

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA/NT BRANCH
BRANCH COMMITTEE OF MANAGEMENT
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Branch for the year ended 31 December 2020.

Descriptive form

Categories of expenditures	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses - employees	1,077,032	1,136,909
Operating costs	837,923	952,037
Donations to political parties	7,000	20,000
Legal costs	3,584	3,779



Ian Smith
Branch Secretary
Transport Workers' Union of Australia SA/NT Branch
Dated: 9 March 2021

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA/NT BRANCH
OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Branch Committee of Management presents its report on the Reporting Unit for the year ended 31 December 2020.

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

The principal activities of the Branch during the reporting period were to provide industrial and organising services to the members consistent with the objects of the Branch and particularly the object of protecting and improving the interest of the members.

The Branches principal activities resulted in maintaining and improving the wages and conditions of employment of the membership, particularly for those members in collective enterprise agreements negotiated by the Branch.

There were no significant changes in the nature of the Branch's principal activities during the reporting period.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Branch during the reporting period.

Right of members to resign

Members may resign from the Branch in accordance with rule 11, which reads as follows;

11. Resignation from membership

- (1) A Member may resign from Membership by notice in writing addressed and delivered to the Branch Secretary of the Branch in which the Member is enrolled.
- (2) A notice of resignation from Membership takes effect;
 - (a) if the Member has ceased to be Eligible:
 - (i) on the day on which the notice is received by the Union;
 - (ii) on the day specified in the notice;

whichever is later; or

- (b) in any other case:
 - (i) at the end of 2 weeks after the notice is received by the Branch Secretary;
or
 - (ii) on the day specified in the notice;

whichever is later.

- (3) Any Dues payable but not paid by a former Member, in relation to a period before the Member's resignation from the Union took effect, may be sued for and recovered in accordance with rule 81 as a debt due to the Union.
- (4) A notice delivered in accordance with sub-rule (1) is deemed to have been received by the Union when it was delivered.
- (5) A notice of resignation that has been received by the Union is not invalid only because it was not addressed and delivered in accordance with sub-rule (1).
- (6) A resignation from Membership is valid, even if it is not effected in accordance with this rule, if the Member is informed in writing by the Union that the resignation has been accepted.

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA/NT BRANCH
OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

The following officers of the Branch held preserved positions in the following entities:

Ian Smith is an alternate director of TWUSUPER.

Number of members

The number of persons who, at the end of the reporting period, were recorded on the Registrar of Members of the Branch was 3,452.

Number of employees

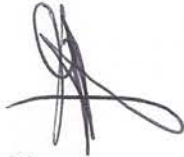
The number of persons who were, at the end of the reporting period, employees of the Branch was 11.

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

The persons who held office as members of the committee of Management of the Branch during the reporting period are;

- Peter Brammy
 - Branch President – 01.01.2020 to 31.12.2020
- Matthew Spring
 - Branch Vice-President – 01.01.2020 to 31.12.2020
- Ian Smith
 - Branch Secretary – 01.01.2020 to 31.12.2020
- David Chase
 - Branch Trustee – 01.01.2020 to 31.12.2020
- Daniel McNicol
 - Branch Trustee – 01.01.2020 to 31.12.2020
- Craig Stanton
 - Branch Committee of Management Member – 01.01.2020 to 31.12.2020
- Calvert Agius
 - Branch Committee of Management Member – 01.01.2020 to 31.12.2020
- Daniel Kontos
 - Branch Committee of Management Member – 01.01.2020 to 31.12.2020
- Frank Arcidiaco
 - Branch Committee of Management Member – 01.01.2020 to 31.12.2020
- Dallas Lindblom
 - Branch Committee of Management Member – 01.01.2020 to 31.12.2020
- Allyson McIntyre
 - Branch Committee of Management Member – 01.01.2020 to 10.02.2020
- Barry Norton
 - Branch Committee of Management Member – 01.01.2020 to 17.02.2020
- Deborah Laycock-Brown
 - Branch Committee of Management Member – 11.02.2020 to 31.12.2020
- Ernesto De Rubeis
 - Branch Committee of Management Member – 27.02.2020 to 31.12.2020

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA/NT BRANCH
OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

A handwritten signature in dark ink, appearing to be 'Ian Smith', with a stylized, looped design.

**Ian Smith
Branch Secretary
Transport Workers' Union of Australia SA/NT Branch
Dated: 9 March 2021**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Transport Workers' Union of Australia SA / NT Branch ("the TWU SA / NT Branch") which comprises the Statement of Financial Position as at 31 December 2020, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, Notes to and forming part of the Financial Statements, including a summary of significant accounting policies, the Committee of Management Statement, the Report required under Subsection 255(2A) and the Officer Declaration Statement.

In our opinion the financial report presents fairly, in all material respects, the financial position of Transport Workers' Union of Australia SA / NT Branch as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial report of the Branch 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 TWU SA / NT Branch in accordance with the independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Branch Committee of Management is responsible for the other information. The other information comprises the Operating Report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH (CONT)

Branch Committee of Management Responsibility for the Financial Report

The Branch Committee of Management of the TWU SA / NT Branch is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RO Act. This responsibility includes such internal control as the Branch Committee of Management determines is necessary to enable the preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Branch Committee of Management is responsible for assessing the TWU SA / NT Branch'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 Branch Committee of Management either intends to liquidate the TWU SA / NT Branch or to cease operations, or have no realistic alternative but to do so.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of the TWU SA / NT Branch for the year ended 31 December 2020, including its presentation on the Transport Workers Union web site. The National Committee of Management and the National Secretary of Transport Workers Union of Australia are responsible for the integrity of the Transport Workers Union web site. This audit report refers only to the statements named above for the TWU SA / NT Branch. It does not provide an opinion on any other information that may be hyper linked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the web site.

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 TWU SA / NT Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Branch Committee of Management.

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH (CONT)****Auditor's Responsibilities for the Audit of the Financial Report (cont)**

- Conclude on the appropriateness of the Branch Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the TWU SA / NT Branch'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 TWU SA / NT Branch 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the TWU SA / NT Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the TWU SA / NT Branch audit. We remain solely responsible for our audit opinion.

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

I declare that I am an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

We have nothing to report in this regard.



Nexia Edwards Marshall
Chartered Accountants



Matthew O'Connor
Partner

Registration number (as registered by the RO Commissioner under the RO Act) AA2017/75

Adelaide
South Australia

9 March 2021

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA/NT BRANCH
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**


On 9 March 2021 the Branch Committee of Management of the *Transport Workers Union of Australia SA/NT Branch* passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2020:

The Branch Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer:



Name and title of designated officer: **Ian Smith – TWU SA/NT Branch Secretary**

Dated: **9 March 2021**

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
Revenue			
Membership subscriptions		1,704,732	1,736,817
Capitation fees and other revenue from another reporting unit		-	-
Levies		-	-
Investment Revenue	3A	156,467	184,349
Rental revenue	3B	53,976	37,459
Other revenue		156,372	177,896
Total Revenue		<u>2,071,547</u>	<u>2,136,521</u>
Other Income			
Grants and/or donations	3C	100,000	-
Net gains from sale of asset	3D	-	4,412
Revenue from recovery of wages activity		-	-
Net gain/(loss) on investments	3E	95,044	456,407
Total other income		<u>195,044</u>	<u>460,819</u>
Total income		<u>2,266,591</u>	<u>2,597,340</u>
Expenses			
Employee expenses	4A	1,077,032	1,136,909
Capitation fees and other expense to another reporting unit	4B	308,261	317,678
Affiliation fees	4C	21,094	22,559
Administration expenses	4D	493,858	598,880
Grants or donations	4E	7,823	21,275
Depreciation and amortisation	4F	86,756	53,935
Legal costs	4G	3,584	3,779
Auditors fees	13	14,710	12,920
Other expenses	4H	-	-
Total expenses		<u>2,013,118</u>	<u>2,167,935</u>
Surplus (deficit) for the year		<u>253,473</u>	<u>429,405</u>
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss:		-	-
Items that will not be subsequently reclassified to profit or loss:		-	(32,800)
Total comprehensive income for the year		<u>253,473</u>	<u>396,605</u>

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

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,234,398	1,245,611
Trade and other receivables	5B	55,886	65,918
Other current assets	5C	12,030	28,986
Total current assets		1,302,314	1,340,515
Non-Current Assets			
Land and buildings	6A	2,694,140	2,538,078
Property, plant and equipment	6B	171,717	176,792
Intangibles	6C	79,754	89,227
Other Financial Assets	6D	4,228,544	4,098,064
Total non-current assets		7,174,155	6,902,161
Total assets		8,476,469	8,242,676
LIABILITIES			
Current Liabilities			
Trade payables	7A	115,833	94,956
Other payables	7B	30,886	66,613
Employee provisions	8A	170,461	178,504
Total current liabilities		317,180	340,073
Non-Current Liabilities			
Employee provisions	8A	7,686	10,474
Other liabilities	8B	6,000	-
Total non-current liabilities		13,686	10,474
Total liabilities		330,866	350,547
Net assets		8,145,603	7,892,130
EQUITY			
Building Revaluation Reserve	9A	699,752	699,752
Retained earnings		7,445,851	7,192,378
Total equity		8,145,603	7,892,130

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

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Building Revaluation Reserve \$	Retained Earnings \$	Total Equity \$
Balance as at 1 January 2019		732,552	6,762,973	7,495,525
Surplus (deficit) for the year		-	429,405	429,405
Revaluation of property, plant and equipment		(32,800)	-	(32,800)
Other comprehensive income for the year		-	-	-
Balance as at 31 December 2019		699,752	7,192,378	7,892,130
Surplus (deficit) for the year		-	253,473	253,473
Other comprehensive income for the year		-	-	-
Balance as at 31 December 2020		699,752	7,445,851	8,145,603

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

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	10B	39,921	46,317
Interest		5,675	15,980
Other		2,340,566	2,316,089
Cash used			
Employees		1,087,863	1,122,401
Suppliers		722,431	838,564
Payment to other reporting units	10B	308,261	317,678
Net cash from (used by) operating activities	10A	267,607	99,743
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	35,200
Proceeds from realisation of other investments		812,650	1,508,873
Cash used			
Purchase of property, plant and equipment		(205,320)	(1,331,860)
Purchase of software		(22,950)	(80,213)
Purchase of other investments		(863,200)	(623,855)
Net cash from (used by) investing activities		(278,820)	(491,855)
FINANCING ACTIVITIES			
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		(11,213)	(392,112)
Cash & cash equivalents at the beginning of the reporting period		1,245,611	1,637,723
Cash & cash equivalents at the end of the reporting period	5A	1,234,398	1,245,611

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Note 1 Summary of significant accounting policies

1.1 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 and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Transport Workers' Union of Australia SA/NT Branch 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. Except where stated, 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.

1.2 Comparative amounts

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

1.3 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:

The freehold land and buildings were independently valued in February 2020 by Herron Todd White and Valuations SA. The valuations were based on an assessment of the properties current market value using the capitalisation of net income and the direct comparison approach. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the demand for land and buildings in the area and recent sales data for similar properties. The valuations resulted in a revaluation decrement of \$32,800 being recognised for the year ended 31 December 2019.

1.4 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.

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1.5 Revenue

The Branch 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 Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch 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 Branch.

If there is only one distinct membership service promised in the arrangement, the Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch'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 Branch 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 that the Branch 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 or as the service transfers to the customer (for example, member services), the Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Branch 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 Branch at their standalone selling price, the Branch accounts for those sales as a separate contract with a customer.

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Capitation fees

Where the Branch's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Branch recognises the capitation fees promised under that arrangement when or as it transfers the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Branch will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

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 or as the Branch transfers the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Branch will recognise levies as income upon receipt (as specified in the income recognition policy below).

Income of the Branch as a Not-for-Profit Entity

Consideration is received by the Branch to enable the entity to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the Branch 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 Branch's recognition of the cash contribution does not give to any related liabilities.

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.

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1.6 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 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 Branch 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.

1.7 Cash

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.

1.8 Financial instruments

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

i) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and 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 Branch's business model for managing them. The Branch 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 Branch'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 branch commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Branch 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

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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 Branch's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through OCI (debt instruments)

The Branch measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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

For debt instruments at fair value through OCI, interest income and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Branch's does not hold any debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Branch 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 AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Branch 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 Branch has not elected to classify irrevocably its non-listed equity investments under this category.

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Financial assets at fair value through profit or loss

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 the statement of profit or loss.

Dividends and trust distributions are recognised as income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Branch's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Branch 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 Branch has transferred substantially all the risks and rewards of the asset, or (b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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When the Branch 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 Branch continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Branch also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Branch has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Branch could be required to repay.

Impairment of financial assets

The Branch recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which 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 exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Branch applies a simplified approach in calculating ECLs. Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch 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.

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The Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Branch.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial Liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Branch has not designated any financial liability as at fair value through profit or loss.

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Loans and borrowings

After initial recognition, 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 the statement of profit or loss.

The Branch does not have any interest-bearing loans or borrowings.

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 the statement of profit or loss.

1.9 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.

1.10 Land, Buildings, Plant and Equipment

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.

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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 surplus/deficit. 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 straight-line 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 useful lives:

Buildings	2.50%
Plant and equipment	4% to 33.3%

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.

1.11 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 estimated 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. The useful life of the Branch's intangible assets are:

	2020	2019
Intangibles	3 years	3 years

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Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or 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 and loss when the asset is derecognised.

1.12 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.

1.13 Taxation

The Branch 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.

1.14 New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Branch for the annual reporting period ended 31 December 2020. The Branch has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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1.15 Fair value measurement

The Branch measures financial instruments such as listed equity investments, and non-financial assets such as land and buildings, at fair value at each balance sheet date.

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 Branch. 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 Branch 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 Branch 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. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch 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.

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1.16 Going concern

The Branch is not reliant on agreed financial support of another reporting unit to continue on a going concern basis. The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue a going concern basis.

Note 2 Events after the reporting period

There were no 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 Branch.

	2020	2019
	\$	\$

Note 3 Income

Note 3A: Investment Revenue

Interest on deposits	5,675	15,980
Dividends and distributions from managed investments	150,792	168,369
Total Investment Revenue	<u>156,467</u>	<u>184,349</u>

Note 3B: Rental revenue

Properties	53,976	37,459
Other	-	-
Total rental revenue	<u>53,976</u>	<u>37,459</u>

Note 3C: Grants and/or donations

Cashflow Boost Payments	100,000	-
Total Grants and/or donations	<u>100,000</u>	<u>-</u>

Note 3D: Net gains from sale of assets

Motor Vehicles	-	4,412
Total net gains from sale of assets	<u>-</u>	<u>4,412</u>

Note 3E: Net Gain/(Loss) on Investments

Change in fair value on remeasurement of managed fund investment	101,251	191,731
Realised gains/(loss) on investments	(6,207)	264,676
Total Investment Revenue	<u>95,044</u>	<u>456,407</u>

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2020 2019
\$ \$

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	189,623	201,696
Superannuation	33,733	35,549
Leave and other entitlements	(19,699)	3,759
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	203,657	241,005

Employees other than office holders:

Wages and salaries	764,139	786,105
Superannuation	100,367	99,050
Leave and other entitlements	8,869	10,748
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	873,375	895,904
Total employee expenses	1,077,032	1,136,909

Note 4B: Capitation fees and other expense to another reporting unit

Capitation Fees

Transport Workers Union of Australia National Office	308,261	317,678
Total capitation fees	308,261	317,678

Other expenses to other reporting units

Other expenses to other reporting units	-	-
Total other expenses to other reporting units	-	-

Note 4C: Affiliation fees

Australian Labor Party – SA/NT Branches	21,094	22,559
Total affiliation fees/subscriptions	21,094	22,559

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2020 2019
\$ \$

Note 4D: Administration expenses

Total paid to employers for payroll deductions of membership subscriptions	624	1,454
Compulsory levies:		
- Transport Workers Union of Australia National Office IR Levy	5,840	5,849
Fees/allowances - meeting and conferences	2,946	15,749
Conference and meeting expenses	-	-
Contractors/consultants	15,074	31,535
Property expenses	60,996	53,970
Office expenses	261,328	309,486
Information communications technology	33,542	33,754
Other	113,508	147,083
Total administration expense	<u>493,858</u>	<u>598,880</u>

Note 4E: Grants or donations

Grants		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations		
Total expensed that were \$1,000 or less	1,275	1,275
Total expensed that exceeded \$1,000	6,548	20,000
Total grants or donations	<u>7,823</u>	<u>21,275</u>

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	8,194	4,186
Property, plant and equipment	46,139	40,221
Total depreciation	<u>54,333</u>	<u>44,407</u>
Amortisation		
Intangibles	32,423	9,528
Total amortisation	<u>32,423</u>	<u>9,528</u>
Total depreciation and amortisation	<u>86,756</u>	<u>53,935</u>

Note 4G: Legal costs

Litigation	3,584	3,779
Other legal matters	-	-
Total legal costs	<u>3,584</u>	<u>3,779</u>

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	2020	2019
	\$	\$
Note 4H: Other expenses		
Penalties - via RO Act or the Fair Work Act 2009	-	-
Total other expenses	<u>-</u>	<u>-</u>
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	1,233,848	1,245,061
Cash on hand	550	550
Total cash and cash equivalents	<u>1,234,398</u>	<u>1,245,611</u>
Note 5B: Trade and Other Receivables		
Receivables from other reporting units	-	-
Total receivables from other reporting units	<u>-</u>	<u>-</u>
Less allowance for expected credit losses	-	-
Total allowance for expected credit losses	<u>-</u>	<u>-</u>
Receivable from other reporting units (net)	<u>-</u>	<u>-</u>
Other receivables:		
GST receivable	28	-
Other trade receivables	55,858	65,918
Total other receivables	<u>55,886</u>	<u>65,918</u>
Total trade and other receivables (net)	<u>55,886</u>	<u>65,918</u>
Note 5C: Other Current Assets		
Prepaid Expenses	12,030	28,986
Total other current assets	<u>12,030</u>	<u>28,986</u>

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	2020	2019
	\$	\$
Note 6 Non-current Assets		
Note 6A: Land and buildings		
Land and buildings:		
fair value	2,706,438	2,542,182
accumulated depreciation	(12,298)	(4,104)
Total land and buildings	<u>2,694,140</u>	<u>2,538,078</u>

Reconciliation of the Opening and Closing Balances of Land and Buildings

Net book value 1 January	2,538,078	1,427,361
Additions by purchase	164,256	1,147,703
Revaluation	-	(32,800)
Depreciation expense	(8,194)	(4,186)
Net book value 31 December	<u>2,694,140</u>	<u>2,538,078</u>

The fair value of land and buildings is categorised as a level 2 fair value. The freehold land and buildings were independently valued in February 2020 by Herron Todd White and Valuations SA. The valuations were based on an assessment of the properties current market value using both the capitalisation of net income and the direct comparison approach. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the demand for land and buildings in the area and recent sales data for similar properties. The valuations resulted in a revaluation decrement of \$32,800 being recognised for the year ended 31 December 2019.

Note 6B: Property, plant and equipment

Plant and equipment:		
at cost	419,594	378,530
accumulated depreciation	(247,877)	(201,738)
Total plant and equipment	<u>171,717</u>	<u>176,792</u>

Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Net book value 1 January	176,792	63,644
Additions by purchase	41,064	184,157
Disposals	-	(30,788)
Depreciation expense	(46,139)	(40,221)
Net book value 31 December	<u>171,717</u>	<u>176,792</u>

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	2020	2019
	\$	\$
Note 6C: Intangibles		
Computer software at cost:		
Purchased	131,480	108,530
accumulated amortisation	(51,726)	(19,303)
Total intangibles	<u>79,754</u>	<u>89,227</u>

Reconciliation of Opening and Closing Balances of Intangibles

Net book value 1 January	89,227	18,542
Additions by purchase	22,950	80,213
Disposal – other	-	-
Amortisation	(32,423)	(9,528)
Net book value 31 December	<u>79,754</u>	<u>89,227</u>

Note 6D: Other Financial Assets

Managed fund investments mandatorily measured at fair value	4,228,554	4,098,064
Total other financial assets	<u>4,228,544</u>	<u>4,098,064</u>

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	87,541	66,890
Subtotal trade creditors	<u>87,541</u>	<u>66,890</u>
Payables to other reporting units		
Transport Worker Union of Australia	28,292	28,066
Subtotal payables to other reporting units	<u>28,292</u>	<u>28,066</u>
Total trade payables	<u>115,833</u>	<u>94,956</u>

Settlement is usually made within 30 days.

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	2020	2019
	\$	\$
Note 7B: Other payables		
Payables to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other Legal Costs	-	-
Prepayments received/unearned revenue	25,761	24,545
GST payable	-	13,907
Other	5,125	28,161
Total other payables	<u>30,886</u>	<u>66,613</u>
 No more than 12 months	 30,886	 66,613
More than 12 months	-	-
Total other payables expected to be settled	<u>30,886</u>	<u>66,613</u>
 Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	23,257	49,954
Long service leave	60,593	55,422
Separations and redundancies	-	-
Other	-	-
Subtotal Employee provisions—office holders	<u>83,850</u>	<u>105,376</u>
Employees other than office holders:		
Annual leave	41,790	34,792
Long service leave	52,507	48,810
Separations and redundancies	-	-
Other	-	-
Subtotal Employee provisions—employees other than office holders	<u>94,297</u>	<u>83,602</u>
Total employee provisions	<u>178,147</u>	<u>188,978</u>
 Current	 170,461	 178,504
Non-Current	7,686	10,474
Total employee provisions	<u>178,147</u>	<u>188,978</u>
 Note 8B: Other Liabilities		
Rental Security Bond	6,000	-
Total other liabilities	<u>6,000</u>	<u>-</u>

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	2020	2019
	\$	\$
Note 9 Equity		
Note 9A: Building Revaluation Reserve		
Balance as at start of year	699,752	732,552
Revaluation of property, plant and equipment	-	(32,800)
Transferred to reserve	-	-
Transferred out of reserve	-	-
Total building revaluation reserve	<u>699,752</u>	<u>699,752</u>
Note 9B: Other Specific Disclosures – Funds		
Compulsory levy/voluntary contribution fund –		
if invested in assets	-	-
Other fund(s) required by rules	-	-
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Note 10 Cash Flow		
Note 10A: Cash Flow Reconciliation		
Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	253,473	429,405
Cash flows excluded from profit attributable to operating activities		
Realised gains on investments	(101,251)	(270,755)
Net fair value (gain)/loss on remeasurement of managed fund investment	21,322	(191,732)
Gain from disposal of assets	-	(4,412)
Adjustments for non-cash items		
Depreciation/amortisation	86,756	53,935
Changes in assets/liabilities		
(Increase)/decrease in net receivables	10,032	44,476
(Increase)/decrease in prepayments	16,956	(18,953)
Increase/(decrease) in trade payables	20,877	74,756
Increase/(decrease) in other payables	(29,727)	(31,485)
Increase/(decrease) in employee provisions	(10,831)	14,508
Net cash from (used by) operating activities	<u>267,607</u>	<u>99,743</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	\$	\$
Note 10B: Cash flow information		
Cash inflows		
- Transport Workers Union of Australia National Office	39,921	46,317
Total cash inflows	<u>39,921</u>	<u>46,317</u>
Cash outflows		
- Transport Workers Union of Australia National Office	308,261	317,678
Total cash outflows	<u>308,261</u>	<u>317,678</u>

Note 11 Contingent Liabilities, Contingent Assets and Commitments

There are no contingent liabilities, contingent assets or commitments as at 31 December 2020.

Note 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from *Transport Workers Union of Australia & TWUSUPER* includes the following:

Reimburse TWU Super	147,255	153,527
Reimburse National Office	39,921	46,317

Expenses paid to *Transport Workers Union of Australia* includes the following:

National Council Sustentation	301,879	306,375
National Council Levies	6,382	6,820
National Council Conference	-	4,483

Amounts owed to *Transport Workers Union of Australia* include the following:

National Council Sustentation	28,292	28,066
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Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2020, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2019: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
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FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
Note 12B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	188,873	174,832
Annual leave accrued	14,586	13,852
Performance bonus	750	3,362
Total short-term employee benefits	<u>204,209</u>	<u>192,046</u>
Post-employment benefits:		
Superannuation	33,734	34,748
Total post-employment benefits	<u>33,734</u>	<u>34,748</u>
Other long-term benefits:		
Long-service leave accrued	5,171	4,502
Total other long-term benefits	<u>5,171</u>	<u>4,502</u>
Termination benefits	-	-
Total	<u>243,114</u>	<u>231,296</u>

There are no other transactions with key management personnel or their close family members.

Note 13 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	12,170	12,170
Other services		
- Preparation of the financial report	2,250	2,250
Total remuneration of auditors	<u>14,420</u>	<u>14,420</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 \$	2019 \$
Note 14 Financial Instruments			
Note 14A: Categories of Financial Instruments			
i) Financial assets			
Financial assets at fair value through profit or loss			
Managed fund investments	6D	4,228,544	4,098,064
Total financial assets at fair value through profit or loss		<u>4,228,544</u>	<u>4,098,064</u>
Financial assets at amortised cost			
Trade receivables (Note 5B)		55,886	65,918
Total financial assets		<u>55,886</u>	<u>65,918</u>
Total current		55,886	65,918
Total non-current		<u>-</u>	<u>-</u>
ii) Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables (Note 7)		146,719	161,568
Total financial liabilities		<u>146,719</u>	<u>161,568</u>
Total current		146,719	161,568
Total non-current		<u>-</u>	<u>-</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
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FOR THE YEAR ENDED 31 DECEMBER 2020**

The Branch assessed that the fair values of cash, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- There is an active market for the Branch's managed fund investments

Note 14B: Net Income and Expense from Financial Assets

	2020	2019
	\$	\$
Designated as fair value through profit and loss:		
Change in fair value	101,251	191,731
Realised Gains on Investments	(6,208)	264,676
Dividend revenue	150,792	168,369
Net gain/(loss) at fair value through profit or loss	245,835	624,776

Note 14C: Financial Risk Management

The Branch's principal financial liabilities comprise trade and other payables. The Branch's principal financial assets include trade receivables and cash.

The Branch is exposed to market, credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include equity investments.

Interest rate risk

Interest rate risk arises from a potential change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch does not have any material exposure to interest rate risk as financial assets are short term instruments in nature and the rate is fixed until maturity, and the Branch does not maintain any debt financial liabilities.

Due to the Branch's low exposure to this risk the sensitivity of fluctuations to this risk is immaterial.

Foreign currency risk

Foreign currency risk arises when movements in the foreign exchange rates of currencies in which the Branch holds financial instruments may result in the fair value or future cash flows of those instruments fluctuating. The Branch does not have any material exposure to foreign currency risk as it does not transact or hold any financial instruments in foreign currencies.

Due to the Branch's low exposure to this risk the sensitivity of fluctuations to this risk is immaterial.

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Price Risk

Price risk arises when changes in market prices of traded investments or commodities, largely due to demand and supply factors, may result in the fair value or future cash flows of those instruments fluctuating. The Branch is exposed to price risk in the form of market price movements in its managed fund investments. The tables below indicate the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

Sensitivity analysis of the risk that the entity is exposed to for 2020

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Managed fund investment	Market prices	+/- 20%	+/- 845,709	+/- 845,709

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Managed fund investment	Market prices	+/- 20%	+/- 819,613	+/- 819,613

Credit Risk

Credit risk arises from the potential non-performance by counterparties of contract obligations to pay financial assets when they are due which could result in the Branch incurring a financial loss. The Branch manages credit risk by monitoring exposure to single debtors, groups of debtors and financial institutions holding cash, term deposits and local money market instruments. Only reputable financial institutions are utilised for cash and term deposits.

The Branch does not have any material credit risk exposure to any single debtor or group of debtors.

Liquidity Risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk by monitoring forecast cash flows and ensuring that adequate short-term cash balances are maintained to meet liabilities.

All financial liabilities mature within 1 year and all financial assets, other than available for sale financial assets, mature within 1 year and will be available to meet these liabilities. Therefore, the Branch does not have any material liquidity risk exposure.

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
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FOR THE YEAR ENDED 31 DECEMBER 2020**

Note 15 Fair Value Measurement

Cash and cash equivalents, trade and other receivables, and other investments are short term instruments in nature whose carrying amount is equivalent to fair value.

The fair value of loans and receivables are categorised as a level 2 fair value using a discounted cash flow methodology and based on observable interest rates. The carrying amount approximates the fair value.

The fair value of available for sale assets are categorised as a level 2 fair value using a combination of price and other relevant information of the underlying share of investments of the management funds as well as discounted cash flow methodology based on observable interest rates. The carrying amount approximates the fair value.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Branch's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Managed fund investments	4,228,544	4,228,544	4,098,064	4,098,064

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

I, Ian Smith, being the Branch Secretary of the Transport Workers Union of Australia SA/NT Branch, declare that the following activities did not occur during the reporting period ending 31 December 2020.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Ian Smith
Branch Secretary
Transport Workers' Union of Australia SA/NT Branch
Dated: 9 March 2021