

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

FINANCIAL REPORT

YEAR ENDED 31 DECEMBER 2021

ESTABLISHED 24 JULY 1888

PROUDLY Carrying Australia for 130+ years

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

ANALYSIS OF FINANCIAL STATEMENTS

The Transport Workers' Union of Australia New South Wales Branch (Federal) presents its reports for the financial year ended 31 December 2021.

STATEMENT OF COMPREHENSIVE INCOME

REVENUE

Revenue earned from Member Contributions and Entrance Fees for the year was \$908,590 which when compared to the prior year has increased by \$62,606 and 7.40% (FY 2020: \$845,984).

Service Fees for the financial year was \$1,214,767 a decrease of \$66,067 (5.16%) when compared to the prior year. (FY 2020 \$1,280,834)

The total income generated by the branch was \$2,235,216 an increase of \$99,555 (4.66%) when compared to the prior year (FY 2020: \$2,135,661)

EXPENDITURE

- (i) **Employee Related Payments (ERP)** for the year was \$334,465, which includes salary on-costs, superannuation payments and FBT, Salaries and superannuation were not increased in FY 2021 due to the coronavirus pandemic. (FY 2020: \$339,151)
- (ii) **Operating Expenditure** for the year was \$1,871,176 (FY 2020: \$1,769,196). The increase in expenditure by \$101,980 relates to a mix of over and under spend in various operating cost line item expenditure over the year.
- (iii) **Cumulative Operating Expenditure**, which includes Employee Related payments for the year, was \$2,205,641 (FY2020: \$2,108,347).

NET POSITION

The surplus of \$29,575 for year ended 2021 (FY 2020: \$27,314) is a direct flow-on effect of increase in contributions received from members and adjustment difference of \$901 (GST exclusive) relating to member debtors FY 2021 as compared to FY 2020 and other expenses.

STATEMENT OF CASHFLOWS

The cash flow of the Branch has been managed to ensure liabilities are paid as and when they fall due for payment. Cash at the end of the year amounted to \$365,645 and reflects consistency in the cash flow experienced during the year. (FY 2020: \$346,516). The Branch continues to perform to expectations.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

STATEMENT OF FINANCIAL POSITION

The net assets are \$191,951 (FY 2020: \$162,376). The decision to recognise member debtors as implemented from FY 2013 has been continued in 2021. As at 31 December 2021 the outstanding debt owed, for 30 and 60 days, from members is \$1,675 (GST Inclusive). Further details are set out in Note 1.

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



RICHARD OLSEN
BRANCH SECRETARY

Friday, 11 March 2022

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

REPORT REQUIRED UNDER SUBSECTION 255(2A)

For the year ended 31 December 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2021.
Descriptive form

Categories of expenditures	2021 \$	2020 \$
Remuneration and other employment-related costs and expenses - employees	334,465	339,151
Advertising	33,223	4,675
Operating costs	1,802,343	1,761,631
Donations to political parties	-	-
Legal costs	35,610	2,890



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RICHARD OLSEN
BRANCH SECRETARY

Friday, 11 March 2022

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 2021.

1. The principal activities of the Union are aimed at bettered wages, improved working conditions of members, job security and safe work place. During the year, the Union ran various campaigns for the benefit of our members, to make them aware about their rights at work and their responsibilities. This helped the employer companies and our members to work efficiently together to achieve the desired results.
2. There were no significant changes to the Branch's financial affairs during the year. The profit for the year has helped the Branch net assets to improve.
3. The Branch's financials reported a surplus of \$29,575 for the year. (FY 2020: \$27,314).
4. All members have a right to resign in accordance with rule 16.1 of the Union's Registered Rules and section 174 (1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174 (1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a Branch of the organisation. There was no change to this rule during the year.
5. Richard Olsen is a director of TWU Superannuation Fund.
6. At the end of the financial year the number of registered members of the New South Wales Branch was 20,197. (NSW 18,526 and ACT 1,671)
7. The number of persons who were employees of the reporting unit on 31 December 2021 was 3, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis;
8. The names of each person who were members of the Branch Committee of Management at any time during the financial year are as follows:

		Period Position Held
1	Richard Olsen	1 January 2021 to 31 December 2021
2	Anthony Matthews	1 January 2021 to 31 December 2021
3	Stephen Newton	1 January 2021 to 31 December 2021
4	Grahame Devenish	1 January 2021 to 31 December 2021
5	Scot Leighton	1 January 2021 to 01 March 2021
6	Michael Pieri	1 January 2021 to 31 December 2021
7	Robert Pirc	1 January 2021 to 31 December 2021
8	Michael Forbes	1 January 2021 to 31 December 2021
9	Klaus Pinkas	1 January 2021 to 31 December 2021
10	Jim Mitropoulos	1 January 2021 to 31 December 2021
11	Stephen Pettiford	1 January 2021 to 31 December 2021
12	Richard Cockburn	1 January 2021 to 31 December 2021
13	Douglas Fox	1 January 2021 to 31 December 2021
14	Mark Trevillian	1 January 2021 to 31 December 2021
15	Raymond Childs	1 January 2021 to 31 December 2021
16	Margaret Harvey	1 January 2021 to 31 December 2021
17	Jason Larfield	1 January 2021 to 31 December 2021
18	Christopher Nolan	1 January 2021 to 31 December 2021
19	Dylan Thompson	05 March 2021 to 31 December 2021

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



ANTHONY MATTHEWS

Friday 11 March 2022



RICHARD OLSEN

Friday 11 March 2022

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On 11 March 2022, 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 2021.

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the **RO Act**);
- (c) The Financial Statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 31 December 2021;
- (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 2021 and since the end of the financial year:
 - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the Financial Statements of the Branch have been kept, as far as practicable, in a consistent manner to each of the other Branches and national office of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, the Branch has complied.

For the Branch Committee of Management:



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RICHARD OLSEN
BRANCH SECRETARY

Friday 11 March 2022

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2021**

	NOTE	2021 \$	2020 \$
INCOME			
Contributions and entrance fees	9(a)	908,590	845,984
Interest	9(a)	41	174
Property rentals	9(a)	-	-
Service Fees - Transport Workers Union of New South Wales	9(a)	1,214,767	1,280,834
Sundry Income	9(a)	111,818	8,669
TOTAL INCOME		2,235,216	2,135,661
Amortisation expense	25(c)	37,234	39,774
Officers benefits expense (holders of office)			
Wages and Salaries		125,315	130,552
Superannuation		18,789	18,943
Leave and other entitlements		13,621	10,240
Separation and redundancies		-	-
Other employee expenses (fringe benefits)		-	-
		157,725	159,735
Employees benefits expense			
Wages and Salaries		129,194	132,618
Superannuation		20,260	20,296
Leave and other entitlements		27,086	26,198
Separation and redundancies		-	-
Other employee expenses (fringe benefits)		200	304
		176,740	179,416
Other expenses			
Administration Fees - Transport Workers' Union of New South Wales		49,176	49,176
Affiliation Fees	9(c)	17,600	16,116
Audit and Accountancy Fees	9(b)	5,750	5,800
Advertising/Media Campaign		33,223	4,675
Badges		1,377	1,240
Bank Charges		2,092	2,210
ACT Ambulance Cover for Member		15,218	3,627
Commission		65	280
Computer Costs		46,089	13,537
Country Organising		-	-
Donations	5	840	-
Doubtful Debt Expense		-	-
Deficit on Disposal of Assets		-	-
Electricity		5,791	6,626
Freight		-	-
General Expenses		64,956	23,716
Interest Expenses	25(c)	2,686	1,432
Insurance		51,508	35,389
IR Levy		3,018	3,010

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2021
(CONT'D)

	NOTE	2021 \$	2020 \$
Legal and Professional Fees	9(b)	35,610	2,890
Meeting and Conference Expenses		15,887	45,032
Motor Car Expenses		44,286	37,377
Officials expenses		14,174	3,111
Payroll Tax		22,137	22,228
Postage		309	434
Printing and Stationery		9,107	5,311
Property Expenses		11,249	8,596
Staff Training		100	249
Telephones		5,897	6,542
Sustentation Fees – NSW – to TWU of NSW (National Office)	9(c)	1,214,767	1,280,834
Sustentation Fees – ACT – to TWU of NSW (National Office)	9(c)	160,275	149,232
Training Levy		755	752
		<u>1,833,942</u>	<u>1,729,422</u>
TOTAL EXPENDITURE		<u>2,205,641</u>	<u>2,108,347</u>
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		<u>29,575</u>	<u>27,314</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>29,575</u>	<u>27,314</u>
OTHER COMPREHENSIVE INCOME			
Revaluation of listed shares		<u>-</u>	<u>(2,366)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>29,575</u>	<u>24,948</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 2021

	NOTE	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	13	365,645	346,516
Investments	14	4,306	5,512
Trade and other receivables	15	98,528	94,962
Prepayments and deposits		31,656	30,207
Total Current Assets		<u>500,135</u>	<u>477,197</u>
Non Current Assets			
Property, plant and equipment	16	-	-
Right-of-use assets	25	95,901	13,259
Total Non Current Assets		<u>95,901</u>	<u>13,259</u>
TOTAL ASSETS		<u>596,036</u>	<u>490,456</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	17	145,058	169,002
Provision for accrued annual leave	18	49,798	45,237
Provision for long service leave	18	111,764	99,861
Lease liabilities	25	40,086	13,980
Total Current Liabilities		<u>346,706</u>	<u>328,080</u>
Non Current Liabilities			
Lease liabilities	25	57,379	-
Total Non Current Liabilities		<u>57,379</u>	<u>-</u>
TOTAL LIABILITIES		<u>404,085</u>	<u>328,080</u>
NET ASSETS		<u>191,951</u>	<u>162,376</u>
EQUITY			
Equity reserve	26	2,958	2,958
Accumulated funds		188,993	159,418
TOTAL EQUITY		<u>191,951</u>	<u>162,376</u>

(The attached notes form part of these financial statements)

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Equity reserves \$	Accumulated funds \$	Total equity \$
Balance at 1 January 2020	5,324	132,104	137,428
Surplus for the year	-	27,314	27,314
Revaluation of financial instruments	(2,366)	-	(2,366)
Total comprehensive income for the year	(2,366)	27,314	24,948
Balance at 31 December 2020	2,958	159,418	162,376
Surplus for the year	-	29,575	29,575
Revaluation of financial instruments	-	-	-
Total comprehensive income for the year	2,958	29,575	32,533
Balance at 31 December 2021	2,958	188,993	191,951

(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 2021

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members			
- Contributions and Entrance Fees		998,458	933,530
Receipts from other reporting unit/controlled entities	20(c)	1,212,192	1,278,036
Payments to Suppliers and Employees		(830,903)	(662,989)
Short term lease payments		(3,293)	(3,293)
Repayment of lease liabilities	25(c)	(42,390)	(41,780)
Payments to other reporting unit/controlled entities	20(c)	(1,424,108)	(1,482,714)
Interest received		41	174
Interest payments and other finance costs	25(c)	(2,686)	(1,432)
Other receipts		110,612	8,669
		<u>17,923</u>	<u>28,201</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	20(b)	<u>17,923</u>	<u>28,201</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments		1,206	-
		<u>1,206</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>1,206</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
NET CASH USED IN FINANCING ACTIVITIES			<u>-</u>
NET INCREASE IN CASH HELD		19,129	28,201
Cash at beginning of year		346,516	318,315
		<u>365,645</u>	<u>346,516</u>
CASH AT END OF YEAR	20(a)	<u>365,645</u>	<u>346,516</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 2021

1. ADOPTION OF NEW AUSTRALIA ACCOUNTING STANDARD REQUIREMENTS

Adoption of New Australian Accounting Standard requirements

Any new and revised standards that became effective for the first time in the current financial year have been adopted. No accounting standard has been adopted earlier than the application date stated in the standard.

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

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material. Application of this amendment is discussed further below.
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business. Application of this amendment is discussed further below.
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework. Application of this amendment is discussed further below.
- AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions. Application of this amendment is discussed further below.

Impact on adoption of AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of the reporting unit, nor is there expected to be any future impact.

Impact on adoption of AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business

The amendment to AASB 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the financial statements of the reporting unit, but may impact future periods should the reporting unit enter into any business combinations.

Impact on adoption of AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the accounting standard setter in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH
clarifies some important concepts.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)**

The amendments had no impact on the financial statements of the reporting unit.

AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions

These amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16 Leases, if the change were not a lease modification.

The amendments had no impact on the financial statements of the reporting unit.

2. STATEMENT OF ACCOUNTING POLICIES

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

SIGNIFICANT ACCOUNTING POLICIES

The financial report of Transport Workers Union of Australia New South Wales Branch for the year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Committee of Management on 11 March 2022.

(a) Basis of Preparation

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

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

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.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

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

(b) Revenue

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Other revenue

For any revenue streams that are not defined as contracts with customers, then the revenue is recognised when the entity gains control, economic benefits are probable and the amount of the revenue can be measured reliably.

(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.

(e) Investments

All investments (except for investment properties, see note (l)) and other financial assets are initially stated at fair value. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

1. Share portfolio – Subsequently measured at fair value through other comprehensive income. Gains and losses are taken through other comprehensive income as the Branch has elected to designate this as a fair value through other comprehensive income.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(f) Goods and Services Tax

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

(g) Property Plant and Equipment

Depreciation

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

The depreciation rates used for each class of assets are:

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

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

(h) New AASB standards and interpretations issued but not yet effective

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

AASB 2020-1 Amendments to Australian Accounting Standards — Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

During the financial year ended 31 December 2021, the reporting unit performed a preliminary assessment of AASB 2020-1. The Committee of Management is currently assessing the impact such standards will have on the reporting unit and will not be early adopting AASB 2020-1 for the financial year ended 31 December 2021.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(i) Financial Instruments

(i) Non-derivative financial assets

The entity initially recognises loans and receivables on the date that they are originated.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following categories of non-derivative financial assets:

Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition of trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances that are subject to an insignificant risk of changes in their fair value, and are used by the entity in the management of its short-term commitments.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the date that the entity becomes a party to the contractual provisions of the instrument.

The entity derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The entity classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

(iii) Share Capital

We note that the entity does not have any form of share capital, all equity is held in accumulated funds.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(j) Leases

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

The reporting unit as a lessee

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

Right-of-use assets

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

Depreciation rates	2021	2020
Office	Life of lease	Life of lease

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

Lease liabilities

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

In calculating the present value of lease payments, the reporting unit uses the implicit the interest rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

Short-term leases and leases of low-value assets

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

(k) Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(l) Comparative amounts

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

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.

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

- Employee provisions – refer to note 2(d)

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

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

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

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)**

Trade and Other Receivables

After the introduction of the new 'Membership Connect' system in September 2013 and considering debts overdue by 30 and 60 days - The amount of \$1,675 (FY 2020 \$684) (including GST) has been considered as receivable, which represents:

	2021 \$	2020 \$
Financial Members in arrears	1,675	684
Less financial members for future periods	-	-
Add: Un-financial members in arrears	-	-
Less provision for doubtful debts (including GST)	-	-
	1,675	684

The estimated amount of \$1,675 (FY 2020: 684) unpaid contributions, will be pursued in the coming year and are accordingly recognized as a receivable.

The member debtors for FY 2021 have been determined based on the expected recovery of debts after making allowance for the age of the debts and the values outstanding in each case. The aging of the debts has been determined in accordance with the revenue recognition policy.

4. INFORMATION TO BE PROVIDED TO MEMBERS OR THE COMMISSIONER

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

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

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. DONATIONS

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

Details to whom payment made	Purpose	2021 \$	2020 \$
Australian Labor Party ACT Branch	Political Donation for ACT Labor Annual Conference - Delegates fees	545	-
ACT Eden Monaro Cancer Support Group Inc	Convoy 2021 Donation - Payment to Christopher Whittingham being a charitable donation for Cancer Support Group	295	-
Total		840	-

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

Details to whom payment made	Purpose	2021 \$	2020 \$
NA	NA	-	-
NA	NA	-	-
NA	NA	-	-
Total		-	-

6. RECOVERY OF WAGES ACTIVITY

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

Reportable amounts are NIL for

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

7. SPECIFIED ITEMS THAT HAVE NOT OCCURRED

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

1. Statement of Comprehensive Income - revenue
 - a. Compulsory levies.
 - b. Donations or grants received.
 - c. There were no capitation fees received.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

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

2. Statement of Comprehensive Income – expenses
 - a. Payments to employer's for payroll deduction activity
 - b. Penalties imposed under the RO Act.
 - c. Grants paid < \$1,000
 - d. Grants paid ≥ \$1,000
 - e. Compulsory levies imposed

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

8. ADMINISTRATION

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

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

The Transport Workers Union of New South Wales receives reimbursement of the costs of the above services as set out in the Statement of profit or loss and other comprehensive income.

9. DISCLOSURES IN RESPECT OF STATEMENT OF COMPREHENSIVE INCOME

9 (a) DISAGGREGATED REVENUE DISCLOSURES

	2021	2020
	\$	\$
Overtime revenue from contributions and entrance fees	908,590	845,984
Overtime revenue from service fees	1,214,767	1,280,834
Point in time revenue from sundry income	111,818	8,669
Total revenue from contracts with customers	2,235,175	2,135,487
Property rentals	-	-
Interest income	41	174
Total income	2,235,216	2,135,661

All revenue is derived in Australia.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

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

9 (b) LEGAL AND PROFESSIONAL FEES	2021 \$	2020 \$
Legal costs - litigation	-	-
Legal costs – other matters	35,610	2,890
Total	35,610	2,890

Audit Fees		
Audit of financial statements	5,750	5,800
Audit fees - other	-	-
Total	5,750	5,800

9 (c) OTHER EXPENSES

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

Affiliation Fees

ALP NSW Branch	-	-
ALP ACT Branch	5,636	4,116
Unions ACT	11,964	12,000
Total Affiliation Fees	17,600	16,116

Capitation Fees

Capitation Fees - Paid	1,278,460	1,339,066
Capitation Fees - Accrued	96,582	91,000
Total Capitation Fees	1,375,042	1,430,066

National Council Fund

Contributions paid	-	-
Total National Council Fund	-	-

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

Branch Committee of Management (BCOM) Attendance
Fees paid to independent Committee members as per bullet
point 8 page 4

	1,684	11,367
	-	-
	1,684	11,367

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

Branch Committee of Management (BCOM) Meeting Expenses	6,754	6,823
	6,754	6,823

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)**

10. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION

Trade and Other Payables in respect of legal costs and other expenses related to litigation or other legal matters;

	2021	2020
	\$	\$
Litigation	-	-
Other Legal matters	-	-
	<hr/>	<hr/>
	-	-

11. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY

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

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

12. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS

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

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

13. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash on hand	-	-
Cash at Bank - National Australia Bank	365,645	346,516
	365,645	346,516

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

14. INVESTMENTS

	2021	2020
Financial assets held at fair value through other comprehensive income	\$	\$
Boral Limited	-	940
Lindsay Australia Limited	741	638
Insurance Australia Group Ltd	3,565	3,934
Total	<u>4,306</u>	<u>5,512</u>

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

Movement Schedule	2021	2020
	\$	\$
<u>Boral Limited</u>		
Opening January	940	811
Sold – Buy Back @ \$7.40	(1,406)	-
Revaluations	-	129
Sundry Income	466	
Closing – December	<u>-</u>	<u>940</u>
<u>Lindsay Australia Limited</u>		
Opening January	637	656
Additions	-	-
Revaluations	104	(19)
Closing December	<u>741</u>	<u>637</u>
<u>Insurance Australia Group Ltd</u>		
Opening January	3,934	6,411
Additions	-	-
Revaluations	(369)	(2,477)
Closing December	<u>3,565</u>	<u>3,934</u>

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

- Financial assets held at fair value through other comprehensive income.

(a) Fair value hierarchy

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

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

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

14. INVESTMENTS (Cont'd)

(i) Recognised fair value measurements

The following table presents the Union's assets and liabilities measured and recognised at fair value at 31 December 2021 and 2020.

At 31 December 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Boral Limited – Fair Value	-	-	-	-
Lindsay Australia Limited – Fair Value	741	-	-	741
Insurance Australia Group Ltd – Fair Value	3,565	-	-	3,565
Total Financial Assets	4,306	-	-	4,306
At 31 December 2020				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Boral Limited – Fair Value	940	-	-	940
Lindsay Australia Limited – Fair Value	637	-	-	637
Insurance Australia Group Ltd – Fair Value	3,934	-	-	3,934
Total Financial Assets	5,511	-	-	5,511

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

(ii) Disclosed fair values

For all financial instruments other than those measured at fair value, their carrying value approximates fair value. The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

15. TRADE AND OTHER RECEIVABLES

	2021	2020
	\$	\$
Receivables from others:		
Debtor – revenue accruals	1,675	684
Less Provision for doubtful debts	-	-
Receivables from other reporting units:		
Debtor - Transport Workers' Union of New South Wales	96,853	94,278
	<u>98,528</u>	<u>94,962</u>

Amount receivable from Transport Workers Union of New South Wales as of 31 December 2021: \$96,853 (31 December 2020: \$94,278). Amount receivable from Transport Workers Union of Australia as of 31 December 2021: NIL (31 December 2020: NIL).

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)**

16. PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$	\$
Plant and equipment at cost	-	-
Less Accumulated Depreciation	-	-
	<u>-</u>	<u>-</u>

MOVEMENTS IN CARRYING AMOUNTS

	2021	2020
	\$	\$
Balance at 1 January	-	-
Additions	-	-
Disposals	-	-
Depreciation	-	-
Balance at 31 December	<u>-</u>	<u>-</u>

17. TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Payables to other reporting units:		
Creditor - Transport Workers' Union of New South Wales	4,902	10,932
Creditor - Transport Workers' Union of Australia	106,240	100,100
Payables to others:		
Creditors and Accruals	29,151	52,168
GST Payable	4,765	5,802
	<u>145,058</u>	<u>169,002</u>

Amount payable to Transport Workers Union of New South Wales as of 31 Dec 2021 \$4,902 (FY 2020: \$10,932). Amount payable to Transport Workers Union of Australia as of 31 Dec 2021 \$106,240 (FY 2020: \$100,100).

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)**

18. OFFICERS & EMPLOYEE PROVISIONS

	2021	2020
	\$	\$
Annual Leave		
Officers	25,211	19,713
Employees	24,587	25,524
	49,798	45,237
 Long Service Leave		
Officers	64,336	57,995
Employees	47,428	41,866
	111,764	99,861
 Separation and Redundancies		
Officers	-	-
Employees	-	-
 Other Employee Provisions		
Officers	-	-
Employees	-	-

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

19. FINANCIAL DEPENDENCE

The Transport Workers' Union of Australia New South Wales Branch is dependent upon the ongoing financial support of the Transport Workers' Union of New South Wales in order to pay its debts as and when they fall due. In this regard, the net assets of the Union at 31 December 2021 were \$38,352,592 (FY 2020: \$39,275,559).

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

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

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

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

	2021 \$	2020 \$
20. CASH FLOW INFORMATION		
(a) For the purpose of the Statement of Cash Flows, Cash includes:		
Cash at bank	365,645	346,516
Cash on hand	<u>-</u>	<u>-</u>
	<u>365,645</u>	<u>346,516</u>
 (b) Reconciliation of cash flow from operations with operating result		
Net Surplus	29,575	27,314
 Non cash flows in operating results		
Amortisation of right of use asset	37,234	39,774
Acquisition of right of use asset	(119,876)	-
 Changes in Assets and Liabilities		
(Increase)/decrease in trade and other receivables	(3,566)	(2,453)
(Increase)/decrease in prepayments and deposits	(1,449)	15,673
Increase/(decrease) in trade and other payables	(23,944)	(35,460)
Increase/(decrease) in provisions	16,464	23,701
Increase/(decrease) in lease liabilities	83,485	(40,348)
	<u>17,923</u>	<u>28,201</u>
 CASH FLOWS FROM OPERATIONS		
 (c) Cash flow information:		
Receipts from/payments to other reporting units/controlled entities		
Cash inflows:		
Receipts from Transport Workers' Union of New South Wales	<u>1,212,192</u>	<u>1,278,036</u>
Total cash inflows from other reporting units/controlled entities	<u>1,212,192</u>	<u>1,278,036</u>
 Cash outflows:		
Payments to Transport Workers' Union of Australia	(1,368,902)	(1,427,581)
Payments to Transport Workers' Union of New South Wales	<u>(55,206)</u>	<u>(55,133)</u>
Total cash outflows to other reporting units/controlled entities	<u>(1,424,108)</u>	<u>(1,482,714)</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 2021 (Cont'd)

21. RELATED PARTY TRANSACTIONS AND BALANCES

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

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Operating Statement and in the Financial Report (Note 18).
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers is \$18,789 (FY 2020: \$18,943).
- (c) There have been no other transactions between the officers and the Branch other than those relating to their membership of the Branch and the reimbursement by the Branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- (d) Service Fees received from, and administration fees paid to the Transport Workers' Union of New South Wales are disclosed as income and expenses respectively in the Statement of Comprehensive Income and as cash received and cash paid respectively in the Statement of Cash Flows.
- (e) Amounts receivable from and payable to the Transport Workers' Union of New South Wales at balance date are disclosed at Note 15 and Note 17 of the accounts respectively.

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

Transactions with Ultimate Controlling Entity:

- (a) Sustentation Fees and Levies are disclosed as expenses in the Statement of Comprehensive Income and Note 9(c); and as payments in the Statement of Cash Flows.
- (b) The amounts payable to the Ultimate Controlling Entity at balance date are disclosed at Note 17.

22. RELATED PARTY

Transactions with key management personnel.

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

Key management personnel remuneration includes the following expenses:

	2021	2020
	\$	\$
Short term employee benefits	134,125	137,474
Post-employment benefits	18,789	18,943
Long-term employee benefits	9,189	9,119
Total remuneration	<u>162,103</u>	<u>165,536</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 2021 (Cont'd)

23. CORPORATE GOVERNANCE FRAMEWORK

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

24. SUPERANNUATION

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

25. LEASES

Leases as lessee

The Branch leases an office facility from it operates, information about the Branch's leases are as presented below:

	2021	2020
	\$	\$
(a) Right-of-use assets		
Opening balance	13,259	53,033
Additions during the year	119,876	-
Amortisation during the year	(37,234)	(39,774)
Balance as at 31 December	95,901	13,259
	<hr/>	<hr/>
(b) Lease liabilities		
Less than 1 year	36,719	13,927
One to five years	57,174	-
More than five years	-	-
Total undiscounted lease liabilities	93,893	13,927
	<hr/>	<hr/>
Current	40,086	13,980
Non-current	57,379	-
Lease liabilities in the state of financial position	97,465	13,980
	<hr/>	<hr/>
(c) Other relevant lease disclosures		
Interest expense recognised on lease liabilities	2,686	1,432
Total cash outflow for leases	42,390	41,780

There are no extension options in the Branch's lease arrangements. Comparative balances are nil and are as such not presented as the Branch has adopted AASB 16 using the modified retrospective method as explained in Note 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 2021 (Cont'd)

26. EQUITY

(a) General funds

	2021 \$	2020 \$
Investment Revaluation Reserve		
Balance as at start of year	2,958	5,324
Gain on revaluation of investments	-	(2,366)
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	<u>2,958</u>	<u>2,958</u>
Total reserves	<u>2,958</u>	<u>2,958</u>

27. CONTINGENCIES AND COMMITMENTS

Contingent liabilities

The Union has guaranteed the novated lease payments and the lease termination cost, should the employee leave the employ of the Union and elects not to retain the novated car lease. Accordingly, a potential liability arises for the repayment of motor vehicle lease payments to Orix Australia Corporation Limited (financier), upon the dismissal or resignation of an employee until such time the lease is terminated. As the amount of the commitment is contingent to the above event it cannot be determined as it is subject to the employment circumstances and election from the employee. Other than the above, no contingencies and commitments exist as at 31 December 2021.

28. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2021 \$	2020 \$
Financial assets:		
Cash and bank balances:		
Cash at bank	365,645	346,516
Total cash and cash balances	<u>365,645</u>	<u>346,516</u>
Fair value through profit or loss:	-	-
Total assets at fair value through profit or loss	<u>-</u>	<u>-</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

28. FINANCIAL INSTRUMENTS (Cont'd)

	2021 \$	2020 \$
At amortised cost:	-	-
Total assets at amortised cost	-	-
Fair value through other comprehensive income:		
Listed shares	4,306	5,512
Total assets at fair value through other comprehensive income	4,306	5,512
Loans and receivables:		
Receivables from related reporting units	96,853	94,278
Receivables from others	1,675	684
Total loans and receivables	98,528	94,962
Carrying amount of financial assets	468,479	446,990
Financial liabilities:		
Fair value through profit or loss:	-	-
Total liabilities at fair value through profit or loss	-	-
Other financial liabilities:		
Trade and other payables to related reporting units	111,142	111,032
Trade and other payables to others	33,916	57,970
Provision for employee benefits	161,562	145,098
Lease liabilities	97,465	13,980
Total other financial liabilities	404,085	328,080
Carrying amount of financial liabilities	404,085	328,080
(b) Net Income and Expense from Financial Assets		
	2021 \$	2020 \$
Cash and bank balances:		
Interest revenue	41	174
Bank charges	(2,092)	(2,056)
Net gain/(loss) on cash and bank balances	(2,051)	(1,882)
Loans and receivables/amortised cost	-	-
Net gain/(loss) on loans and receivables/amortised cost	-	-

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

28. FINANCIAL INSTRUMENTS (Cont'd)

	2021 \$	2020 \$
Financial assets at fair value through profit or loss	-	-
Net gain/(loss) on financial assets at fair value through profit or loss	-	-
Sub-total net income/(expense) from financial assets	(2,051)	(1,882)
Financial assets at fair value through other comprehensive income:		
Revaluation of listed shares	(265)	(2,366)
Financial assets at fair value through other comprehensive income	(265)	(2,366)
Net income/(expense) from financial assets	(2,316)	(4,248)

(c) Net Income and Expense from Financial Liabilities

	2021 \$	2020 \$
At amortised cost:		
Net gain/(loss) financial liabilities - at amortised cost	-	-
Fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial liabilities	-	-

29. 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.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

29. FINANCIAL RISK MANAGEMENT NOTE (Cont'd)

(b) **Credit Risk**

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

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

	2021	2020
	\$	\$
Cash and cash equivalents	<u>365,645</u>	<u>346,516</u>

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

	2021	2020
	\$	\$
Receivable – Revenue accrual	1,675	684
Less Provision for Doubtful Debts	-	-
Sundry Debtors	96,853	94,278
Total Trade and Other receivables	<u>98,528</u>	<u>94,962</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 31 Dec 2021, it had \$468,479 of current financial assets, including \$365,645 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 Dec 2021 were \$355,418.

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 2021 (Cont'd)

29. 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. Trade and other receivables, investments, trade and other payables and provision for employee entitlements and lease liabilities are non-interest-bearing financial instruments. Hence, are not subject to interest rate risk exposure. All financial instruments affected by fluctuation in interest rates are summarised below:

31 December 2021	Floating Interest rate
Financial Assets	\$
Cash and cash equivalents	365,645
Weighted average Interest rate	0.10%
Financial Liabilities	
N/A	-
Net Financial Assets (Liabilities)	365,645
31 December 2020	Floating Interest rate
Financial Assets	\$
Cash and cash equivalents	346,516
Weighted average Interest rate	0.10%
Financial Liabilities	
N/A	-
Net Financial Assets (Liabilities)	346,516

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)

29. FINANCIAL RISK MANAGEMENT NOTE (Cont'd)

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

Sensitivity Analysis

2021	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
	\$	\$	\$
Cash Assets	365,645	1,828	(1,828)
2020			
Cash Assets	346,516	1,733	(1,733)

(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.

30. **AMALGAMATIONS AND RESTRUCTURES**

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

31. **FINANCIAL SUPPORT RECEIVED FROM THE STATE REGISTERED ORGANISATION**

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

32. **OTHER REQUIRED DISCLOSURES**

During the reporting period, no payments were made to a former related party of the Branch.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (Cont'd)**

33. EVENTS AFTER THE REPORTING PERIOD

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

34. BRANCH OFFICE DETAILS

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

Safe Rates House
22 John Hines Avenue
MINCHINBURY NSW 2770



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West Pennant Hills NSW 2125
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Transport Workers' Union of Australia - New South Wales Branch
Independent Audit Report to the Members of Transport Workers' Union of Australia - New South Wales Branch
For the Financial Year Ended 31 December 2021

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Transport Workers' Union of Australia - New South Wales Branch (the Reporting Unit), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Transport Workers' Union of Australia - New South Wales Branch as at 31 December 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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For the Financial Year Ended 31 December 2021

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

Transport Workers' Union of Australia - New South Wales Branch
Independent Audit Report to the Members of Transport Workers' Union of Australia - New South Wales Branch
For the Financial Year Ended 31 December 2021

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that we are an audit firm where at least one member is a registered auditor and are an auditor registered under the RO Act.

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/28.



SDJA



Simon Joyce

Director

11 March 2022

Sydney, New South Wales