

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

Financial Report

For the year ended 31 December 2020

**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 2020, 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 2020 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.

Suite 4, 1st Floor
63 Shepperton Road
Victoria Park
Western Australia 6100

Telephone: (08) 9362 5855

htg@htgpartners.com.au
www.htgpartners.com.au

ABN: 78 607 011 001

PO Box 199
Victoria Park
Western Australia 6979



PARTNERS

Timothy Turner
BBus (Acc), FCPA, CTA
Registered Company Auditor

Vick Gelevitis
BBus (Acc), FCPA, CTA

Darryl Rodrigues
BSc, BBus (Acc), CPA

HTG Partners is a CPA Practice



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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 ' 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)**

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**

AUDITOR REGISTRATION NUMBER: AA2017/123

Signed at Perth on the 8th day of April 2021

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:

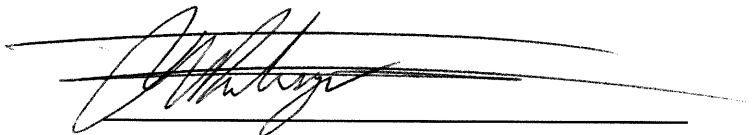
1. I am the duly elected General Secretary of The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch (the Union); and
2. I placed at the disposal of the auditor all relevant books and documents in relation to the financial affairs of the Union in respect of the financial year ended 31 December 2020.

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 9th day of APRIL ~~2020~~ 2021



Ordinary Signature of declarant

Before me 

Authorised witness

KEVIN SUTTON, LAWYER

Name of authorised witness and qualification

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

Committee of Management Statement

For the year ended 31 December 2020

On the 7 April 2021 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 2020:

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.

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: 7th April 2021

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 2020

	Notes	2020 \$	2019 \$
Revenue from contracts with customers			
Rental revenue	2	205,572	236,224
Total revenue from contracts with customers		<u>205,572</u>	<u>236,224</u>
Expenses			
Depreciation and amortisation	3	(17,569)	(17,791)
Finance costs		-	(126)
Legal costs		-	-
Occupancy costs		(32,391)	(31,099)
Rental costs on investment properties		(76,239)	(92,101)
Audit fees	16	(7,050)	(6,750)
Write-down and impairment of assets	5	(5,638)	-
Loss on devaluation of investment properties	8	(292,298)	-
Other expenses	3	(24,492)	(26,292)
Total expenses		<u>(455,677)</u>	<u>(174,159)</u>
Profit/(loss) for the period		<u>(250,105)</u>	<u>62,065</u>
Other comprehensive income			
Items that will not be recycled through profit or loss			
- Movement in revaluation reserve	11	-	-
Total comprehensive income /(loss) for the period		<u>(250,105)</u>	<u>62,065</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 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	75,252	69,674
Trade and other receivables	5	89,716	67,725
Other current assets	6	3,697	4,976
Total current assets		168,665	142,375
Non-Current Assets			
Land and buildings	7	548,140	562,197
Investment property	8	2,797,500	3,084,620
Total non-Current assets		3,345,640	3,646,817
Total assets		3,514,305	3,789,192
LIABILITIES			
Current Liabilities			
Trade payables and accruals	9	118,486	146,202
Other payables	10	6,014	4,813
Contract liabilities	10	1,733	-
Total current liabilities		126,233	151,015
Non-Current Liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		126,233	151,015
Net assets		3,388,072	3,638,177
EQUITY			
General funds	11	-	-
Retained earnings		2,985,570	3,235,675
Asset revaluation reserve	11	402,502	402,502
Total equity		3,388,072	3,638,177

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 2020

	General reserve	Asset revaluation reserve	Retained earnings	Total equity
	\$	\$	\$	\$
Balance as at 1 January 2019	-	402,502	3,173,610	3,576,112
Profit/(loss) for the period	-	-	62,065	62,065
Other comprehensive income for the period				
- Revaluation of property	-	-	-	-
Closing balance as at 31 December 2019	-	402,502	3,235,675	3,638,177
Balance as at 1 January 2020	-	402,502	3,235,675	3,638,177
Profit/(loss) for the period	-	-	(250,105)	(250,105)
Other comprehensive income for the period	-	-	-	-
Closing balance as at 31 December 2020	-	402,502	2,985,570	3,388,072

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 2020

	Notes	2020 \$	2019 \$
OPERATING ACTIVITIES			
Cash received			
Rental receipts		176,167	245,338
Receipts from other reporting units		-	-
Cash used			
Suppliers		(138,899)	(142,867)
Payments to other reporting units		(23,000)	(33,389)
Net cash from (used by) operating activities	12	14,268	69,082
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of investment property improvements		(8,690)	(31,842)
Purchase of building improvements		-	(6,150)
Net cash from (used by) investing activities		(8,690)	(37,992)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) investing activities		-	-
Net increase (decrease) in cash held		5,578	31,090
Cash & cash equivalents at the beginning of the financial period		69,674	38,584
Cash & cash equivalents at the end of the financial period	4	75,252	69,674

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 2020

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

Notes to the Financial Statements

For the year ended 31 December 2020

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, 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 by members of the Committee of Management on the date of signing the Committee of Management Statement.

a) Comparative amounts

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies

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.

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 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards not yet issued in Australia

The adoption of these standards has not had a material impact on the reporting unit's financial statements.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

c) New Australian Accounting Standards (continued)

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.

The following amended standards and interpretations are not expected to have a significant impact on the reporting unit's financial statements:

- AASB 17 Insurance Contracts
- AASB 1059 Service Concession Arrangements for Grantors
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19 – Related Rent Concessions
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and other amendments.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

d) Revenue

The reporting unit enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the reporting unit has a contract with a customer, the reporting unit recognises revenue when or as it transfers control of goods or services to the customer. The reporting unit accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the reporting unit.

If there is only one distinct membership service promised in the arrangement, the reporting unit recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the reporting unit's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the reporting unit allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price of that the reporting unit charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the reporting unit recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

d) Revenue (continued)

Membership subscriptions (continued)

For member subscriptions paid annually in advance, the reporting unit has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the reporting unit at their standalone selling price, the reporting unit accounts for those sales as a separate contract with a customer.

Capitation fees

The reporting unit will recognise capitation fees as income upon receipt.

Rental revenue

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

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when the service has been provided.

In circumstances where the criteria for a contract with a customer are not met, the reporting unit will recognise levies as income upon receipt.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

Income of the reporting unit as a Not-for-Profit Entity

Consideration is received by the reporting unit to enable the entity to further its objectives. The reporting unit recognises each of these amounts of consideration as income when the consideration is received (which is when the reporting unit obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the reporting unit's recognition of the cash contribution does not give to any related liabilities.

During the year, the reporting unit received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government grants.

Volunteer services

During the year, the reporting unit did not recognise any volunteer services as revenue because it could not reliably measure the fair value of those services.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

e) 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 Reporting unit 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 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.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

f) 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.

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.

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.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

f) Leases (continued)

In calculating the present value of lease payments, the reporting unit uses the implicit interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable. 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.

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. It 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.

g) Borrowing costs

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

h) 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**

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

i) Financial assets - Initial recognition and measurement

Contract assets and receivables

A contract asset is recognised when the reporting unit's right to consideration in exchange for goods or services that has transferred to the customer when that right is conditioned on the reporting unit's future performance or some other conditions.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (ie only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies in impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the reporting unit commits to purchase or sell the asset.

**Australian Rail, Tram and Bus Industry Union of Employees,
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Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

i) Financial assets - Initial recognition and measurement

Financial assets – Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The entity measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest **(EIR)** method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The entity's financial assets at amortised cost includes trade receivables and loans to related parties.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the reporting unit can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

i) Financial assets - Initial recognition and measurement (continued)

Financial assets at amortised cost (continued)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The entity elected to classify irrevocably its listed and non-listed equity investments under this category.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

**Australian Rail, Tram and Bus Industry Union of Employees,
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Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

i) Financial assets - Initial recognition and measurement (continued)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The reporting unit has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the reporting unit has transferred substantially all the risks and rewards of the asset, or
 - b) the reporting unit has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the reporting unit continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, which have 30 days terms, are recognised at the nominal amounts due less any allowance due to expected credit losses at each reporting date. A provision matrix that is based on historic credit losses experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

**Australian Rail, Tram and Bus Industry Union of Employees,
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Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

i) Financial assets - Initial recognition and measurement (continued)

(i) Trade receivables

For trade receivables that do not have a significant financing component, the entity applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The reporting unit has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the entity recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the entity expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

j) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The entity's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the reporting unit transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the reporting unit performs under the contract (i.e., transfers control of the related goods or services to the customer).

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

j) Financial liabilities (continued)

Liabilities relating to contracts with customers (continued)

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The reporting unit's refund liabilities arise from customers' right of return. The liability is measured at the amount the reporting unit's ultimately expects it will have to return to the customer. The reporting unit updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

k) 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.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

I) 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:

	2020	2019
Buildings	2.5%	2.5%
Plant and equipment	10%	10%
Motor Vehicles	25%	25%

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

m) 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 amount of the asset) is included in profit or loss in the period in which the property is derecognised.

n) 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 Reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

o) Taxation

The Reporting unit 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.

p) Fair value measurement

The Reporting unit 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 18.

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.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

p) Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Reporting unit. 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 Reporting unit 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 Reporting unit 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 Reporting unit has 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,
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Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

q) Allocation of revenue and expenses between the Australian Rail, Tram and Bus Industry Union West Australian PTA Branch (PTA Branch) and the Australian Rail, Tram and Bus Industry Union West Australian Branch (WA 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 declared in the annual returns submitted in accordance with the obligations under the Fair Work (Registered Organisations) Act 2009.

The apportionment to be used is agreed at 50% WA Branch and 50% PTA Branch.

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**

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

r) Going concern

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

s) Restructuring

The Reporting unit did not acquire assets or liabilities from another reporting unit as a result of an amalgamation.

t) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

u) Business Combinations

There have been no assets and liabilities acquired during the financial year as part of a business combination (2019: Nil)

Note 2 Revenue – under AASB15

	2020	2019
	\$	\$
Rental revenue	205,572	236,224
Other revenue	-	-
Revenue from Recovery of wages activity	-	-
Total Revenue	205,572	236,224
Timing of revenue recognition		
At a point in time	-	-
Overtime	205,572	236,224
Total Revenue	205,572	236,224

**Australian Rail, Tram and Bus Industry Union of Employees,
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Notes to the Financial Statements

For the year ended 31 December 2020

Note 3 Expenses

	2020	2019
	\$	\$
Capitation fees		
ARTBIU West Australian PTA Branch National Office	-	121
Total capitation fees	-	121
Depreciation		
Depreciation		
Buildings	14,057	14,328
Plant and equipment	-	-
Investment property	3,512	3,463
Total depreciation	17,569	17,791
Other expenses		
Penalties	-	-
Insurance	10,216	11,763
Accounting fees	13,071	14,148
Other expenses	1,205	381
Total other expenses	24,492	26,292

Note 4 Cash and cash equivalents

Cash at bank	75,252	69,674
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	75,252	69,674

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 5 Trade and other receivables

	2020 \$	2019 \$
Trade receivables	-	-
Receivables from other reporting units		
Receivables from Australian Rail, Tram and Bus Industry Union West Australian Branch	59,597	63,106
Receivables from Australian Rail, Tram and Bus Industry Union – National Office	-	-
Total receivables from other reporting units	59,597	63,106
Less allowance for expected credit losses		
Provision for doubtful debts	-	-
Total allowance for expected credit losses	-	-
Net receivable from other reporting units	-	-
Other receivables		
Other receivables	35,757	4,619
Total other receivables	35,757	4,619
Less allowance for expected credit losses		
Provision for doubtful debts	(5,638)	-
Total allowance for expected credit losses	(5,638)	-
Net other receivables	30,119	4,619
Total net trade and other receivables	89,716	67,725
The movement in the allowance for expected credit losses of trade and other receivables is as follows:		
As 1 January	-	-
Provision for expected credit losses	5,638	-
Write-off	-	-
At 31 December	5,638	-
Note 6 Other current assets		
Prepaid expenses	3,697	4,976
Total other current assets	3,697	4,976

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 7 Land and buildings

	2020	2019
	\$	\$
Cost	258,638	258,638
Accumulated depreciation	(127,874)	(113,817)
Fair value increment to asset revaluation reserve	417,376	417,376
Total land and buildings held at fair value	548,140	562,197
Net book value at beginning of year	562,197	570,375
Additions	-	6,150
Fair value increase	-	-
Depreciation charge	(14,057)	(14,328)
Net book value at end of year	548,140	562,197

Refer to note 18 for details of the valuation.

Note 8 Investment property

	2020	2019
	\$	\$
Fair value	2,797,500	3,050,000
Additions subsequent to valuation	-	38,118
Less accumulated depreciation	-	(3,498)
	2,797,500	3,084,620
Opening balance as at 1 January	3,084,620	3,056,241
Additions	8,690	31,842
Depreciation	(3,512)	(3,463)
Net gain/(loss) on fair value adjustment	(292,298)	-
Closing balance as at 31 December	2,797,500	3,084,620

Refer to note 18 for details of the valuation.

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 9 Trade payables and accruals

	2020 \$	2019 \$
Trade creditors and accruals	7,460	12,176
Subtotal trade creditors	7,460	12,176
Payables to other reporting units		
Payables to the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch	111,026	134,026
Payable to National Office	-	-
Subtotal payables to other reporting units	111,026	134,026
Total trade payables	118,486	146,202

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.

Note 10 Other payables

GST payable	6,014	4,813
Total other payables	6,014	4,813

Settlement is usually made within 30 days.

Total other payables are expected to be settled in:

No more than 12 months	6,014	4,813
More than 12 months	-	-
Total other payables	6,014	4,813

Note 10b Contract liabilities

Unearned revenue	1,733	-
Total Unearned revenue	1,733	-

Note 11 Reserves

Nature and purpose of reserves:

General reserves

This reserve is used to meet potential future unknown liabilities.

Asset Revaluation Reserves

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 12 Cash flow reconciliation

	2020	2019
	\$	\$
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	75,252	69,674
Statement of Financial Position	75,252	69,674
Difference	-	-
Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	(250,105)	62,065
Adjustments for non-cash items		
Depreciation/amortisation	17,569	17,791
Impairment of financial assets	5,638	-
Fair value movement in investment properties	292,298	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(27,629)	1,614
(Increase)/decrease in prepayments	1,279	282
Increase/(decrease) in payables	(26,515)	(12,670)
Increase/(decrease) in contract liabilities	1,733	-
Net cash from (used by) operating activities	14,268	69,082
Cash flow information		
	2020	2019
	\$	\$
Cash inflows from other reporting unit:		
- Australian Rail, Tram and Bus Industry Union West Australian Branch	-	-
- Australian Rail, Tram and Bus Industry Union West Australian PTA Branch	-	-
Total cash inflows	-	-
Cash outflows to other reporting unit:		
- Australian Rail, Tram and Bus Industry Union West Australian PTA Branch	(23,000)	(25,889)
- Australian Rail, Tram and Bus Industry Union West Australian Branch	-	(7,500)
Total cash outflows	(23,000)	(33,389)

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

Notes to the Financial Statements

For the year ended 31 December 2020

Note 13 Contingent liabilities, assets and commitments

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

	2020	2019
	\$	\$
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 2020.

Finance lease commitments

The Union has no finance lease commitments for the period ending 31 December 2020.

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(q).

The combined value of the properties in the records of the Union as at 31 December 2020 is \$3,345,640 (2019: \$3,646,817).

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 2020 is \$0 (2019: \$0) 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.

**Australian Rail, Tram and Bus Industry Union of Employees,
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Notes to the Financial Statements

For the year ended 31 December 2020

Note 14 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 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,
West Australian Branch**

Notes to the Financial Statements

For the year ended 31 December 2020

Note 14 Related party transactions for the reporting period (continued)

Related parties and nature of their relationship (continued)

	2020	2019
	\$	\$
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	-	-
Amounts owed by National Office		
Reimbursements owed by National Office	-	-
Amounts owed to National Office		
Capitation fees owed to National Office	-	-
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)	-	-
Amounts owed by WA Branch		
Trade and other receivables owed by WA Branch	59,597	63,106
<u>PTA Branch</u>		
Amounts owed to PTA Branch		
Trade and other payables owed to PTA Branch	(111,026)	(134,026)
Expenses to WA Branch		
Distribution of net results from Investment properties (i)	-	-

**Australian Rail, Tram and Bus Industry Union of Employees,
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Notes to the Financial Statements

For the year ended 31 December 2020

Note 14 Related party transactions for the reporting period (continued)

(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(q).

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 2020 is NIL (2019: \$0) recognised on the Statement of Profit or Loss and Other Comprehensive Income.

Note 15 Key management personnel

(a) Remuneration for the reporting period

The only key management personnel is the Officer on the Union, Joshua Dekuyer. Employment benefits are paid by the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch.

	2020	2019
	\$	\$
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	-	-

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Notes to the Financial Statements

For the year ended 31 December 2020

Note 16 Remuneration of auditors

	2020	2019
	\$	\$
Value of the services provided		
Financial statement - Audit Services	5,625	5,300
Financial statement – preparation of general purpose financial statements	1,425	1,450
Total remuneration of auditors	7,050	6,750

Note 17 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

	2020	2019
	\$	\$
Cash and cash equivalents	75,252	69,674
Fair value through profit or loss	-	-
Held-to-maturity investments	-	-
Available-for-sale assets	-	-
Loans and receivables:		
Trade and other receivables	89,716	67,725
Total	89,716	67,725
Carrying amount of financial assets	164,968	137,399

**Australian Rail, Tram and Bus Industry Union of Employees,
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Notes to the Financial Statements

For the year ended 31 December 2020

Note 17 Financial instruments (continued)

	2020	2019
	\$	\$
Financial Liabilities		
Fair value through profit or loss:	-	-
Total	-	-
Other financial liabilities		
Trade payables and accruals	118,486	146,202
Other payables	6,014	4,813
Total	124,500	151,015
Carrying amount of financial liabilities	124,500	151,015
Net income and expense from financial assets		
Held-to-maturity		
Interest revenue	-	-
Exchange gains / (losses)	-	-
Impairment	(5,638)	-
Gain / (loss) on disposal	-	-
Net gain / (loss) from held-to-maturity	(5,638)	-
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	-	-

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Notes to the Financial Statements

For the year ended 31 December 2020

Note 17 Financial instruments (continued)

	2020	2019
	\$	\$
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 (2019: Nil)

The net income/expense from financial assets not at fair value through profit or loss is Nil (2019: 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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Notes to the Financial Statements

For the year ended 31 December 2020

Note 17 Financial instruments (continued)

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

31 December 2020	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	4,207	-	-	29,550	59,597	93,354
Expected credit loss	-	-	-	(5,638)	-	(5,638)

31 December 2019	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	67,725	-	-	-	-	67,725
Expected credit loss	-	-	-	-	-	-

The reporting unit's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2020 and 2019 is the carrying amounts as illustrated in Note 17.

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Notes to the Financial Statements

For the year ended 31 December 2020

Note 17 Financial instruments (continued)

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 2020

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	118,486	-	-	-	-	118,486
Other payables	6,014	-	-	-	-	6,014
Total	124,500	-	-	-	-	124,500

Contractual maturities for financial liabilities 2019

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	146,202	-	-	-	-	146,202
Other payables	4,813	-	-	-	-	4,813
Total	151,015	-	-	-	-	151,015

**Australian Rail, Tram and Bus Industry Union of Employees,
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Notes to the Financial Statements

For the year ended 31 December 2020

Note 17 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.

Changes in liabilities arising from financing activities

	1 January 2020	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leas es	Other	31 December 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	-	-	-	-	-	-	-	-

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Notes to the Financial Statements

For the year ended 31 December 2020

Note 17 Financial instruments (continued)

Changes in liabilities arising from financing activities

	1 January 2019	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leas es	Other	31 December 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	-	-	-	-	-	-	-	-

**Australian Rail, Tram and Bus Industry Union of Employees,
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Notes to the Financial Statements

For the year ended 31 December 2020

Note 18 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 2020 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 2020 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 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
Financial assets				
Cash and cash equivalents	75,252	75,252	69,674	69,674
Trade and other receivables	89,716	89,716	67,725	67,725
Total	164,968	164,968	137,399	137,399
Financial liabilities				
Trade and other payables	118,486	118,486	146,202	146,202
Other payables	6,014	6,014	4,813	4,813
Total	124,500	124,500	151,015	151,015

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Notes to the Financial Statements

For the year ended 31 December 2020

Note 18 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 2020

	Date of valuation	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Assets measured at fair value				
Investment property	31/10/2020	-	2,795,000	-
Owner occupied land and buildings	31/10/2020	-	555,000	-
Total		-	3,350,000	-
Liabilities measured at fair value				
None	N/A	-	-	-
Total		-	-	-

The valuations on all three properties were performed during October 2020 using the mid-point of two appraisals made by Burgess Rawson and C88 International Corporate Property. Fair value of the properties was determined by using a market comparable method. Valuations are based on active market prices, adjusted for the difference in the nature, location or condition of the specific property.

Note 19 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.

There were no other events that occurred after 31 December 2020, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Reporting unit.

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Notes to the Financial Statements

For the year ended 31 December 2020

Note 20 Principal Place of Business

The principal place of business of the Units:
Unit 2, 10 Nash Street
PERTH WA 6000