

The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch

Financial Report

For the year ended 31 December 2018

**The Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUSTRALIAN RAIL TRAM AND BUS INDUSTRY UNION OF EMPLOYEES, WEST AUSTRALIAN BRANCH

Report on the Financial Report

Opinion

We have audited the financial report of Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch (the union), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committee's declaration.

In our opinion:

- (1) The financial report of Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch is in accordance with the Industrial Relations Act 1979 and the Industrial relations Commission Regulations 2005, including:
 - (i) presenting fairly, in all material respects, the Union's financial position as at 31 December 2018 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations).
- (2) No person has contravened or failed to comply with section 74 of the Industrial Relations Act 1979.

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 union in accordance with the auditor independence requirements of 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 confirm that we meet the independence requirements of our Code of Professional Conduct.

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

Auditor's Declaration

- (1) In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.
- (2) I, Timothy Turner declare I am an approved auditor, member of CPA Australia and I hold a current Public Practice Certificate.

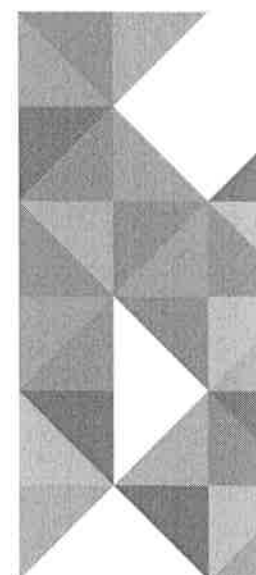
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUSTRALIAN RAIL TRAM AND BUS
INDUSTRY UNION OF EMPLOYEES, WEST AUSTRALIAN
BRANCH (continued)



Responsibilities of the Branch Committee for the Financial Report

The committee of management of the union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Industrial Relations Act 1979 and for such internal control as the committee 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 are responsible for assessing the union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 the 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 this 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee'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 union'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 Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT



TO THE MEMBERS OF AUSTRALIAN RAIL TRAM AND BUS
INDUSTRY UNION OF EMPLOYEES, WEST AUSTRALIAN
BRANCH (continued)

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Auditor's Responsibilities for the Audit of the Financial Report (continued)

We communicate with the committee 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 also provide the committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HTG PARTNERS

TIMOTHY TURNER
PARTNER

2nd April 2019
PERTH, WESTERN AUSTRALIA

STATUTORY DECLARATION

I, Joshua Dekuyer, Union Official of Unit 2/10 Nash Street, Perth WA 6000, in the State of Western Australia do solemnly and sincerely declare that:

1. I am the duly elected General Secretary of The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch (the Union); and
2. I placed at the disposal of the auditor all relevant books and documents in relation to the financial affairs of the Union in respect of the financial year ended 31 December 2018.

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular.

This declaration is made under the *Oaths, Affidavits and Statutory Declarations Act 2005*.

Declared at Perth

This 4th day of April 2019



Ordinary Signature of declarant

Before me 

Authorised witness



Name of authorised witness and qualification

LAWYER

0419 187 444

Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch

Committee of Management Statement

For the year ended 31 December 2018

On the 28 March 2019 the Committee of Management of the Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch passed the following resolution in relation to the general purpose financial report for the year ended 31 December 2018:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards (including Australian Interpretations) and the Industrial Relations Act 1979;
- (b) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial period to which they relate;
- (c) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (d) The Union has complied at all times during the financial year with the Industrial Relations Act 1979 and the Industrial Relations Commission Regulations 2005 and the Rules of the Union except that only 3 meetings were held instead of 4.

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

Signature of designated officer:



Name and title of designated officer: Joshua Dekuyer, Secretary

Dated:

28/03/2019

Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
Revenue			
Membership subscription		832	9,352
Capitation fees		-	-
Levies		35	444
Interest		-	-
Rental revenue		251,758	237,026
Other revenue	2	816	448
Total revenue		<u>253,441</u>	<u>247,270</u>
Other Income			
Grants and donations		-	-
Rebates and refunds		826	-
Share of net profit from associate		-	-
Net gains from sale of assets		-	-
Net gain on fair value movement on financial assets held for trading		-	-
Total other income		<u>826</u>	<u>-</u>
Total revenue and other income		<u>254,267</u>	<u>247,270</u>
Expenses			
Employee expenses	3	-	-
Capitation fees	3	(121)	-
Affiliation fees	3	-	-
Administration expenses	3	-	-
Grants or donations	3	-	-
Depreciation and amortisation	3	(14,660)	(16,653)
Finance costs		(2)	-
Legal costs	3	(1,251)	-
Occupancy costs		(31,008)	(43,535)
Rental costs on investment properties		(102,212)	(90,894)
Audit fees	22	(7,691)	(9,250)
Share of net result from properties distributed to Federal Branches	19	-	(75,782)
Write-down and impairment of assets		-	-
Net losses from sale of assets		-	-
Loss on devaluation of investment properties	9	-	-
Other expenses	3	(10,645)	(952)
Total expenses		<u>(167,590)</u>	<u>(237,066)</u>
Profit/(loss) for the period		<u>86,677</u>	<u>10,204</u>
Other comprehensive income			
Items that will not be recycled through profit or loss			
- Movement in revaluation reserve	17	-	(14,874)
Total comprehensive income for the period		<u>86,677</u>	<u>(4,670)</u>

The above statement should be read in conjunction with the notes.

Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch

Statement of Financial Position

As at 31 December 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	38,584	73,180
Trade and other receivables	5	69,339	4,313
Other current assets	6	5,258	14,898
Other investments	11	-	-
Total current assets		113,181	92,391
Non-Current Assets			
Land and buildings	7	570,375	585,000
Plant and equipment	8	-	-
Investment property	9	3,056,241	3,050,000
Intangibles	10	-	-
Other investments	11	-	-
Other non-current assets	12	-	-
Total non-Current assets		3,626,616	3,635,000
Total assets		3,739,797	3,727,391
LIABILITIES			
Current Liabilities			
Trade payables and accruals	13	159,915	236,670
Other payables	14	3,770	1,286
Employee entitlements	15	-	-
Total current liabilities		163,685	237,956
Non-Current Liabilities			
Employee entitlements	15	-	-
Other non-current liabilities	16	-	-
Total non-current liabilities		-	-
Total liabilities		163,685	237,956
Net assets		3,576,112	3,489,435
EQUITY			
General funds	17	-	-
Retained earnings		3,173,610	3,086,933
Asset revaluation reserve	17	402,502	402,502
Total equity		3,576,112	3,489,435

The above statement should be read in conjunction with the notes.

Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch

Statement of Changes in Equity

For the year ended 31 December 2018

	Note	General reserve	Asset revaluation reserve	Retained earnings	Total equity
		\$	\$	\$	\$
Balance as at 1 January 2017					
Profit/(loss) for the period		-	417,376	3,076,729	3,494,105
Other comprehensive income for the period		-	-	10,204	10,204
- Revaluation of property	8(i)	-	(14,874)	-	(14,874)
Closing balance as at 31 December 2017		-	402,502	3,086,933	3,489,435
Balance as at 1 January 2018		-	402,502	3,086,933	3,489,435
Profit/(loss) for the period		-	-	86,677	86,677
Other comprehensive income for the period		-	-	-	-
Closing balance as at 31 December 2018		-	402,502	3,173,610	3,576,112

The above statement should be read in conjunction with the notes.

Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch

Statement of Cash Flows

For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Members		832	9,352
Interest		-	-
Rental receipts		238,025	237,918
Receipts from other reporting units		7,118	7,600
Other receipts		12,851	-
Cash used			
Employees		-	-
Suppliers		(183,050)	(136,029)
Payments to other reporting units		(104,096)	(66,543)
Net cash from (used by) operating activities	18	<u>(28,320)</u>	<u>52,298</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		-	-
Purchase of land and buildings		(6,276)	-
Net cash from (used by) investing activities		<u>(6,276)</u>	<u>-</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) investing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		(34,596)	52,298
Cash & cash equivalents at the beginning of the financial period		73,180	20,882
Cash & cash equivalents at the end of the financial period	4	<u>38,584</u>	<u>73,180</u>

The above statement should be read in conjunction with the notes.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Notes to the Financial Statements

For the year ended 31 December 2018

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**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, the Industrial Relations Act 1979 and the Industrial Relations Commission Regulations 2005. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

The financial statements, except the cash flow information, have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. No allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and have been rounded to the nearest dollar.

The primary activities of the entity during the financial year were that of holding and managing investment properties. All member activities relating to the Union have been transferred to the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied, unless otherwise stated.

The financial statements were authorised for issue on 28 March 2019 by members of the Committee of Management.

a) Comparative amounts

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

b) Significant accounting judgements and estimates

The Committee of Management evaluate estimates and judgements 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 Union.

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.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies

b) Significant accounting judgements and estimates (continued)

Estimation of useful lives of assets

The Union determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The depreciation will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

c) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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 year:

- AASB 9 Financial Instruments
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfer to Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- Interpretation 22 Foreign Currency Transactions and Advance Consideration.

The adoption of these amendments has not had a material impact on the Union as they are largely not applicable to the union.

Future Australian Accounting Standards Requirements

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt.

A discussion of these future requirements and their impact on the Union follows:

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

c) New Australian Accounting Standards

Future Australian Accounting Standards Requirements (continued)

Reference	Title	Summary
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 Leases, once applied).</p> <p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.</p> <p>An entity recognises revenue in accordance with the core principle by applying the following steps:</p> <ul style="list-style-type: none"> • Step 1: Identify the contract(s) with a customer. • Step 2: Identify the performance obligations in the contract. • Step 3: Determine the transaction price. • Step 4: Allocate the transaction price to the performance obligations in the contract. • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. <p>Effective for periods commencing 1 January 2019.</p> <p>This amendment is not anticipated to significantly impact The Union.</p>

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

**c) New Australian Accounting Standards
Future Australian Accounting Standards Requirements (continued)**

AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<p>AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:</p> <p>(a) A full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not)</p> <p>(b) A partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</p> <p>Effective for periods commencing 1 January 2022.</p> <p>This amendment is not anticipated to significantly impact the Union.</p>
AASB 1058	Income of Not-for-Profit Entities	<p>AASB 1058 and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities will defer income recognition in some circumstances for NFP entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also expands the circumstances in which NFP entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.</p> <p>AASB 1004 Contributions is also amended, with many of its requirements being revised and relocated AASB 1058. The scope of AASB 1004 is effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.</p> <p>AASB 1058 will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided AASB 15 Revenue from Contracts with Customers is applied on or before the date of initial application.</p> <p>The Union is currently assessing the impact of AASB 1058.</p>

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

c) New Australian Accounting Standards

Future Australian Accounting Standards Requirements (continued)

AASB 16	Leases	<p>The key features of AASB 16 are as follows:</p> <p>Lessee accounting</p> <ul style="list-style-type: none"> • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. <p>Lessor accounting</p> <ul style="list-style-type: none"> • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. <p>Effective for periods commencing 1 January 2019.</p> <p>Based on the current number of operating leases held by the Union, the impact is not expected to be significant.</p>
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The Union does not anticipate early adoption of any of the above Australian Accounting Standards.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Union in the current or future reporting periods and on foreseeable future transactions.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

d) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates. Revenue is only recognised for the State only members with the remaining combined State and Federal members' fees being recognised in Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch.

Revenue from the sale of goods is recognised when the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

e) Government grants

Non- reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount can be measured reliably. If conditions are attached to the grant which must be satisfied the recognition of the grant is deferred until these conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

f) Gains and losses

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

g) Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

h) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Union recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when actual settlement is expected to occur.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

j) Borrowing costs

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

k) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

l) Trade and other receivables

Other receivables are recognised at amortisation cost, less any provision for impairment. The amounts are usually due for settlement no more than 30 days after recognition. Collectability of debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off.

m) Financial instruments

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

n) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

n) Financial assets (continued)

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

n) Financial assets (continued)

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

n) Financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Unions derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

o) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

o) Financial liabilities (continued)

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Union manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Unions documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Union derecognises financial liabilities when, and only when, the Unions obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

p) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position, but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable, but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

q) Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the profit/loss. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing value method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following rates:

	2018	2017
Buildings	2.5%	2.5%
Plant and equipment	10%	10%
Motor Vehicles	25%	25%

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

q) Land, buildings, plant and equipment (continued)

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Gains – Sale of Assets

The gains and losses from disposal of all fixed assets, is determined as the difference between the carrying amount of the assets when control of the asset has passed to the buyer, and the proceeds of disposal and is included in operating profit of the Union in the year of disposal. An asset's carrying amount is greater than its estimated recoverable amount.

r) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its costs, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

s) Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

t) Impairment for 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 Unions were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

u) Taxation

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

v) Fair value measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 23.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

v) Fair value measurement (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

w) Trade and other payables

These amounts represent liabilities for goods or services provided to the Union by a third party during the financial year which remain unpaid at year end. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

x) Allocation of revenue and expenses between the Australian Rail, Tram and Bus Industry Union West Australian Branch (WA Branch) and the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch (PTA Branch)

On 21 May 2015, a deed of agreement was signed between the WA Branch and the PTA Branch of the Australian Rail, Tram and Bus Industry Union (Federal Body) (RTBU) and the Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch (State Organisation) (ARTBIU) whereby, amongst other matters, it was agreed between the parties that:

- (a) RTBU will provide services to the ARTBIU; and
- (b) The RTBU PTA and WA Branch undertake that they are jointly responsible for the payment of general resources, employee costs and other associated administration expenses. All general and joint costs expended by the RTBU shall be distributed between the WA Branch and the PTA Branch in proportion to the number of members.

The apportionment used for the 2018 financial year based on the number of members declared on 31 December 2017 is 53.58%(WA Branch) /46.42% (PTA Branch) (2017: 55% /45%).

The RTBU and ARTBIU agree that preservation of assets must be safeguarded in the interests of the entire RTBU membership and that no assets (including real property) shall be disposed of or otherwise dealt with without the consent of the RTBU National Executive and ARTBIU Executive.

This agreement was approved by the Full Bench of the Western Australian Industrial Relations Commission on 27 March 2017 under s71(7) of the Industrial Relations Act 1979 (Western Australia).

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 1 Summary of significant accounting policies (continued)

y) Going concern

The reporting unit is not reliant on the agreed financial support of another reporting unit to continue as a going concern.

z) Goods and Service 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 (ATO). 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 trade creditors in the statement of financial position are shown inclusive of GST.

The net amount of GST receivables from, or payable to the ATO is included as part of receivables or payables. Cash flows arising from GST are included in the cashflow statement on a gross basis within operating cash flows.

Note 2 Revenue

	2018	2017
	\$	\$
Other revenue		
Journey cover recoupment	32	408
Sundry revenue	784	40
	<hr/> 816	<hr/> 448
Revenue from Recovery of wages activity	<hr/> -	<hr/> -

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 3 Expenses

Employee expenses

	2018	2017
	\$	\$
Holders of office:	-	
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	-	-
Employees other than office holders:	-	
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	-	-
Total employee expenses	-	-
Capitation fees		
ARTBIU West Australian PTA Branch National Office	121	-
Total capitation fees	121	-

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 3 Expenses (continued)

	2018 \$	2017 \$
Affiliation fees		
Australian Labour Party	-	-
Australian Council of Trade Unions	-	-
Unions WA	-	-
Total affiliation fees	-	-
Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Contractors/consultants	-	-
Office expenses	-	-
Information communications technology	-	-
Shared resources	-	-
Other	-	-
Total administration expense	-	-
Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 3 Expenses (continued)

	2018 \$	2017 \$
Depreciation and amortisation		
Depreciation		
Buildings	14,625	15,000
Plant and equipment	-	1,653
Investment property	35	-
Total depreciation	14,660	16,653
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	14,660	16,653
 Legal costs		
Litigation	-	-
Other legal matters	1,251	-
Total legal costs	1,251	-
 Other expenses		
Penalties	-	-
Insurance	-	-
Vehicle expenses	-	-
Fringe benefits tax	-	-
Other expenses	10,645	952
Total other expenses	10,645	952

Note 4 Cash and cash equivalents

Cash at bank	38,584	73,180
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	38,584	73,180

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 5 Trade and other receivables

	2018 \$	2017 \$
Trade receivables	8,733	-
Receivables from other reporting units		
Receivables from Australian Rail, Tram and Bus Industry Union West Australian Branch	55,606	3,286
Receivables from Australian Rail, Tram and Bus Industry Union – National Office	-	-
Total receivables from other reporting units	55,606	3,286
Less provision for doubtful debts		
Provision for doubtful debts	-	-
Total provision for doubtful debts	-	-
Net receivable from other reporting units	-	-
Other receivables		
Other receivables	5,000	1,027
Total other receivables	5,000	1,027
Total net trade and other receivables	69,339	4,313

Note 6 Other current assets

Prepaid expenses	5,258	14,898
Total other current assets	5,258	14,898

Note 7 Land and buildings

Cost	252,488	252,488
Accumulated depreciation	(99,489)	(84,864)
Fair value increment to asset revaluation reserve	417,376	417,376
Total land and buildings held at fair value	570,375	585,000
Net book value at beginning of year	585,000	600,000
Fair value increase	-	-
Depreciation charge	(14,625)	(15,000)
Net book value at end of year	570,375	585,000

Refer to note 24 for details of the valuation.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 8 Plant and equipment (continued)

	2018 \$	2017 \$
Motor vehicles:		
At cost	-	-
Accumulated depreciation	-	-
	-	-
Plant and equipment:		
At cost	-	-
Accumulated depreciation	-	-
	-	-
Total plant and equipment	-	-

Reconciliation of movement in carrying value.

2018	Motor vehicles \$	Plant and equipment \$	Total \$
As at 1 January 2018			
Gross book value	-	-	-
Accumulated depreciation and impairment	-	-	-
Net book value 1 January 2018	-	-	-
Additions:			
By purchase	-	-	-
Impairments	-	-	-
Depreciation expense	-	-	-
Other movement	-	-	-
Disposals	-	-	-
Other	-	-	-
Net book value 31 December 2018	-	-	-
Net book value as of 31 December 2018 represented by:			
Gross book value	-	-	-
Accumulated depreciation and impairment	-	-	-
Net book value 31 December 2018	-	-	-

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 8 Plant and equipment (continued)

2017	Motor vehicles \$	Plant and equipment \$	Total \$
As at 1 January 2017			
Gross book value	-	21,756	21,756
Accumulated depreciation and impairment	-	(5,229)	(5,229)
Net book value 1 January 2017	-	16,527	16,527
Additions:			
By purchase	-	-	-
Impairments	-	-	-
Depreciation expense	-	(1,653)	(1,653)
Other movement	-	-	-
Disposals	-	-	-
Other (i)	-	(14,874)	(14,874)
Net book value 31 December 2017	-	-	-
Net book value as of 31 December 2017 represented by:			
Gross book value	-	-	-
Accumulated depreciation and impairment	-	-	-
Net book value 31 December 2017	-	-	-

- (i) Plant and equipment was written off upon revaluation of the underlying property as the plant and equipment formed part of the revalued property.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 9 Investment property

	2018	2017
	\$	\$
Opening balance as at 1 January	3,050,000	3,050,000
Additions	6,276	-
Depreciation	(35)	-
Net gain/loss on fair value adjustment	-	-
Closing balance as at 31 December	3,056,241	3,050,000

Refer to note 24 for details of the valuation.

Note 10 Intangibles

At cost	-	-
Accumulated amortisation	-	-
Total intangibles	-	-

Note 11 Other investments

Deposits	-	-
Other	-	-
Total other investments	-	-

Note 12 Other non-current assets

Prepayments	-	-
Other	-	-
Total other non-current assets	-	-

Note 13 Trade payables and accruals

Trade creditors and accruals	-	32,097
Subtotal trade creditors	-	32,097

Payables to other reporting units

Payables to the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch	159,915	186,982
Payable to National Office	-	17,591
Subtotal payables to other reporting units	159,915	204,573

Total trade payables	159,915	236,670
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Settlement to trade creditors is usually made within 30 days.

Payable to other reporting units are made upon mutual agreement. There is no interest accruing on these payables.

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 14 Other payables

	2018 \$	2017 \$
Wages and salaries	-	-
Superannuation	-	-
Deductions	-	-
Legal costs	-	-
Unearned revenue	-	-
GST payable	3,770	1,286
PAYG payable	-	-
Transit office legal funds	-	-
Other payables	-	-
Total other payables	3,770	1,286

Settlement is usually made within 30 days.

Total other payables are expected to be settled in:

No more than 12 months	3,770	1,286
More than 12 months	-	-
Total other payables	3,770	1,286

Note 15 Employee entitlements

Office holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee entitlements—office holders	-	-

Employees other than office holders:

Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
Subtotal employee entitlements—employees other than office holders	-	-

Total employee entitlements

Current	-	-
Non-current	-	-
Total employee entitlements	-	-

Note 16 Other non-current liabilities

Other	-	-
Total non-current liabilities	-	-

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 17 Reserves

Nature and purpose of reserves:

General reserves

This reserves is used to meet potential future unknown liabilities.

Asset Revaluation Reserves

This reserves is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset the balance in the reserve is transferred to retained earnings.

Note 18 Cash flow reconciliation

	2018 \$	2017 \$
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	38,584	73,180
Statement of Financial Position	38,584	73,180
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	86,677	10,204
Adjustments for non-cash items		
Depreciation/amortisation	14,660	16,653
Loss on devaluation of investment properties	-	-
Net write-down of non-financial assets	-	-
Fair value movement in investments	-	-
Gain/loss on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(65,026)	1,964
(Increase)/decrease in prepayments	9,640	10,310
Increase/(decrease) in payables	(74,271)	13,167
Increase/(decrease) in employee entitlements	-	-
Net cash from (used by) operating activities	<u>(28,320)</u>	<u>52,298</u>

**Australian Rail, Tram and Bus Industry Union of Employees,
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Note 18 Cash flow reconciliation (continued)

Cash flow information

	2018	2017
	\$	\$
Cash inflows from other reporting unit		
- Australian Rail, Tram and Bus Industry Union West Australian Branch	3,456	7,600
- Australian Rail, Tram and Bus Industry Union West Australian PTA Branch	3,662	-
Total cash inflows	7,118	7,600
Cash outflows to other reporting unit:		
- Australian Rail, Tram and Bus Industry Union – West Australian PTA Branch	(48,320)	(20,254)
- Australian Rail, Tram and Bus Industry Union – West Australian Branch	(55,776)	(46,289)
Total cash outflows	(104,096)	(66,543)

Note 19 Contingent liabilities, assets and commitments

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2018	2017
	\$	\$
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
	-	-

Operating lease commitments – as lessor

The Union has no operating lease commitments for the period ending 31 December 2018.

Finance lease commitments

The Union has no finance lease commitments for the period ending 31 December 2018.

Other contingent assets and liabilities

The Union has a contingent liability in relation to properties held in its own name. Two of the three properties are investment properties, 630 Murray Street and 224 Stirling Street, and the other is owner occupied, 10 Nash Street. These assets belong collectively with the members of the Australian Rail, Tram and Bus Industry Union, West Australian Branch and the Australian Rail, Tram and Bus Industry Union West Australian PTA Branch.

It has been agreed, the revenue derived from and expenses incurred in relation to these properties are shared between West Australian and PTA Branches of the Federal Australian Rail, Tram and Bus Industry Union in proportion to the number of members of each branch at the date of distribution. Refer further to Note 1(x).

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 19 Contingent liabilities, assets and commitments (continued)

Other contingent assets and liabilities (continued)

The combined value of the properties in the records of the Union as at 31 December 2018 is \$3,626,616 (2017: \$3,635,000).

The net result distributed by the Union to the Australian Rail, Tram and Bus Industry Union, West Australian Branch and the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch for 2018 is \$0 (2017: \$75,782) recognised on the Statement of Profit or Loss and Other Comprehensive Income.

The reporting unit has agreed to provide financial support to both the Australian Rail, Tram and Bus Industry Union, West Australian Branch and Australian Rail, Tram and Bus Industry Union West Australian PTA Branch.

Note 20 Related party transactions for the reporting period

Related parties and nature of their relationship

The Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch (PTA Branch)

- This is the associated federal union with substantially the same members and officers as the state union.

The Australian Rail, Tram and Bus Industry PTA Union – National Office (National Office)

- This is the National Office of the West Australian PTA Branch noted above.

The Australian Rail, Tram and Bus Industry Union, West Australian Branch (WA Branch)

- This is another West Australian branch of a federally regulated Union and is a related party due to the history between the two Unions and the continued shared services between them.

**Australian Rail, Tram and Bus Industry Union of Employees,
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Note 20 Related party transactions for the reporting period

Related parties and nature of their relationship (continued)

	2018	2017
	\$	\$
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year:		
<u>National Office</u>		
Revenue from National Office		
National Office reimbursements	-	-
Expenses to National Office		
Capitation fees	121	-
Amounts owed by National Office		
Reimbursements owed by National Office	-	-
Amounts owed to National Office		
Capitation fees owed to National Office	-	17,591
Loans from/to National Office	-	-
Assets transferred from/to National Office	-	-
<u>WA Branch</u>		
Revenue from WA Branch	-	-
Expenses to WA Branch		
Distribution of net results from Investment properties (i)	-	(41,680)
Amounts owed by WA Branch		
Trade and other receivables owed by WA Branch	55,606	3,286
<u>PTA Branch</u>		
Amounts owed to PTA Branch		
Trade and other payables owed to PTA Branch	(159,915)	(186,982)
Expenses to WA Branch		
Distribution of net results from Investment properties (i)	-	(34,102)

(i) Terms and conditions of transactions with related parties

It has been agreed, the revenue derived from and expenses incurred in relation to properties are shared between West Australian and PTA Branches of the Federal Australian Rail, Tram and Bus Industry Union in proportion to the number of members of each branch at 31 December of the previous year. Refer further to Note 1(x).

The net result agreed to be distributed by the Union to the Australian Rail, Tram and Bus Industry Union, West Australian Branch and the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch for 2018 is NIL (2017: \$75,782) recognised on the Statement of Profit or Loss and Other Comprehensive Income.

**Australian Rail, Tram and Bus Industry Union of Employees,
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Note 21 Key management personnel

(a) Remuneration for the reporting period

The only key management personnel is the Officer on the Union, Joshua Dekuyer (formerly Paul Robinson). Their employment benefits are paid by the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch.

	2018 \$	2017 \$
Short-term employee benefits		
Salary (including annual leave taken)	-	-
Annual leave accrued	-	-
Performance bonus	-	-
Total short-term employee benefits	-	-
Post-employment benefits:		
Superannuation	-	-
Total post-employment benefits	-	-
Other long-term benefits:		
Long-service leave accrued	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total	-	-

(b) Transactions with key management personnel and their close family members

Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

Note 22 Remuneration of auditors

	2018 \$	2017 \$
Value of the services provided		
HTG Partners		
Financial statement - Audit Services – 2017	6,491	-
Financial statement – preparation of general purpose financial statements - 2017	1,200	-
	7,691	-
PKF Mack		
Financial statement Audit Services - 2016	-	9,250
Other services	-	-
	-	9,250
Total remuneration of auditors	7,691	9,250

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 23 Financial instruments

Financial risk management objectives

The Union's activities do not expose it to many financial risks and therefore are not actively managing these risks.

Categories of financial instruments

Financial Assets

	2018	2017
	\$	\$
Cash and cash equivalents	38,584	73,180
Fair value through profit or loss	-	-
Held-to-maturity investments	-	-
Available-for-sale assets	-	-
Loans and receivables:		
Trade and other receivables	69,339	4,313
Total	69,339	4,313
Carrying amount of financial assets	107,923	77,493

**Australian Rail, Tram and Bus Industry Union of Employees,
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Note 23 Financial instruments (continued)

	2018 \$	2017 \$
Financial Liabilities		
Fair value through profit or loss:	-	-
Total	-	-
Other financial liabilities		
Trade payables and accruals	159,915	236,670
Other payables	3,770	1,286
Total	163,685	237,956
Carrying amount of financial liabilities	163,685	237,956
Net income and expense from financial assets		
Held-to-maturity		
Interest revenue	-	-
Exchange gains / (losses)	-	-
Impairment	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from held-to-maturity	-	-
Loans and receivables		
Interest revenue	-	-
Exchange gains / (losses)	-	-
Impairment	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from loans and receivables	-	-
Available for sale		
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains / (losses)	-	-
Gain / (loss) recognised in equity	-	-
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from available for sale	-	-

**Australian Rail, Tram and Bus Industry Union of Employees,
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Note 23 Financial instruments (continued)

	2018 \$	2017 \$
Cash and cash equivalents		
Interest revenue	-	-
Net gain / (loss) from cash and cash equivalents	-	-
Fair value through profit or loss		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains / (losses)	-	-
Net gain / (loss) from fair value through profit or loss	-	-
Net gain / (loss) from financial assets	-	-

The net income/expense from financial assets not at fair value through profit or loss is Nil (2017: Nil)

The net income/expense from financial assets not at fair value through profit or loss is Nil (2017: Nil).

Net income and expenses from financial liabilities

Fair value through profit or loss

Interest expense	-	-
Exchange gains / (losses)	-	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from fair value through profit or loss	-	-

Other financial liabilities

Change in fair value	-	-
Interest expense	-	-
Exchange gains / (losses)	-	-
Net gain / (loss) from other financial liabilities	-	-

Net gain / (loss) from financial liabilities

-	-
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The net income/expense from financial liabilities not at fair value through profit or loss is Nil.

Credit risk

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

**Australian Rail, Tram and Bus Industry Union of Employees,
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Note 23 Financial instruments (continued)

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

	Not past due or impaired 2018 \$	Past due or impaired 2018 \$	Not past due or impaired 2017 \$	Past due or impaired 2017 \$
Trade and other receivables	13,733	-	4,313	-
Total	13,733	-	4,313	-

Ageing of financial assets that were past due but not impaired for 2018

	0 – 30 days \$	31 – 60 days \$	61 – 90 days \$	90 days + \$	Total \$
Trade and other receivables	-	-	-	55,606	55,606
Total	-	-	-	55,606	55,606

Ageing of financial assets that were past due but not impaired for 2017

	0 – 30 days \$	31 – 60 days \$	61 – 90 days \$	90 days + \$	Total \$
Trade and other receivables	-	-	-	-	-
Total	-	-	-	-	-

Liquidity risk

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

Contractual maturities for financial liabilities 2018

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	159,915	-	-	-	-	159,915
Other payables	-	3,770	-	-	-	3,770
Total	159,915	3,770	-	-	-	163,685

Contractual maturities for financial liabilities 2017

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	236,670	-	-	-	-	236,670
Other payables	-	1,286	-	-	-	1,286
Total	236,670	1,286	-	-	-	237,956

**Australian Rail, Tram and Bus Industry Union of Employees,
West Australian Branch**

Note 23 Financial instruments (continued)

Market risk

The Union is exposed to market risk in relation to the fair value of land and buildings. The Union monitors this risk through regular valuations.

Note 24 Fair value measurement

Management of the Union assessed that cash and cash equivalents, trade receivables, trade payables, accruals and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Union's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2018 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Union based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2018 \$	Fair value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
Financial assets				
Cash and cash equivalents	38,584	38,584	73,180	73,180
Trade and other receivables	69,339	69,339	4,313	4,313
Total	107,923	107,923	77,493	77,493
Financial liabilities				
Trade and other payables	159,915	159,915	236,670	236,670
Other payables	3,770	3,770	1,286	1,286
Total	163,685	163,685	237,956	237,956

**Australian Rail, Tram and Bus Industry Union of Employees,
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Note 24 Fair value measurement (continued)

Fair value hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 31 December 2018 & 31 December 2017

	Date of valuation	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Assets measured at fair value				
Investment property	12/06/2017	-	3,050,000	-
Owner occupied land and buildings	9/06/2017	-	600,000	-
Total		-	3,650,000	-
Liabilities measured at fair value				
None	N/A	-	-	-
Total		-	-	-

The valuations on all three properties were performed during June 2017 by C.B O'Reilly AAPI of Valuations WA, an independent, certified practising valuer - Australian Property Institute Member Licensed Valuer No. 44369 W.A.

A loss on devaluation of \$600,000 was recognised in the 224 Stirling Street, Perth property, a profit on revaluation of \$250,000 was recognised in the 630 Murray Street, West Perth property and a profit on revaluation of \$417,376 was recognised in the owner occupied property, Unit 2, 10 Nash Street Perth. These revaluations were applied retrospectively to 31 December 2016.

Note 25 Events after the reporting period

There were no events that occurred after 31 December 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

Note 26 Principal Place of Business

The principal place of business of the Units:

Unit 2, 10 Nash Street
PERTH WA 6000