,776	9,059,301
Property, plant and equipment	11	3,174,936	3,322,456
Other assets	10	<u>1,650</u>	<u>1,650</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>12,081,362</b></u>	<u><b>12,383,407</b></u>
<b>TOTAL ASSETS</b>		<u><b>12,503,924</b></u>	<u><b>13,263,760</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	797,281	581,847
Provisions	14	<u>268,968</u>	<u>396,628</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>1,066,249</b></u>	<u><b>978,475</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	14	18,749	21,092
Other	13	<u>4,333</u>	<u>4,333</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>23,082</b></u>	<u><b>25,425</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>1,089,331</b></u>	<u><b>1,003,900</b></u>
<b>NET ASSETS</b>		<u><b>11,414,593</b></u>	<u><b>12,259,860</b></u>
<b>MEMBERS' FUNDS</b>			
Asset Revaluation Reserve	15	1,397,215	1,397,215
Funeral Fund	16	68,030	32,365
Support Fund	16	57,896	30,925
Accumulated Surplus	17	<u>9,891,452</u>	<u>10,799,355</u>
<b>TOTAL MEMBERS' FUNDS</b>		<u><b>11,414,593</b></u>	<u><b>12,259,860</b></u>



TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

STATEMENT OF CHANGES IN EQUITY  
FOR YEAR ENDED 31 DECEMBER 2014

Notes	Accumulated Surplus \$	Funeral Fund \$	Support Fund \$	Asset Revaluation Reserve \$	Total \$
Balance at 31 December 2011	10,278,735	-	-	1,397,215	11,675,950
Profit/(loss) attributable to the organisation	109,209	-	-	-	109,209
Transfers to and from reserves	-	-	-	-	-
Transfers to and from retained earnings	-	-	-	-	-
Sub-total	109,209	-	-	-	109,209
Balance at 31 December 2012	10,387,944	-	-	1,397,215	11,785,159
Transfer from prior year liability	1(m) -	16,848	9,654	-	26,502
Profit/(loss) attributable to the organisation	411,411	-	-	-	411,411
Transfers to and from reserves	-	-	-	-	-
Transfers to and from retained earnings	-	-	-	-	-
Funds collected from members	-	15,517	21,271	-	36,788
Sub-total	411,411	15,517	21,271	-	448,199
Balance at 31 December 2013	10,799,355	32,365	30,925	1,397,215	12,259,860
Profit/(loss) attributable to the organisation	(907,903)	-	-	-	(907,903)
Transfers to and from reserves	-	-	-	-	-
Transfers to and from retained earnings	-	-	-	-	-
Funds collected from members	-	35,665	26,971	-	62,636
Sub-total	(907,903)	35,665	26,971	-	(845,267)
Balance at 31 December 2014	9,891,452	68,030	57,896	1,397,215	11,414,593

These financial statements should be read in conjunction with the accompanying notes.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members		4,554,581	4,495,407
Payments to suppliers and employees		(5,722,438)	(5,509,260)
Interest received		1,665	18,851
Investment income received		539,973	496,710
Rent received		<u>46,465</u>	<u>50,818</u>
Net cash provided by/(used in) operating activities	18	<u>(579,754)</u>	<u>(447,474)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(262,181)	(383,070)
Proceeds from sale of property, plant and equipment		45,597	-
Proceeds from Loan Repayment		-	-
Transfer of Funeral & Strike Funds from liabilities	1(m)	-	26,502
Proceeds from members for Funeral & Strike Funds	16	62,636	36,788
Payment for investments		<u>672,172</u>	<u>854,864</u>
Net cash used in investing activities		<u>518,224</u>	<u>535,084</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash held		(61,530)	87,610
Cash at beginning of financial year		<u>206,572</u>	<u>118,962</u>
Cash at end of financial year	7	<u><u>145,042</u></u>	<u><u>206,572</u></u>

These financial statements should be read in conjunction with the accompanying notes.

## TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial report has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial report of Transport Workers Union of Australia (QLD Branch) complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Branch in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

#### *Reporting Basis and Conventions*

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### **Accounting Policies**

##### **(a) Property, Plant and Equipment**

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

#### *Property*

Freehold land and buildings are measured on the fair value (being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction) based on periodic, but at least triennial, valuations by external valuers, less subsequent depreciation for buildings.

#### *Plant and equipment*

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been not discounted to present values in determining recoverable amounts.

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Branch and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit & loss during the financial period in which they occurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of profit & loss.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Depreciation*

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated using the straight line and diminishing value methods over their useful lives to the Branch commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Motor Vehicles	25%	Diminishing value
Office Equipment	20.00% - 66.67%	Diminishing value
Computer Software	40.00% - 80.00	Prime Cost
Furniture Fittings & Equipment	2.50% - 66.67%	Diminishing value

The assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit & loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(b) Asset Revaluation Reserve**

Increments in the valuation of property plant & equipment are recognised in the asset revaluation reserve. Any decrements in the valuation of a class of property, plant & equipment are recognised in the asset revaluation reserve up to the amount of previous valuation increments. Any excess decrement is recognised in the statement of profit & loss.

Increments and decrements in the valuation of land and buildings held as investments properties are recognised in the statement of profit & loss in the period in which they arise.

**(c) Impairment of Assets**

At each reporting date, the Branch reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and the value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit & loss.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Branch estimates the recoverable amount of the cash generating unit to which the asset belongs.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Employee Benefits**

Provisions are made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are 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. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(e) Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(g) Revenue**

Subscription income is brought to account in the period to which it relates to.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

Proceeds from the disposal of non-current assets are stated net of carrying amounts.

**(h) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

**(i) Taxation & Goods and Services Tax (GST)**

The income of the Branch is exempt from income 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 Taxation 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(j) Comparative Figures**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**(k) Financial Instruments**

**Recognition and Initial Measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss.

Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**Classification and Subsequent Measurement**

**(i) Financial assets at fair value through profit or loss**

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

**(iv) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

**(v) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

(k) Financial Instruments (continued)

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit & loss.

(l) Critical accounting estimates and judgments

The Committee of Management evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

*Key estimates - impairment*

The Branch assesses impairment at each reporting date by evaluating conditions specific to the Branch that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is terminated. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(m) Changes in accounting policies

In accordance with correspondence received from the Fair Work Commission (Regulatory Compliance Branch), the entity has reclassified liabilities to members recorded for the Funeral Fund and Strike Fund respectively (at 31 December 2012) as reserves under equity for the year ended 31 December 2013. As per the accounting principles, movements in these reserves are included as Other Comprehensive Income. Note that there was no income recognised for the funds received as at 31 December 2012 and prior years.

(n) Working capital

The financial statement show a working capital deficiency of \$643,687. The Union will be able to meet its working capital deficiency through the cash portion held within Macquarie Investment Portfolio & Ord Minnett Investment Portfolio. As at 31st Dec 2014, this cash portion is \$721,149. As and when needed TWU has the ability to withdraw this cash portion to cover any working capital deficiencies in less than 5 days.

	2014 \$	2013 \$
<b>NOTE 2: AFFILIATION FEES</b>		
Affiliation Fees - ALP QLD	47,526	60,983
Affiliation Fees - Union Shopper	21,109	21,545
Affiliation Fees - Queensland Community Organising	10,000	10,000
Affiliation Fees - QCU	<u>53,129</u>	<u>50,962</u>
	<u><b>131,764</b></u>	<u><b>143,490</b></u>
<b>NOTE 3: GENERAL EXPENSES</b>		
Meetings and functions	222,941	73,802
Other employee expenses	-	-
Honorarium expenses	31,178	21,269
Other expenses	<u>76,690</u>	<u>81,637</u>
	<u><b>330,809</b></u>	<u><b>176,708</b></u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**NOTE 4: AUDITOR'S REMUNERATION**

Remuneration of the auditor for:

Auditing or reviewing the financial report	27,000	24,000
Other accounting, compliance and taxation services provided by related practice of auditor	<u>7,625</u>	<u>639</u>
	<u><u>34,625</u></u>	<u><u>24,639</u></u>

**NOTE 5: REQUIREMENTS OF SUBSECTION 272(5)**

In accordance with the requirements of subsection 272(5) of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which states as follows:

(1) A member of a reporting unit, or the General Manager, 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; and

A reporting unit must comply with an application made under subsection (1).

**NOTE 6: EMPLOYEE BENEFITS (INCLUDING KEY MANAGEMENT PERSONNEL COMPENSATION)**

a. Income paid or payable to all members of the union and key management personnel by the union and any related parties

	Short-term benefits		Long-term benefits	Post-employment benefits	
	Cash Benefits	Movement in Annual leave	Movement in Long Service Leave	Superannuation	Total
<b>2014</b>					
Office Holders-KMP	281,839	23,442	-	36,489	341,770
Other Employees	2,265,553	17,899	(2,343)	288,472	2,569,581
Total compensation	<u>2,547,392</u>	<u>41,341</u>	<u>(2,343)</u>	<u>324,961</u>	<u>2,911,351</u>
<b>2013</b>					
Office Holders-KMP	272,575	10,685	-	35,085	318,345
Other Employees	2,189,325	53,594	2,398	277,864	2,523,181
Total compensation	<u>2,461,900</u>	<u>64,279</u>	<u>2,398</u>	<u>312,950</u>	<u>2,841,526</u>



TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
<b>NOTE 7: CASH ASSETS</b>		
Cash on hand	600	600
Cash at Bank	25,189	142,682
Cash held for specific purpose (reserves)	<u>119,253</u>	<u>63,290</u>
	<u>145,042</u>	<u>206,572</u>
<b>NOTE 8: TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Bond Recovery	-	600
Trade receivables	<u>194,204</u>	<u>71,098</u>
	<u>194,204</u>	<u>71,698</u>
<b>NOTE 9: FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Term Deposits	<u>-</u>	<u>500,000</u>
	<u>-</u>	<u>500,000</u>
<b>NON-CURRENT</b>		
Other investments		
Macquarie Investment Portfolio	4,486,939	9,059,301
Ord Minnett Investment Portfolio	<u>4,417,837</u>	<u>-</u>
	<u>8,904,776</u>	<u>9,059,301</u>
<b>NOTE 10: OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	82,408	100,028
Accrued interest receivable	<u>908</u>	<u>2,055</u>
	<u>83,316</u>	<u>102,083</u>
<b>NON-CURRENT</b>		
Rental Bond - Cairns Office	<u>1,650</u>	<u>1,650</u>
	<u>1,650</u>	<u>1,650</u>
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND AND BUILDINGS</b>		
At independent valuation	2,600,000	2,600,000
Improvements	63,291	52,835
Less accumulated depreciation	<u>(147,369)</u>	<u>(102,605)</u>
Total land and buildings	<u>2,515,922</u>	<u>2,550,230</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)</b>		
<b>PLANT AND EQUIPMENT</b>		
(a) Motor vehicles		
At cost	639,567	639,018
Less accumulated depreciation	<u>(244,595)</u>	<u>(178,093)</u>
	<u>394,972</u>	<u>460,925</u>
(b) Office equipment		
At cost	393,230	346,686
Less accumulated depreciation	<u>(295,955)</u>	<u>(254,579)</u>
	<u>97,275</u>	<u>92,107</u>
(c) Furniture, fixtures and fittings		
At cost	179,011	176,905
Less accumulated depreciation	<u>(83,001)</u>	<u>(65,072)</u>
	<u>96,009</u>	<u>111,833</u>
(d) Software pool		
At cost	205,024	123,394
Less accumulated depreciation	<u>(134,266)</u>	<u>(16,033)</u>
	<u>70,758</u>	<u>107,361</u>
Total plant and equipment	<u>659,014</u>	<u>772,226</u>
Total property, plant and equipment	<u>3,174,936</u>	<u>3,322,456</u>

Movements in property, plant & equipment during the financial year were as follows:

	Land & Building	Plant & Equipment	Total
Balance at the beginning of the year	2,550,230	772,226	3,322,456
Additions	10,455	254,470	264,925
Disposals	-	(46,306)	(46,306)
Depreciation expenses	<u>(44,763)</u>	<u>(321,376)</u>	<u>(366,139)</u>
Carrying amount at the end of the year	<u>2,515,922</u>	<u>659,014</u>	<u>3,174,936</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
<b>NOTE 12: TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Unsecured liabilities		
Trade creditors	690,396	529,705
Owner Drivers Fund	2,145	1,897
Team Fund	18,405	3,665
Income Protection 1	2,106	-
Income Protection 2	2,056	-
Superannuation Payable	(1,194)	-
Accrued expenses	24,000	19,000
Accrued Membership Fees 2015/2014	68,022	28,476
Credit Card	30,084	32,489
Salary Sacrifice	(1,429)	-
Lunch Club	808	-
Suspense	(190)	(764)
GST payable/(receivable)	<u>(37,928)</u>	<u>(32,621)</u>
	<u>797,281</u>	<u>581,847</u>
<b>NOTE 13: OTHER LIABILITIES</b>		
<b>NON-CURRENT</b>		
Rental Bond	<u>4,333</u>	<u>4,333</u>
<b>NOTE 14: PROVISIONS</b>		
<b>CURRENT</b>		
Provision for Legal Expenses	-	169,000
Annual Leave Provision - Office Holders	59,369	35,927
Annual Leave Provision - Other Employees	<u>209,599</u>	<u>191,700</u>
	<u>268,968</u>	<u>396,628</u>
<b>NON-CURRENT</b>		
Long Service Leave Provision - Office Holders	-	-
Long Service Leave Provision - Other Employees	<u>18,749</u>	<u>21,092</u>
(a) Aggregate employee benefits liability	<u>287,717</u>	<u>248,719</u>
(b) Number of employees at year end	<u>29</u>	<u>30</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
<b>NOTE 15: RESERVES</b>		
Asset revaluation reserve	<u>1,397,215</u>	<u>1,397,215</u>
(a) Asset Revaluation Reserve		
Movements during the financial year:		
Opening balance	1,397,215	1,397,215
Add: Movement during the year	<u>-</u>	<u>-</u>
Closing balance	<u>1,397,215</u>	<u>1,397,215</u>

The asset revaluation reserve records revaluations of non-current assets.

**NOTE 16: FUNERAL FUND & STRIKE FUND**

(a) Funeral Fund		
Opening balance	32,365	-
Transfer from prior year liability	-	16,848
Add: net Funds collected in the year	<u>35,665</u>	<u>15,517</u>
Closing balance	<u>68,030</u>	<u>32,365</u>
(b) Support Fund		
Opening balance	30,925	-
Transfer from prior year liability	-	9,654
Add: Funds collected in the year	<u>26,971</u>	<u>21,271</u>
Closing balance	<u>57,896</u>	<u>30,925</u>

**NOTE 17: ACCUMULATED SURPLUS**

Retained earnings at the beginning of the financial year	10,799,355	10,387,944
Net profit / (loss) attributable to members of the entity	<u>(907,903)</u>	<u>411,411</u>
Retained Earnings at the end of the financial year	<u>9,891,452</u>	<u>10,799,355</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
<b>NOTE 18: CASH FLOW INFORMATION</b>		
(a) Reconciliation of cash flow from operations with Net profit attributable to the organisation:		
Profit (Loss)	(907,903)	411,412
Non-cash flows in profit		
Depreciation	366,139	252,207
Loss/(gain) on disposal of property, plant & equipment	(2,036)	3,911
Changes in assets and liabilities		
(Increase)/decrease in value of investments	(17,647)	(1,288,380)
(Increase)/decrease in receivables	(122,506)	(53,817)
(Increase)/decrease in other assets	18,768	(822)
Increase/(decrease) in payables	215,434	(7,663)
Increase/(decrease) in provisions	<u>(130,003)</u>	<u>235,678</u>
Cash flows from operations	<u>(579,754)</u>	<u>(447,474)</u>

**NOTE 19: FINANCIAL RISK MANAGEMENT**

**Financial Risk Management**

The union is exposed to the following risks from their use of financial instruments:

- Market Risk
- Credit Risk
- Liquidity Risk

The Committee has overall responsibility for risk management. The Committee has established risk management policies designed to identify and monitor risks from financial instruments and ensure any adverse effects from these risks are minimized. The Committee meet on a regular basis to review compliance with risk management policy and to analyse financial risk exposure in the context of the current economic environment.

**Market risk**

Market risk is the risk that changes in market prices, such as interest rates, and equity prices will affect the entity's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The entity does not have any material exposure to market risk other than price risk and interest rate risk.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)**

*Price risk*

Equity price risk arises principally from available for sale financial assets where the company is exposed to fluctuations in price that are inherent in such a market. To limit the risk, the company holds a diverse portfolio and investment decisions are made in accordance with the stated policy above.

**Credit Risk**

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, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

There are no material amounts of collateral held as security at 31 December 2014.

Credit risk is managed by the entity and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Only banks and financial institutions with an 'A' rating are utilized
- The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

**Liquidity risk**

The entity manages liquidity risk by monitoring forecast cash flows.

*Contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less	Between 1 and 2 years	Between 2 and 5 years
31 December 2014	\$	\$	\$
<b>Non-derivatives</b>			
<i>Non-interest bearing</i>			
Trade payables	797,281	-	-
Provisions	268,968	-	18,749
Other payables	-	4,333	-

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$
<b>31 December 2013</b>			
<b>Non-derivatives</b>			
<i>Non-interest bearing</i>			
Trade payables	581,847	-	-
Provisions	396,628	-	21,092
Other payables	-	4,333	-

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Fair value measurements categorised by fair value hierarchy**

The following table provides an analysis of financial instruments that are measured at fair value, by valuation method.

The different levels are defined below:

Level 1: Fair value obtained from unadjusted quoted prices in active markets for identical instruments

Level 2: Fair value derived from inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly.

Level 3: Fair value derived from inputs that are not based on observable market data.

**Fair value hierarchy for financial assets**

	Level 1		Level 2		Level 3	
	2014	2013	2014	2013	2014	2013
<b>Financial Assets</b>						
Macquarie Investment Portfolio	4,486,939	9,059,301	-	-	-	-
Ord Minnett Investment Portfolio	4,417,837	-	-	-	-	-
<b>Total</b>	<b>8,904,776</b>	<b>9,059,301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

Sensitivity analysis:

*Interest rate risk*

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 31 December 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2014	2013
	\$	\$
Change in profit		
– Increase in interest rate by 2%	2,889	14,119
– Decrease in interest rate by 2%	(2,889)	(14,119)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

*Price risk*

A 2% change in equity prices at reporting date would have increased/(decreased) profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the prior year.

– Increase in interest rate by 2%	178,095	181,186
– Decrease in interest rate by 2%	(178,095)	(181,186)

NOTE 20: COMMITMENTS

Lease Commitments Payable

The Branch has commitments payable related to tenancy agreements:

Less than one year	27,961	27,961
Greater than one year but less than five years	<u>55,921</u>	<u>83,882</u>
	<u>83,882</u>	<u>111,843</u>

Equipment Lease Commitments Payable

The Branch has commitments payable related to lease equipment:

Less than one year	15,224	9,768
Greater than one years but less than five years	<u>54,099</u>	<u>19,537</u>
	<u>69,323</u>	<u>29,305</u>

NOTE 21: CONTINGENT LIABILITIES

Estimates of material amounts of contingent liabilities not provided for in the accounts, arising from ongoing activities of the union are not practical to quantify.



TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**NOTE 22: 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.

**NOTE 23: RELATED PARTIES**

		2014	2013
		\$	\$
<i>Expenditure incurred in relation to TWU Australia.</i>			
<b>Entity</b>	<b>Purpose</b>		
TWU Australia	Sustentation	775,327	766,213
TWU Australia	Other Federal Expenses	29,455	21,976
 <i>Sales invoices raised in relation to TWU Australia.</i>			
<b>Entity</b>	<b>Purpose</b>		
TWU Australia	Reimbursement	69,928	14,725

**NOTE 24: BRANCH DETAILS**

The registered office of the Branch is:  
11 Alexandra Place  
Murarrie, QLD 4172

**NOTE 25: PARENT ENTITY**

TWU Australia is the Branch's parent entity.