

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

Financial Report

For the year ended 31 December 2016

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 2016, 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' 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:
 - (a) 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 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations).
 - (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.
- (2) The union has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the union's income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the union's expenditure.
- (3) All information and explanations that officers or employees of the union were required to provide have been provided.
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above.
- (5) The management's use of the going concern basis of accounting in the preparation of the Union's financial statements is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the 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 the independence declaration required by the Corporations Act 2001, which has been given to the branch committee of management of the Union.

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, Simon Fermanis declare I am an approved auditor, member of CPA Australia and the Institute of Chartered Accountants in Australia and I hold a current Public Practice Certificate.

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 Fair Work (Registered Organisations) Act 2009 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.

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.

PKF Mack

PKF MACK

Simon Fermanis

SIMON FERMANIS
PARTNER

11 JULY 2017
WEST PERTH,
WESTERN AUSTRALIA

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

Statement of Recovery of Wages

Based on representations made to us by The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch (the union) and our audit work undertaken for the year ended 31 December 2016, it appears there was no recovery of wages activity for the union.



PKF MACK



SIMON FERMANIS
PARTNER

11 JULY 2017
WEST PERTH,
WESTERN AUSTRALIA

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

Certificate By Prescribed Designated Officer

For the year ended 31 December 2016

I, Paul Robinson, being the officer responsible of The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch (the union) certify:

- That the documents lodged herewith are copies of the full report for the union for the year ended 31 December 2016;
- That the full report was provided to members of the reporting unit on 28 June 2017; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 11 July 2017.

Signature of prescribed designated officer



.....

Name of prescribed designated officer

Paul Robinson.....

Title of prescribed designated officer

Secretary.....

Date

11 July 2017.....

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

Operating Report

For the year ended 31 December 2016

The committee presents its report on the reporting unit for the financial period ended 31 December 2016.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the period

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

Significant changes in financial affairs

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

Right of members to resign

All members of the Union have the right to resign from the Union in accordance with Rule 14 of the Union Rules; namely by providing notice addressed and delivered to the Secretary of the Branch, including via email.

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

To the best of our knowledge and belief, no officer of the Union, by virtue of their office of The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch is:

- a. A trustee of a superannuation entity or exempt public sector superannuation scheme; or
- b. A director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- c. Where a criterion for the officer being the trustee or director is that the office is an officer of a registered organisation.

Number of members

Number of members on the register of members on 31 December 2016 was 603. 598 of these members are members of the PTA State Branch only.

Number of employees

As at 31 December 2016, the Union had one full time Elected Official.

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

Operating Report (continued)

For the year ended 31 December 2016

Names of Committee of Management members and period positions held during the financial period

The names of each person who has been a member of the committee of management of the Union at any time during the reporting period, and the period for which he or she held such a position is as follows

Name	Title of Officer	Period of Appointment
Paul Robinson	Secretary	01/01/16 to 31/12/16
Craig Dearth	President	01/01/16 to 31/12/16
Jamie Reed	Vice President	01/01/16 to 31/12/16
Matt Dale	Committee Member	01/01/16 to 31/12/16
Peter Olynyk	Committee Member	01/01/16 to 31/12/16
Josh Dekuyer	Committee Member	01/01/16 to 31/12/16
John Olding	Committee Member	01/01/16 to 31/12/16
Brandan Curtis	Committee Member	01/01/16 to 31/12/16

Signature of designated officer: 

Name and title of designated officer: Paul Robinson

Dated: 11 July 2017

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

Committee of Management Statement

For the year ended 31 December 2016

On the 11 July 2017 the Branch Executive Council 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 2016:

The Union declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards and International Financial Reporting Standards (IFRS);
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) 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;
- (d) 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
- (e) during the financial period to which the General Purpose Financial Report relates and since the end of that period:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the Union have been kept and maintained in accordance with the Industrial Relations Act 1979 and the Industrial Relations Commission Regulations 2005; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager, this information has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Industrial Relations Commission, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer:



Name and title of designated officer: Paul Robinson.....

Dated: 11 July 2017

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 2016

	Notes	2016 \$	2015 \$
Revenue			
Membership subscription		9,904	267,125
Capitation fees			-
Levies		519	17,829
Interest		29	25
Rental revenue		164,968	76,076
Other revenue	2	1,242	19,577
Total revenue		<u>176,662</u>	<u>380,632</u>
Other Income			
Grants and donations		-	-
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>-</u>	<u>-</u>
Total revenue and other income		<u>176,662</u>	<u>380,632</u>
Expenses			
Employee expenses	3	-	(138,569)
Capitation fees	3	-	(42,655)
Affiliation fees	3	-	(8,311)
Administration expenses	3	(51,033)	(170,740)
Grants or donations	3	-	-
Depreciation and amortisation	3	(6,519)	(12,229)
Finance costs		-	-
Legal costs	3	-	(37,421)
Audit and accounting fees		(23,691)	(30,450)
Net result from investment properties	19	(81,642)	-
Write-down and impairment of assets		-	-
Net losses from sale of assets		-	-
Loss on devaluation of investment properties	9	(350,000)	-
Other expenses	3	(2,876)	(49,053)
Total expenses		<u>(515,761)</u>	<u>(489,428)</u>
Profit/(loss) for the period		<u>(339,099)</u>	<u>(108,796)</u>
Other comprehensive income			
Items that will not be recycled through profit or loss		-	-
- Movement in revaluation reserve		417,376	-
Total comprehensive income for the period		<u>78,277</u>	<u>(108,796)</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 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	20,882	62,503
Trade and other receivables	5	72,784	126,781
Other current assets	6	25,208	20,490
Other investments	12	-	-
Total current assets		<u>118,874</u>	<u>209,774</u>
Non-Current Assets			
Land and buildings	7	600,000	187,307
Plant and equipment	8	16,527	36,914
Investment property	9	3,050,000	3,400,000
Intangibles	10	-	-
Other investments	11	-	-
Other non-current assets	12	-	-
Total non-Current assets		<u>3,666,527</u>	<u>3,624,221</u>
Total assets		<u>3,785,401</u>	<u>3,833,995</u>
LIABILITIES			
Current Liabilities			
Trade payables and accruals	13	284,540	299,205
Other payables	14	6,756	75,639
Employee entitlements	15	-	43,323
Total current liabilities		<u>291,296</u>	<u>418,167</u>
Non-Current Liabilities			
Employee entitlements	15	-	-
Other non-current liabilities	16	-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>291,296</u>	<u>418,167</u>
Net assets		<u>3,494,105</u>	<u>3,415,828</u>
EQUITY			
General funds	17	-	-
Retained earnings		3,076,729	3,415,828
Asset revaluation reserve		417,376	-
Total equity		<u>3,494,105</u>	<u>3,415,828</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 Changes in Equity

For the year ended 31 December 2016

	Asset revaluation reserve	Retained earnings	Total equity
	\$	\$	\$
Balance as at 1 January 2015	-	3,524,624	3,524,624
Profit/(loss) for the period	-	(108,796)	(108,796)
Other comprehensive income for the period	-	-	-
Closing balance as at 31 December 2015	<u>-</u>	<u>3,415,828</u>	<u>3,415,828</u>
Balance as at 1 January 2016	-	3,415,828	3,415,828
Profit/(loss) for the period	-	(339,099)	(339,099)
Revaluation on property	417,376	-	417,376
Other comprehensive income for the period	-	-	-
Closing balance as at 31 December 2016	<u>417,376</u>	<u>3,076,729</u>	<u>3,494,105</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 Cash Flows

For the year ended 31 December 2016

	Notes	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Members		10,901	286,858
Interest		29	25
Other		219,729	45,940
Receipts from other controlled entities		-	-
Cash used			
Employees		-	(115,420)
Suppliers		(272,280)	(214,758)
Payments to other controlled entities		-	-
Net cash from (used by) operating activities	18	<u>(41,621)</u>	<u>2,645</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		-	-
Net cash from (used by) investing activities		<u>-</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		(41,621)	2,645
Cash & cash equivalents at the beginning of the financial period		62,503	59,858
Cash & cash equivalents at the end of the financial period	4	<u>20,882</u>	<u>62,503</u>

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

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

Recovery of Wages Activity

For the period ended 31 December 2016

	2016	2015
	\$	\$
Cash assets in respect of recovered money at beginning of period	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of period	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

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

Notes to the Financial Statements

For the year ended 31 December 2016

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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 2016

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. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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.

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.

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

Employee entitlements

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account. The death benefit provision is calculated using a three year average of known claims present valued over a number of years and discounted at 10%.

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (continued)

Estimation of useful lives of assets

The Union determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge 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.

Future Australian Accounting Standards Requirements

The following Australian Accounting Standards have been issued early but are not yet effective. The following have not been adopted in preparation of the financial statements at the reporting date but will be adopted at application date. The impact of the adoption has not yet been determined.

AASB No.	Title	Application date of standard *	Issue date
AASB 9	Financial Instruments	1 January 2018	December
AASB 2010-7	Amendments arising from Accounting Standards arising from AASB 9 (December 2010)	1 January 2018	September 2012
AASB 2014-1	Amendments to Australian Accounting Standards Part E - Financial Instruments	Part E - 1 January 2018	June 2014
AASB 2014-5	Amendments to Australian Accounting Standard Arising From AASB 15	1 January 2018	December 2014
AASB 2014-7	Amendments to Australian Accounting Standard Arising From AASB 9 (December 2014)	1 January 2018	December 2014
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to NFP Public Sector Entities	1 July 2016	March 2015
AASB 2015-7	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities	1 July 2016	July 2015
AASB 2015-8	Amendments to Australian Accounting Standards – Effective Date of AASB 15	1 January 2018	October 2015
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	March 2016

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (continued)

AASB No.	Title	Application date of standard *	Issue date
AASB 2016-3	Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	May 2016
AASB 2016-4	Amendments to Australian Accounting Standards – Recoverable Amount of a Non-Cash Generating Specialised Assets of Not-for-	1 January 2017	June 2016
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions [AASB 2]	1 January 2018	July 2016
AASB 2016-6	Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts [AASB 4]	1 January 2018	October 2016
AASB 2016-7	Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	1 January 2017	December 2016
AASB 2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	1 January 2019	December 2019
AASB 15	Revenues from Contracts with Customers	1 January 2018	October 2015
AASB 16	Leases	1 January 2019	February 2016
AASB 1056	Superannuation Entities	1 July 2016	June 2014
AASB 1058	Income of Not-for-Profit Entities [Appendix D]	1 January 2019	December 2016

d) Revenue

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

Revenue from subscriptions is accounted for on an accrual 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.

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (continued)

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

Government grants are not recognised until there is reasonable assurance that the Union will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Union should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Union with no future related costs are recognised in profit or loss in the period in which they become receivable.

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.

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (continued)

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.

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**

Notes to the Financial Statements

For the year ended 31 December 2016

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.

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (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**

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (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**

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (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) 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 2016

Note 1 Summary of significant accounting policies (continued)

p) 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:

	2016	2015
Buildings	2.5%	2.5%
Plant and equipment	10%	10%
Motor Vehicles	-	25%

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.

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (continued)

q) 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.

r) 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.

s) 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.

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (continued)

t) 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.

u) 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.

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.

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (continued)

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.

v) 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.

w) 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 which states that for the following year, all costs expended by the unions in accordance with that deed, shall be distributed by 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 for the 2016 financial year based on the number of members declared on 31 December 2015 is 55/45 (2015: 60/40).

The following exceptions apply to the general rule above:

- Branch secretary employment benefits will be allocated individually in each branch;
- All other employee benefit provisions will be held in the WA Branch; and
- Depreciation expense to be recognised by the entity that owns the respective asset.

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies (continued)

x) Going concern

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

The reporting unit has agreed to provide financial support 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 to ensure they continue as going concerns.

Note 2 Revenue

	2016	2015
	\$	\$
Other revenue		
Shared services revenue	-	-
Journey cover recoupment	478	18,282
Sundry revenue	764	1,295
	<u>1,242</u>	<u>19,577</u>

Note 3 Expenses

Employee expenses

Holders of office:

Wages and salaries	-	112,991
Superannuation	-	10,182
Leave and other entitlements	-	15,396
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>-</u>	<u>138,569</u>

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	<u>-</u>	<u>-</u>
Total employee expenses	<u>-</u>	<u>138,569</u>

Capitation fees

ARTBIU West Australian PTA Branch National Office	-	42,655
Total capitation fees	<u>-</u>	<u>42,655</u>

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 3 Expenses (continued)

The capitation fee expense included here is based on the union dues recognised in the state union. The expense is only recognised in the state union since inception of the federal union on 12 August 2014 and was recognised at 14.5% of the union dues revenue in the state union from the inception date.

	2016	2015
	\$	\$
Affiliation fees		
Australian Labour Party	-	742
Australian Council of Trade Unions	-	4,921
Unions WA	-	2,648
Total affiliation fees	-	8,311
Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	7,553
Contractors/consultants	-	-
Property operating expenses	51,033	33,058
Office expenses	-	8,071
Information communications technology	-	2,320
Shared resources	-	112,290
Other	-	7,448
Total administration expense	51,033	170,740
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**

Notes to the Financial Statements

For the year ended 31 December 2016

Note 3 Expenses (continued)

	2016 \$	2015 \$
Depreciation and amortisation		
Depreciation		
Land and buildings	4,683	4,803
Property, plant and equipment	1,836	7,426
Total depreciation	<u>6,519</u>	<u>12,229</u>
Amortisation		
Intangibles	-	-
Total amortisation	<u>-</u>	<u>-</u>
Total depreciation and amortisation	<u>6,519</u>	<u>12,229</u>
 Legal costs		
Litigation	-	-
Other legal matters	-	37,421
Total legal costs	<u>-</u>	<u>37,421</u>
 Other expenses		
Penalties - via RO Act or RO Regulations		-
Insurance	-	13,873
Vehicle expenses	-	3,881
Fringe benefits tax	-	4,638
Other expenses	2,876	26,661
Total other expenses	<u>2,876</u>	<u>49,053</u>

Note 4 Cash and cash equivalents

Cash at bank	20,882	62,503
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	<u>20,882</u>	<u>62,503</u>

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 5 Trade and other receivables

	2016	2015
	\$	\$
Receivables from other reporting units		
Receivables from Australian Rail, Tram and Bus Industry Union West Australian Branch	72,784	125,791
Receivables from Australian Rail, Tram and Bus Industry Union – National Office		-
Total receivables from other reporting units	<u>72,784</u>	<u>125,791</u>
Less provision for doubtful debts		
Provision for doubtful debts	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Net receivable from other reporting units	<u>-</u>	<u>-</u>
Other receivables		
Other receivables	-	990
Total other receivables	<u>-</u>	<u>990</u>
Total net trade and other receivables	<u><u>72,784</u></u>	<u><u>126,781</u></u>

Note 6 Other current assets

Prepaid expenses	25,208	20,490
Total other current assets	<u>25,208</u>	<u>20,490</u>

Note 7 Land and buildings

Cost	252,488	252,488
Accumulated depreciation	(69,864)	(65,181)
Fair value increment to asset revaluation reserve	417,376	-
Total land and buildings held at fair value	<u>600,000</u>	<u>187,307</u>

Refer to note 24 for details of the valuation.

Note 8 Plant and equipment

Motor vehicles:

At cost	-	36,318
Accumulated depreciation	-	(17,767)
	<u>-</u>	<u>18,551</u>

Plant and equipment:

At cost	21,756	21,756
Accumulated depreciation	(5,229)	(3,393)
	<u>16,527</u>	<u>18,363</u>
Total plant and equipment	<u>16,527</u>	<u>36,914</u>

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 8 Plant and equipment (continued)

Reconciliation of the opening and closing balances of plant and equipment

2016	Motor vehicles	Plant and equipment	Total
As at 1 January 2016			
Gross book value	36,318	21,756	58,074
Accumulated depreciation and impairment	(17,767)	(3,393)	(21,160)
Net book value 1 January 2016	18,551	18,363	36,914
Additions:			
By purchase	-	-	-
Impairments	-	-	-
Depreciation expense	-	(1,836)	(1,836)
Other movement	-	-	-
Disposals	-	-	-
Other	(18,551)	-	(18,551)
Net book value 31 December 2016	-	16,527	16,527
Net book value as of 31 December 2016 represented by:			
Gross book value	-	21,756	21,756
Accumulated depreciation and impairment	-	(5,229)	(5,229)
Net book value 31 December 2016	-	16,527	16,527
2015	Motor vehicles	Plant and equipment	Total
As at 1 January 2015			
Gross book value	36,318	21,756	58,074
Accumulated depreciation and impairment	(12,381)	(1,353)	(13,734)
Net book value 1 January 2015	23,937	24,403	44,340
Additions:			
By purchase	-	-	-
Impairments	-	-	-
Depreciation expense	(5,386)	(2,040)	(7,426)
Other movement	-	-	-
Disposals	-	-	-
Other	-	-	-
Net book value 31 December 2015	18,551	18,363	36,914
Net book value as of 31 December 2015 represented by:			
Gross book value	36,318	21,756	58,074
Accumulated depreciation and impairment	(17,767)	(3,393)	(21,160)
Net book value 31 December 2015	18,551	18,363	36,914

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

Notes to the Financial Statements

For the year ended 31 December 2016

	2016	2015
	\$	\$
Note 9 Investment property		
Opening balance as at 1 January	3,400,000	3,400,000
Additions	-	-
Net gain/loss from fair value adjustment	(350,000)	-
Closing balance as at 31 December	<u>3,050,000</u>	<u>3,400,000</u>

Refer to note 24 for details of the valuation.

Note 10 Intangibles

At cost	-	-
Accumulated amortisation	-	-
Total intangibles	<u>-</u>	<u>-</u>

Note 11 Other investments

Deposits	-	-
Other	-	-
Total other investments	<u>-</u>	<u>-</u>

Note 12 Other non-current assets

Prepayments	-	-
Other	-	-
Total other non-current assets	<u>-</u>	<u>-</u>

Note 13 Trade payables and accruals

Trade creditors and accruals	12,750	17,911
Subtotal trade creditors	<u>12,750</u>	<u>17,911</u>

Payables to other reporting units

Payables to the Australian Rail, Tram and Bus Industry Union West Australian Branch	66,507	218,294
Loan to the Australian Rail, Tram and Bus Industry Union West Australian Branch	-	36,318
Payables to the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch	187,692	-
Payable to National Office	17,591	26,682
Subtotal payables to other reporting units	<u>271,790</u>	<u>281,294</u>

Total trade payables

	<u>284,540</u>	<u>299,205</u>
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Settlement is usually made within 30 days.

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

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 \$	2015 \$
Note 14 Other payables		
Wages and salaries	-	-
Superannuation	-	-
Deductions	-	-
Legal costs	-	-
Unearned revenue	-	-
GST payable	5,795	8,343
PAYG payable	-	5,392
Transit office legal funds	-	51,904
Other payables	961	10,000
Total other payables	<u>6,756</u>	<u>75,639</u>
Settlement is usually made within 30 days.		
Total other payables are expected to be settled in:		
No more than 12 months	6,756	75,639
More than 12 months	-	-
Total other payables	<u>6,756</u>	<u>75,639</u>
Note 15 Employee entitlements		
Office holders:		
Annual leave	-	28,194
Long service leave	-	15,129
Separations and redundancies	-	-
Other	-	-
Subtotal employee entitlements—office holders	<u>-</u>	<u>43,323</u>
Employees other than office holders:		
Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
Subtotal employee entitlements—employees other than office holders	<u>-</u>	<u>-</u>
Total employee entitlements	<u>-</u>	<u>43,323</u>
Current	-	43,323
Non-current	-	-
Total employee entitlements	<u>-</u>	<u>43,323</u>
Note 16 Other non-current liabilities		
Other	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>

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

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 \$	2015 \$
Note 17 General funds		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	<u>-</u>	<u>-</u>
Note 18 Cash flow reconciliation		
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	20,882	62,503
Statement of Financial Position	20,882	62,503
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	(339,099)	(108,796)
Adjustments for non-cash items		
Depreciation/amortisation	6,519	12,229
Loss on devaluation of investment properties	350,000	-
Net write-down of non-financial assets	-	-
Fair value movement in investments	-	-
Gain/loss on disposal of assets	18,551	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	53,997	(91,896)
(Increase)/decrease in prepayments	(4,718)	(7,397)
Increase/(decrease) in payables	(83,548)	185,482
Increase/(decrease) in employee entitlements	(43,323)	13,023
Net cash from (used by) operating activities	<u>(41,621)</u>	<u>2,645</u>
Cash flow information		
Cash inflows from reporting unit	230,659	332,823
Total cash inflows	<u>230,659</u>	<u>332,823</u>
Cash outflows from reporting unit	(272,280)	(330,178)
Total cash outflows	<u>(272,280)</u>	<u>(330,178)</u>

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

Notes to the Financial Statements

For the year ended 31 December 2016

	2016	2015
	\$	\$

Note 19 Contingent liabilities, assets and commitments

Operating lease commitments – as lessee

The Union has no operating lease commitments for the period ending 31 December 2016.

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

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 2016.

Finance lease commitments

The Union has no finance lease commitments for the period ending 31 December 2016.

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 to 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.

The revenue derived from and expenses incurred in relation to these properties are shared between the Unions based on the 55/45 split detailed in the policy note.

The combined value of the properties in the records of the Union as at 31 December 2016 is \$3,650,000 (2015: \$3,587,307).

The net result distrusted 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 2016 is \$81,642, recognised on the Statement of Profit or Loss and Other Comprehensive Income.

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

Notes to the Financial Statements

For the year ended 31 December 2016

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.

	2016	2015
	\$	\$
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year:		
National Office		
Revenue from National Office		
National Office reimbursements	-	6,637
Expenses to National Office		
Capitation fees	-	42,655
Amounts owed by National Office		
Reimbursements owed by National Office	-	-
Amounts owed to National Office		
Capitation fees owed to National Office	-	(26,682)
Loans from/to National Office	-	-
Assets transferred from/to National Office	-	-
 <u>WA Branch</u>		
Revenue from WA Branch	-	-
Expenses to WA Branch		
Shared resources (i)	-	112,290
Net results from Investment properties	44,903	-
Amounts owed by WA Branch		
Trade and other receivables owed by WA Branch	72,784	125,791
Amounts owed to WA Branch		
Shared resources payable to WA Branch	21,145	112,290
Other payable to WA Branch	45,362	106,004

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

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 \$	2015 \$
Note 20 Related party transactions for the reporting period (continued)		
Loans from/to WA Branch		
Loan to WA Branch – Motor vehicle (ii)	-	(36,318)

PTA Branch

Amounts owed to PTA Branch

Trade and other payables owed to PTA Branch	(187,692)	-
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Expenses to WA Branch

Net results from Investment properties	36,739	-
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Terms and conditions of transactions with related parties

(i) During the prior year the branch engaged in shared services with the Australian Rail, Tram and Bus Industry Union, West Australian Branch. These services were for shared employee expenses and should be paid in monthly instalments.

(ii) The loan was transferred to the Australian Rail, Tram and Bus Industry Union, West Australia PTA Branch during the current year.

Note 21 Key management personnel

(a) Remuneration for the reporting period

The only key management personnel is the Officer on the Union, Paul Robinson.

Short-term employee benefits

Salary (including annual leave taken)	-	112,991
Annual leave accrued	-	11,238
Performance bonus	-	-
Total short-term employee benefits	-	124,229

Post-employment benefits:

Superannuation	-	10,182
Total post-employment benefits	-	10,182

Other long-term benefits:

Long-service leave accrued	-	4,158
Total other long-term benefits	-	4,158

Termination benefits

	-	-
Total	-	-

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

For the year ended 31 December 2016

Note 21 Key management personnel (continued)

(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

	2016	2015
	\$	\$
Value of the services provided		
Financial statement audit services	10,200	9,000
Other services	2,550	7,400
Total remuneration of auditors	<u>12,750</u>	<u>16,400</u>

Other services include preparation of financial statements, end of year reconciliations, cash to accrual accounting end of year adjustments and continuing advice on accounting matters.

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

Cash and cash equivalents	20,882	62,503
Fair value through profit or loss	-	-
Total	<u>-</u>	<u>-</u>
Held-to-maturity investments	-	-
Total	<u>-</u>	<u>-</u>
Available-for-sale assets	-	-
Total	<u>-</u>	<u>-</u>
Loans and receivables:		
Trade and other receivables	72,784	126,781
Total	<u>72,784</u>	<u>126,781</u>
Carrying amount of financial assets	<u><u>93,666</u></u>	<u><u>189,284</u></u>

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

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 \$	2015 \$
Note 23 Financial instruments (continued)		
Financial Liabilities		
Fair value through profit or loss:	-	-
Total	-	-
Other financial liabilities		
Trade payables and accruals	290,335	262,887
Loan to the Australian Rail, Tram and Bus Industry Union West Australian Branch	-	36,318
Other payables	961	65,639
Total	291,296	364,844
Carrying amount of financial liabilities	291,296	364,844
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,
West Australian Branch**

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 \$	2015 \$
Note 23 Financial instruments (continued)		
Cash and cash equivalents		
Interest revenue	29	25
Net gain / (loss) from cash and cash equivalents	<u>29</u>	<u>25</u>
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	<u>-</u>	<u>-</u>
Net gain / (loss) from financial assets	<u>29</u>	<u>25</u>

The net income/expense from financial assets not at fair value through profit or loss is \$29 (2015: \$25)

The net income/expense from financial assets not at fair value through profit or loss is 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	<u>-</u>	<u>-</u>

Other financial liabilities

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

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,
West Australian Branch**

Notes to the Financial Statements

For the year ended 31 December 2016

Note 23 Financial instruments (continued)

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

	Not past due or impaired 2016 \$	Past due or impaired 2016 \$	Not past due or impaired 2015 \$	Past due or impaired 2015 \$
Trade and other receivables	126,781	-	126,781	-
Total	126,781	-	126,781	-

Ageing of financial assets that were past due but not impaired for 2016

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

Ageing of financial assets that were past due but not impaired for 2015

	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 2016

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	-	-	-	-	-	-
Loan to the Australian Rail, Tram and Bus Industry Union West Australian Branch	-	-	-	-	-	-
Other payables	-	-	-	-	-	-
Tenant rental bond	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 23 Financial instruments (continued)

Contractual maturities for financial liabilities 2015

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	262,887	-	-	-	-	262,887
Loan to the Australian Rail, Tram and Bus Industry Union West Australian Branch	36,318	-	-	-	-	36,318
Other payables	-	65,639	-	-	-	65,639
Tenant rental bond	-	-	-	-	-	-
Total	299,205	65,639	-	-	-	364,844

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 2016 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 2016 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 24 Fair value measurement (continued)

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

	Carrying amount 2016 \$	Fair value 2016 \$	Carrying amount 2015 \$	Fair value 2015 \$
Financial assets				
Cash and cash equivalents	20,882	20,882	62,503	62,503
Trade and other receivables	72,784	72,784	126,781	126,781
Total	93,666	93,666	189,284	189,284
Financial liabilities				
Trade and other payables			262,887	262,887
Loan to the Australian Rail, Tram and Bus Industry Union West Australian Branch	-	-	36,318	36,318
Other payables			65,639	65,639
Total			364,844	364,844

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 2016

	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.

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

Notes to the Financial Statements

For the year ended 31 December 2016

Note 24 Fair value measurement (continued)

Fair value hierarchy – 31 December 2015

	Date of valuation	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Assets measured at fair value				
Investment property	31/12/14	-	3,400,000	-
Total		-	3,400,000	-
Liabilities measured at fair value				
None	N/A	-	-	-
Total		-	-	-

Note 25 Events after the reporting period

There were no events that occurred after 31 December 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION OF EMPLOYEES, WEST AUSTRALIAN BRANCH

In relation to our audit of the financial report of Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch for the year ended 31 December 2016, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF MACK



SIMON FERMANIS
PARTNER

11 JULY 2017
WEST PERTH,
WESTERN AUSTRALIA