



NSW Branch

Rail Tram and Bus Union

NSW BRANCH GENERAL PURPOSE FINANCIAL REPORT FOR 2015

Prepared: 26 May 2016

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SCOPE OF OPERATING REPORT

This Operating Report covers the;

1. Activities of the Australian Rail, Tram and Bus Industry Union NSW Branch (RTBU NSW), and results of those activities for the calendar year 1 January 2015 to 31 December 2015;
2. Significant changes in the nature of the activities as required under Fair Work (Registered Organisations) Act 2009.
3. Details of any significant changes in financial affairs.
4. Details of the rights of members to resign
5. Details of officers who hold positions as superannuation trustees or company directors.
6. Prescribed information - number of members and number of employees
7. Members of the committee of management

THE PRINCIPAL ACTIVITIES & RESULTS OF THE ACTIVITIES OF THE BRANCH

The (RTBU NSW) is a member based, federally registered trade union representing members whose usual place of work is located within the State of New South Wales (NSW) and the Australian Capital Territory (ACT) together with members employed rail, tram (light rail) and government owned and operated bus industries.

The reporting unit's activities are directed by the NSW Branch Executive and NSW Branch Council in accordance with our objectives and rules of registration.

The principal activities and the results of these activities fell into the following categories:

ACTIVITIES	2015 RESULTS
1. Making agreements with employers.	<ul style="list-style-type: none"> • 16 agreements were ratified in the reporting period, bringing the total to 42 current Federally registered Agreements
2. Implementation of Branch Council's agenda,	<ul style="list-style-type: none"> • The Branch Plan provides a framework for major Branch activities, and include: <ul style="list-style-type: none"> – Organising – Servicing – Communications – Education and Training – Community – Campaigning – Political – Financial
3. Representing members in tribunals and related institutions and provided assistance and strategic advice to individual members in relation to workplace issues.	<ul style="list-style-type: none"> • Day to day individual member advice • representation in restructuring and reform processes, • attending Commission hearings and advocacy

4. Community Campaigns	<ul style="list-style-type: none"> • Unions 4 Refugees • Sydney Alliance • Local Union Community Councils • Workers Compensation • White Ribbon Day • International Women's Day • May Day • Medicare • NSW Not For Sale • March 4 Our Rights • Korean Rail Strike • Bust the Budget
5. Electing representatives to peak trade union bodies.	<ul style="list-style-type: none"> • UnionsNSW - 7 delegates and alternate delegates. • Unions Hunter – 6 delegates • South Coast Labor Council - 2 nominated delegates • Unions ACT – 1 delegate • Broken Hill Barrier Council – 1 delegate
6. Attending meetings called by peak union bodies.	<ul style="list-style-type: none"> • Attended approximately 35 UnionsNSW General meetings. • 35 UnionsNSW Executive meetings • 6 UnionsNSW OHS & WC meetings • 4 Unions Hunter General meetings • 6 South Coast Labour Council meetings • 2 UnionsAct meetings
7. Affiliations	<ul style="list-style-type: none"> • Workers Health Centre • McKell Foundation • Sydney Alliance • Permanent Way Institute • Australian Labor Party
8. Making submissions on behalf of the branch to inquiries and proceedings affecting the industry.	<ul style="list-style-type: none"> • No submissions were made in 2015
9. Training delegates & representatives.	<ul style="list-style-type: none"> • February – Delegate Training – 10 participants • October – Delegate Training – 9 participants • October – Union Governance – 7 participants
10. Produced and distributed circulars, bulletins, newsletters and materials as authorised by the union.	<ul style="list-style-type: none"> • Produced and distributed: <ul style="list-style-type: none"> - 4 - issues of the official union journal <i>Rail & Road</i>; - 22 issues of RTBU Express – electronic newsletter - 66 - membership bulletins - 35 Media Releases - Rail Operations Division <ul style="list-style-type: none"> o Guards - 3 Blue Light newsletters o Signaller's News – 1 newsletters - Locomotive Division: <ul style="list-style-type: none"> o 21 Loco Express Electronic newsletters o 25 Footplate Bulletins

	<ul style="list-style-type: none"> - Tram and Bus <ul style="list-style-type: none"> o 23 Bus Express electronic newsletters
11. General Member Services	<ul style="list-style-type: none"> • Range of member services provided: <ul style="list-style-type: none"> o RTBU Holiday Park o Access to other holiday facilities, through partner organisations o Financial Services through partner organisations o Taxation and accounting services through partner organisations o Member resources (eg: WHS resource kit developed, new member kits) o Delegates Information Kits o Member resource Cds o Health fund services through partner organisation o Membership information kits o website
12. Legal Services	<ul style="list-style-type: none"> • A range of legal referral services available to members through partner legal organisations • established internal industrial/legal resources to assist members with direct representation on a range of workplace issues, such as appeals, dismissal, disciplinary hearings (as per item 3. above) • Legal fund established through membership levy to provide Industrial/legal services.
13. Policy Development	<ul style="list-style-type: none"> • A number of policy changes were implemented during the reporting period to improve the effectiveness and accountability across the Branch
14. Rule Changes affecting NSW	<ul style="list-style-type: none"> • Nil

ANY SIGNIFICANT CHANGES IN ACTIVITIES

The principle activities of the Branch during the year were that of a registered trade union and no significant change occurred in the nature of those activities.

DETAILS OF ANY SIGNIFICANT CHANGES IN FINANCIAL AFFAIRS

Refer to Discussion and Analysis of the financial factors later in this report.

DETAILS OF THE RIGHTS OF MEMBERS TO RESIGN

All members of the (RTBU NSW) have the right to resign from the union in accordance with **Rule 14, Resignation from Membership**, of the Rules of the Australian Rail Tram and Bus Industry Union

DETAILS OF OFFICERS WHO HOLD POSITIONS AS TRUSTEES OR COMPANY DIRECTORS

The following office holders hold positions as trustees or company directors, by virtue of their office of the (RTBU NSW) :

- | | |
|----------------|--|
| Alex Claassens | <ul style="list-style-type: none"> • By virtue of his office within (RTBU NSW), Employee Representative appointed to the Board of the State Trustee Corporation & State Super Financial Services. |
| Alex Claassens | <ul style="list-style-type: none"> • Membership Elected Director of the Encompass Credit Union |

PRESCRIBED INFORMATION

Number of Members

As at the 31 December 2015 there were a total of **14,371** members of the (RTBU NSW) across the following Divisions of the union:

DIVISION	FINANCIAL MEMBERS	UNFINANCIAL MEMBERS	TOTAL
Rail Operations	3209	46	3255
Infrastructure	1394	19	1413
Workshops	675	13	688
Admin / Professional	1667	27	1694
Locomotive	3433	49	3482
Tram and Bus	3675	164	3839
TOTAL	14,053	318	14,371

Numbers of Employees

As at the 31 December 2015 there were 22 equivalent full-time employees.

POSITIONS	
Elected Paid Officials	5
Employed Industrial Staff	11
Administrative Support	6

MEMBERS OF THE COMMITTEE OF MANAGEMENT

The members of the Committee of Management during the reporting period from 1 January 2015 and ending 31 December 2015 were:

BRANCH EXECUTIVE	
Branch President (Honorary)	Joanne McCallum
Branch Secretary	Alex Claassens
Assistant Branch Secretary Rail (Honorary)	Robert Hayden
Assistant Branch Secretary Road (Honorary)	David Woollams
Locomotive Divisional President	Brett Rosser
Locomotive Divisional Secretary	Robert Hayden
Tram & Bus Divisional President	Gary Way
Tram & Bus Divisional Secretary	Chris Preston
Infrastructure Divisional President	Michael Sullivan
Infrastructure Divisional Secretary	James Buckley
Administrative, Supervisory Technical and Professional Divisional President	Mark Thompson
Administrative, Supervisory Technical and Professional Divisional Secretary	Chris Doyle – 1/01/2015 – 3/07/2015 Stephen Lourey – 2/12/2015 – 31/12/2015
Fleet Manufacture, Overhaul, Maintenance and Service Divisional President	Michael Bartlett
Fleet Manufacture, Overhaul, Maintenance and Service Divisional Secretary	David Hastie
Rail Operations Divisional President	Glennnda Blyth – 1/01/2015 – 17/01/2015 John Steck – 4/09/2015 – 31/12/2015
Rail Operations Divisional Secretary	Craig Turner

THE REGISTERED OFFICE OF THE AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NSW BRANCH IS:

LEVEL 4, 321 PITT STREET
SYDNEY NSW 2000

2015 ELECTIONS

The 2014 NSW Branch Elections (E2014/172) were conducted in November 2014, and the Australian Electoral Commission (AEC) declared the results on 13 April 2015.

E2015/173 were also conducted and declared by the AEC on the 29 September 2015

E2015/184 were also conducted and declared by the AEC on the 25 September 2015

E2015/222 were also conducted and declared by the AEC on the 2 December 2015

E2015/241 were also conducted and declared by the AEC on the 2 December 2015



ALEX CLAASSENS
NSW Branch Secretary

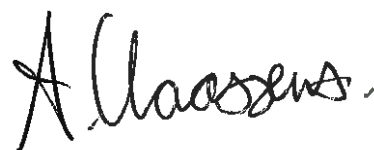
Date: 26 May 2016

COMMITTEE OF MANAGEMENT STATEMENT

On the 26 May 2016 the Committee of Management of the Australian, Rail Tram and Bus Industry Union, New South Wales Branch passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the financial year ended 31st December, 2015:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
- (c) the financial statements and notes give a 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; and
- (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 the branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
 - (v) information has been furnished to any member of the reporting unit or to the General Manager of the Fair Work Commission, as the case may be, where information sought by the member or the General Manager of the Fair Work Commission was duly made under section 272 of the RO Act: and
 - (vi) no order for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act.
- (f) The Branch has not derived any revenue during the year as a result of any recovery of wages activity it may have undertaken on behalf of members.

Signed in accordance with such resolution as passed by the committee of management.



ALEX CLAASSENS

NSW BRANCH SECRETARY

Signed at Sydney on the 26 May 2016

DISCUSSION AND ANALYSIS OF THE FINANCIAL FACTORS

This discussion and analysis is provided to members in understanding the financial report.

Related Party and Financial Support

This report relates to the Australian Rail, Tram and Bus Industry Union, New South Wales Branch ("Branch"), which is a reporting unit for the purposes of the Fair Work (Registered Organisations) Act 2009 and is part of a separate legal entity as opposed to Rail, Tram & Bus Union of NSW previously known as (*The Australian Rail, Tram and Bus Industry Union, New South Wales*) which is an organization registered under the Industrial Relations Act 1996 (NSW) ("State Union").

Members of the Branch are also members of the State Union. The Branch accounts for the whole of the members' income and is responsible for all expenditure other than income and expenditure which related specifically to the assets of the State Union.

The Branch financially supports the State Union by assisting, as required with the maintenance of State Union assets in exchange for the use of such assets.

Statements of Comprehensive Income

The gain for the year as reported was \$1,857,634 which is due to

- Maintaining member contribution levels
- A reduction in employee and administration costs
- A reduction in legal fees

Statement of Financial Position

Total assets increased by \$1,829,221, being mainly an increase in cash on hand and bank of \$1,908,466

Liabilities reduced by \$28,413.

Members Accumulated Funds increased by \$1,857,634

Statement of Cash Flows

Increase in cash held is \$1,908,466

FINANCIAL REPORTS**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH****STATEMENT OF COMPREHENSIVE INCOME****For the Year Ended 31st December 2015**

	Notes	2015 \$	2014 \$
INCOME			
Members Contributions		6,901,631	6,990,183
Legal Levy Received		509,379	491,085
Capitation Fees		-	-
Interest Received		223,254	248,995
Rent Received		276,360	275,573
Grants and/or Donations	4	-	-
Net Gains on Sale of Assets		187	14,355
Other Income		94,790	88,069
TOTAL INCOME		8,005,601	8,108,260
EXPENSES			
Employee Expenses	5A	2,792,414	3,016,467
Capitation Fee paid to National Office		833,670	858,781
Affiliation Fees	5B	200,489	194,895
Administration Expenses	5C	971,016	1,050,534
Grants or Donations	5D	7,574	21,613
Depreciation and Amortisation		94,352	112,870
Legal Costs	5E	60,042	167,425
Audit and Accounting Fees	5F	53,155	43,919
Other Expenses	5G	1,135,255	1,084,200
TOTAL EXPENSES		6,147,967	6,550,704
PROFIT FOR THE YEAR		1,857,634	1,557,556
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,857,634	1,557,556

The accompanying notes form part of these financial statements

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
STATEMENT OF CHANGES IN MEMBER'S EQUITY**As at 31st December 2015**

	Retained Profits	Total
	\$	\$
Balance 01/01/2014	12,695,188	12,695,188
Profit for the Year	1,557,556	1,557,556
Other Comprehensive Income for the Year	-	-
Total Comprehensive Income for the Year	1,557,556	1,557,556
Balance 31/12/2014	14,252,744	14,252,744
Addition for the year	1,857,634	1,8457,634
Other Comprehensive Income for the Year	-	-
Total Comprehensive Income for the Year	1,857,634	1,857,634
Balance 31/12/2015	16,110,378	16,110,368

The accompanying notes form part of these financial statements

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

STATEMENT OF FINANCIAL POSITION

As at 31st December 2015

	Notes	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents	9	11,648,057	9,739,591
Receivables	10	371,815	242,670
Other	11	158,194	266,684
TOTAL CURRENT ASSETS		12,178,066	10,248,945
NON-CURRENT ASSETS			
Financial Assets	12	1,236	1,236
Receivable	10	973,538	973,978
Property	13	475,000	487,500
Investment Property	14	3,200,000	3,200,000
Plant & Equipment	15	145,216	180,196
Motor Vehicles	16	111,474	163,454
TOTAL NON-CURRENT ASSETS		4,906,464	5,006,364
TOTAL ASSETS		17,084,530	15,255,309
CURRENT LIABILITIES			
Accounts Payable	17	293,013	340,042
Provisions	18	681,139	662,523
TOTAL CURRENT LIABILITIES		974,152	1,002,565
TOTAL LIABILITIES		974,152	1,002,565
NET ASSETS		16,110,378	14,252,744
ACCUMULATED FUNDS			
Accumulated Surplus	19	16,110,378	14,252,744
ACCUMULATED FUNDS		16,110,378	14,252,744

The accompanying notes form part of these financial statements

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

STATEMENT OF CASH FLOWS

For the Year Ended 31st December 2015

	Notes	2015 \$	2014 \$
CASH FLOW FROM OPERATING			
Receipt from RTBU National Office		32,676	37,578
Receipts from Members		7,601,255	8,026,502
Payment to RTBU National Office		(860,000)	(1,340,013)
Payments to Suppliers and Employees		(5,496,970)	(6,277,119)
Interest Received		223,254	248,995
Rent Received		303,996	303,130
Receipts - Other		98,960	139,384
Net Cash Provided by (Used in) Operating Activities	B	1,903,171	1,138,457
CASH FLOW FROM INVESTING			
Net (Payment) proceeds for Assets		5,295	(52,423)
Net Cash Provided by (Used in) Investing Activities		5,295	(52,423)
Net Increase (Decrease) in Cash Held			
Cash at beginning of the Year		9,739,591	8,653,557
Cash at the End of Year	A	11,648,057	9,739,591

NOTES TO THE STATEMENT OF CASH FLOW

Note A - Reconciliation of Cash

Cash at the end of the financial year as show in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at Bank and on Deposit	11,648,057	9,739,591
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Note B – Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities

Profit from Ordinary Activities	1,857,634	1,557,556
Depreciation	94,352	112,870
Sale Assets and Revaluations	(187)	(14,355)
Change in Assets and Liabilities		
(Increase) / Decrease in Receivables	(128,705)	11,825
(Increase) / Decrease in Prepaid	89,345	(141,358)
(Increase) / Decrease in Promotional	19,145	1,761
Increase / (Decrease) in Creditors	(47,029)	(468,051)
Increase / (Decrease) in Provision for employee benefits	18,616	78,209
Cash Flows from Operations	1,903,171	1,138,457

The accompanying notes form part of these financial statements

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2015****NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY**

The financial statement is a general purpose financial statement that has been prepared in accordance with Australia Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), other mandatory professional reporting requirements, the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Rail, Tram and Bus Industry Union, New South Wales Branch is a not-for-profit entity.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Related Party and Financial Support

These financial statements relate to the Australian Rail, Tram and Bus Industry Union, New South Wales Branch ("Branch"), which is a reporting unit for the purposes of the Fair Work (Registered Organisations) Act 2009 and is part of a separate legal entity as opposed to The Australian Rail, Tram and Bus Industry Union, New South Wales which is an organization registered under the Industrial Relations Act 1996 (NSW) ("State Union").

Members of the Branch are also members of the State Union. The Branch accounts for the whole of the members' income and is responsible for all expenditure other than income and expenditure which related specifically to the assets of the State Union.

The Branch financially supports the State Union by assisting, as required with the maintenance of State Union assets in exchange for use of such assets.

(b) Property, Plant & Equipment.

Each class of property, plant and equipment is carried at cost or at fair value less, where applicable any accumulated depreciation.

Plant and equipment

Plant and equipment are included at cost. The carrying amount is reviewed annually by the Committee of Management to ensure it is not in excess of recoverable amount.

Property for own use

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the entity to have periodic independent valuations, with annual appraisals being made by the committee. The last independent valuations were carried out on 18 March 2014 and the committee have approved these revaluations at 31 Dec 2015.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)

Investment property

Property held to earn rental income is separately disclosed from property held for own use. Investment properties are measured on the fair value basis. As with property held for own use, it is the policy of the entity to have periodic independent valuations, with annual appraisals being made by directors. The change in fair value of investment properties are recorded in the income statement. No depreciation is provided where the fair value basis is used.

(c) Income Tax

No provision for income tax is necessary, as "Trade Unions" are exempt from income tax under Section 50.1 of the Income Tax Assessment Act 1997.

(d) Employee Entitlements

Provision for employee entitlements in the form of Long Service Leave and Accrued Annual Leave has been made for the estimated accrued entitlement of all employees on the basis of their terms of employment. In the case of Long Service Leave, the accrual has been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting estimated future cash flows.

(e) Defined Superannuation Schemes

In respect to defined benefit plans, the cost of providing the benefits is determined using the projected unit cost method. Actuarial calculations are conducted by State Super. The amount recognised in the Statement of Financial Position represents the present value of the defined benefits obligations adjusted for any unrecognised actuarial gains and losses and unrecognised past service costs less the fair value of the plan's assets. The unions has defined benefit obligations for members participating in the State Authorities Superannuation Scheme and the State Authorities Non- Contributory Superannuation Scheme. All Schemes are closed to new members.

(f) Revenue

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

Member contributions and levies are recognised on an accrued basis and recorded as revenue in the year in which it relates.

Receivables for goods and services are recognized 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 recognized on an accrual basis using the effective interest method

Rental revenue from lease is recognized on an accrual basis and is recorded as revenue in the year to which it relates.

(g) Comparative

When required by Accounting Standards and the Fair Work (Registered Organisation) Act 2009, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)

(h) Significant accounting judgements and estimates

No 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.

(i) 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

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are expected to have a future financial impact.

(j) 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.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)

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 and is included in the 'other gains and losses' line item in the statement of comprehensive income.

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.

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.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)

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.

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.

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.

Derecognition of financial assets

The reporting unit derecognises 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.

(k) Financial Liabilities

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

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the 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.

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the 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.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)

Financial liabilities 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 interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

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

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

Derecognition of financial liabilities

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

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2015**

		2015	2014
		\$	\$
NOTE 2 – OPERATING SURPLUS			
Operating Surplus		<u>1,857,634</u>	<u>1,557,556</u>
Operating Surplus (Deficiency) for Comprises -			
General Fund	A	1,217,715	822,451
Bus & Tram Picnic Fund	B	12,310	164,810
Bus & Tram Traffic Fund	C	111,796	129,208
Legal Fund	D	515,813	441,087
		<u>1,857,634</u>	<u>1,557,556</u>
NOTE 3A – GENERAL FUND INCOME			
Members Contributions		6,502,601	6,592,442
Interest Received		110,736	123,813
Rent Received		276,360	275,573
Net Gains on Sale of Assets		187	14,355
Other Income		94,790	88,068
TOTAL INCOME		<u>6,984,674</u>	<u>7,094,251</u>
EXPENSES			
Employee Expenses		2,792,414	3,016,467
Capitation Fee paid to National		833,670	858,781
Affiliation Fees		200,489	194,895
Administrations Expenses		966,575	1,046,099
Grants or Donations		7,574	21,613
Depreciation and Amortisation		94,352	112,870
Legal Costs		41,895	94,207
Audit Fees		53,155	43,919
Asset Impairment Expenses		-	-
Other Expenses		774,835	882,949
TOTAL EXPENSES		<u>5,766,959</u>	<u>6,271,800</u>
PROFIT/(LOSS) FOR THE YEAR		<u>1,217,715</u>	<u>822,451</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2015**

	2015	2014
	\$	\$
NOTE 3B – BUS & TRAM PICNIC FUND INCOME		
Interest Received	22,813	25,529
Members' Contributions	219,329	218,434
TOTAL INCOME	242,142	243,963
EXPENSES		
Picnic Expenses	229,832	79,153
TOTAL EXPENSES	229,832	79,153
PROFIT/(LOSS) FOR THE YEAR	12,310	164,810
NOTE 3C – BUS & TRAM TRAFFIC INCOME		
Interest	73,217	84,801
Member Contributions	179,701	179,307
TOTAL INCOME	252,918	264,108
EXPENSES		
Consideration to Employers for Payroll	4,328	4,344
Traffic Fines Paid	128,588	122,098
Legal Expenses	8,206	8,458
TOTAL EXPENSES	141,122	134,900
NET INCOME	111,796	129,208
NOTE 3D – LEGAL FUND INCOME		
Interest	16,488	14,853
Legal Levy Received	509,379	491,085
TOTAL INCOME	525,867	505,938
EXPENSES		
Bank Charges	113	91
Legal Expenses	9,941	64,760
TOTAL EXPENSES	10,054	64,851
NET INCOME	515,813	441,087

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2015**

	2015	2014
	\$	\$
NOTE 4: GRANTS AND/OR		
Grants	-	-
Donations	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
NOTE 5 – EXPENSES – GENERAL		
Note 5A: Employee Expenses –		
Office Holders:		
Wages and salaries	750,321	1,009,835
Superannuation	48,129	68,486
Leave and Other Entitlements	7,445	(60,256)
Retirement Benefit Expenses	108,455	94,783
Fringe Benefit Tax	22,840	30,147
Separation and Redundancies	-	-
Honorariums	-	-
	<u>937,190</u>	<u>1,142,995</u>
	<u>937,190</u>	<u>1,142,995</u>
Employees other than Office Holders:		
Wages and salaries	1,787,784	1,650,010
Superannuation	133,397	146,472
Leave and Other Entitlements	(128,806)	35,375
Retirement Benefit Expenses	31,522	8,308
Fringe Benefit Tax	7,812	10,357
Separation and Redundancies	-	-
Honorariums	23,515	22,950
	<u>1,855,224</u>	<u>1,873,472</u>
	<u>1,855,224</u>	<u>1,873,472</u>
	<u>2,792,414</u>	<u>3,016,467</u>
	<u>2,792,414</u>	<u>3,016,467</u>
Note 5B: Affiliation Fees		
ACTU – Paid to RTBU National Office	48,274	45,170
ALP	65,336	66,692
Barrier Industrial Council	399	424
Broken Hill Trades Hall Trust	348	357
Mckell Institute	3,781	6,260
Newcastle Trades Hall Council	2,778	-
Permanent Way Institution	1,000	1,400
Sydney Alliance	20,320	19,537
Sydney May Day Committee	-	273
TUCAR	-	135
Unions ACT	36	31
Unions NSW	56,978	53,306
Workers Health Centre	1,239	1,310
	<u>200,489</u>	<u>194,895</u>
	<u>200,489</u>	<u>194,895</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2015**

	2015	2014
	\$	\$
Note 5C: Administration Expenses		
Consideration to Employers for Payroll	4,328	4,344
Compulsory Levies – Paid to National		
ACTU IR Levy	13,015	12,643
Fees/Allowance – Meeting and	-	31
Bank Fees	52,405	45,159
Branch Council, Conference and Meeting	107,483	94,611
Consulting Fees	183,950	261,151
Property Expenses		
Body Corporate Fees	142,452	144,133
Electricity	46,115	43,156
Rates & Taxes	36,549	30,550
Office Expenses		
Postage	8,809	10,002
Printing, Stationery & Computer	169,790	195,365
Publications and Subscriptions	5,157	4,347
Telephone	97,806	123,278
Website Maintenance	103,156	81,764
	971,015	1,050,534
	<hr/>	<hr/>
Note 5D: Grants or Donations		
Grants	-	-
Donations:		
Total Paid that were \$1,000 or Less	6,374	11,395
Total Paid that Exceeded \$1,000	1,200	10,218
	7,574	21,613
	<hr/>	<hr/>
Note 5E: Legal Costs		
Litigation	-	-
Other Legal Matters	60,042	167,425
	60,042	167,425
	<hr/>	<hr/>
Note 5F: Audit Fees		
Financial Statement Audit Services	39,866	32,939
Other Services	13,289	10,980
	53,155	43,919
	<hr/>	<hr/>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31st December 2015**

	2015	2014
	\$	\$
Note 5G: Other Expenses		
Airfares and Travelling Expenses	20,539	12,437
Council, Executive Expenses & Lost Time	49,802	165,883
Organizing Expenses	-	759
Fundraisers – Functions	7,100	5,737
General Expenses	21,523	32,665
Hire – Plant and Equipment	889	2,583
Insurance – General	100,975	81,416
Motor Vehicle Expenses	85,381	101,566
Members Training	13,955	2,609
Members Mortality Fund	19,773	40,000
Members Council Expense	-	-
Payroll Tax	116,528	131,167
Parking Levy	18,480	18,080
Picnic Expenses	229,832	79,153
Press Release	5,272	19,717
Rail & Road Publishing & Other Costs	101,770	108,366
Repair & Maintenance	111,775	114,997
Staff Fares & Travelling	10,747	19,585
Staff Training	11,219	2,435
Staff Uniforms	7,701	6,718
Traffic Fines Paid	128,588	122,098
Badges & Other Items	73,406	16,229
Penalties – via RO Act or RO Regulations	-	-
Political Action Campaign	-	-
	1,135,255	1,084,200
	<hr/>	<hr/>
NOTE 6: PICNIC FUND ACCOUNT		
GENERAL ACCOUNT		
Bank Balance at Start of Year	367,545	214,068
Interest	26	26
Members' Contributions (Incl. GST)	240,973	240,519
Picnic Expenses	(252,815)	(87,068)
Bank Balance at End of Year	355,729	367,545
	<hr/>	<hr/>
TERM DEPOSIT ACCOUNT		
Bank Balance at Start of Year	914,053	888,539
Interest	22,694	25,514
Bank Balance at End of Year	936,747	914,053
	<hr/>	<hr/>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December 2015

	2015 \$	2014 \$
NOTE 7: TRAFFIC FUND ACCOUNT		
GENERAL ACCOUNT		
Bank Balance at Start of Year	154,824	90,255
Interest	9	12
Members' Contributions (Incl. GST)	120,597	197,156
Consideration to Employers for Payroll	(4,328)	(4,778)
Fines Paid	(79,025)	(117,730)
Legal Fees Paid	-	(9,289)
Transfer to/from Other Accounts	(5,138)	(802)
Bank Balance at End of Year	186,939	154,824
TERM DEPOSIT ACCOUNT		
Bank Balance at Start of Year	2,526,009	2,441,220
Interest	73,217	84,789
Bank Balance at End of Year	2,599,226	2,526,009
NOTE 8: LEGAL FUND ACCOUNTS		
HO Legal Fund		
Bank Balance at Start of Year	508,347	223,657
Interest	3,175	1,843
Members' Contributions	256,359	302,544
Legal Fees Paid	(8,357)	(19,697)
Bank Balance at End of Year	759,524	508,347
Loco Legal Fund		
Bank Balance at Start of Year	437,958	340,040
Interest	13,278	13,007
Members' Contributions	122,400	122,400
Transfer to/from Other Accounts	-	(37,489)
Bank Balance at End of Year	573,636	437,958
Bus & Tram Legal Fund		
Bank Balance at Start of Year	50,989	-
Interest	35	2
Members' Contributions	130,620	66,141
Bank Charges	(113)	(91)
Legal Fees Paid	(1,584)	(45,063)
Transfer to/from Other Accounts	(100,000)	30,000
Bank Balance at End of Year	79,947	50,989

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2015**

	2015 \$	2014 \$
NOTE 9 – CASH AND CASH		
Cash on Hand	2,350	2,350
Cash at Bank and on Deposit	11,645,707	9,737,241
	<u>11,648,057</u>	<u>9,739,591</u>
NOTE 10 – RECEIVABLES		
CURRENT		
Receivable from Other Reporting Units – RTBU National Office	7,490	8,383
Membership Fees Receivable	362,928	202,893
Other Receivables and contributions.	1,397	31,394
	<u>371,815</u>	<u>242,670</u>
NON-CURRENT		
Receivable from Related Party – RTBU New South Wales ("State")	973,538	973,978
	<u></u>	<u></u>
Amount receivable from the State is unsecured and no term of repayment or interest have been determined.		
NOTE 11 – OTHER CURRENT ASSETS		
Promotional Items on Hand	6,395	25,540
Prepayments to RTBU National Office	21,964	79,001
Prepayments	129,835	162,143
	<u>158,194</u>	<u>266,684</u>
NOTE 12 – FINANCIAL ASSETS		
Listed Shares	1,216	1,216
Share Encompass	20	20
	<u>1,236</u>	<u>1,236</u>
NOTE 13 - PROPERTY		
Wollongong – Valuation	200,000	200,000
Hamilton – Valuation	300,000	300,000
Less: Provision for Depreciation	(25,000)	(12,500)
	<u>475,000</u>	<u>487,500</u>
NOTE 14 – INVESTMENT PROPERTY		
Sydney – L3/Pitt St - Valuation	3,200,000	3,200,000
	<u></u>	<u></u>

Valuations of Investment Property

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transactions, based on current prices in an active market for similar properties in the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. The last independent valuations were carried out on 18 March 2014 by All Over Property Valuations Pty Ltd.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December 2015

	2015 \$	2014 \$
NOTE 15 – PLANT & EQUIPMENT		
Pitt St – Office Equipment etc	706,368	703,890
Pitt St – Computer Hardware	392,314	383,121
Pitt St – Computer Software	42,413	42,413
Bus & Tram Division – Office Equipment	314,795	314,795
Bus & Tram Division – Computer	54,607	53,965
Hamilton – Air Conditioner	1,540	1,540
Less: Provision for Depreciation	(1,366,821)	(1,319,528)
	<u>145,216</u>	<u>180,196</u>

NOTE 16 – MOTOR VEHICLES

Motor Vehicles	314,137	345,758
Less: Provision for Depreciation	(202,663)	(182,304)
	<u>111,474</u>	<u>163,454</u>

31 December 2014

	Property Own Use \$	Invest Property \$	Plant & Equip \$	Motor Vehicles \$
Balance at Beginning of	500,000	3,200,000	211,713	165,529
Addition	-	-	33,795	69,082
Disposal	-	-	(248)	(35,851)
Depreciation	(12,500)	-	(65,064)	(35,306)
Carrying Amount at End	<u>487,500</u>	<u>3,200,000</u>	<u>180,196</u>	<u>163,454</u>

31 December 2015

	Property Own Use \$	Invest Property \$	Plant & Equip \$	Motor Vehicles \$
Balance at Beginning of	487,500	3,200,000	180,196	163,454
Addition	-	-	15,568	-
Disposal	-	-	(987)	(19,689)
Depreciation	(12,500)	-	(49,561)	(32,291)
Carrying Amount at End of Year	<u>475,000</u>	<u>3,200,000</u>	<u>145,216</u>	<u>111,474</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2015**

	2015	2014	
	\$	\$	
NOTE 17 – ACCOUNTS PAYABLE			
Payable to Other Reporting Unit – National Office	-	12,422	
Other Payable			
Consideration to Employers for Payroll	-	-	
Legal Costs	-	-	
Other	293,013	327,620	
	<u>293,013</u>	<u>340,042</u>	
NOTE 18 – PROVISIONS			
Office Holders			
Provision for Annual Leave	62,951	92,494	
Provision for Long Service Leave	68,374	78,922	
Provision for Retirement Benefits	116,069	7,614	
Separation and Redundancies	-	-	
	<u>247,394</u>	<u>179,030</u>	
Employees other than Office Holders			
Provision for Annual Leave	176,831	210,543	
Provision for Long Service Leave	224,368	271,926	
Provision for Retirement Benefits	32,546	1,024	
Separation and Redundancies	-	-	
	<u>433,745</u>	<u>483,493</u>	
TOTAL PROVISIONS	<u>681,139</u>	<u>662,523</u>	
Movements during the year			
	Annual Leave	Long Service Leave	Retirement Benefit
	\$	\$	\$
Balance at beginning of the year	303,037	350,848	8,638
Increase (Decrease) in Provision	(63,255)	(58,106)	139,977
Balance at end of Year	<u>239,782</u>	<u>292,742</u>	<u>148,615</u>
NOTE 19 – ACCUMULATED FUNDS			
Accumulated Surplus	16,110,378	14,252,744	

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2015**

	2015	2014
	\$	\$
NOTE 20 – CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS		
Rent of the investment property. The lessor's rental agreement expires 30 November, 2016 with option to renew for a period of 5 years. The option has not yet been exercised. The Union also receives rent from a tenant where the lease has expired and other on property it does not own but is managed on a care and control basis.		
Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:		
Within one year	217,691	220,296
After 1 year but not more than 5 years	-	229,109
After five years	-	-
	<u>217,691</u>	<u>449,405</u>

Contingent assets or liabilities

To the Committee's knowledge, the Union has no known contingent liabilities as at 31 December 2015.

NOTE 21 – Related Party Disclosure

The following table provides the total amount of transactions that have been entered into with related

Revenue Received from RTBU National Office		
Reimbursement for Expenses Paid	7,820	23,160
Revenue received in respect to Alex	67,147	51,989
Expenses Paid to RTBU National Office		
Capitation Fees	833,670	944,659
ACTU Membership Fees	48,274	45,170
ACTU IR Levy	13,015	12,643
Amounts Owed by RTBU National Office		
Prepayment of Capitation Fees	21,964	79,001
Expenses to be Reimbursed	7,490	8,383
Amounts Owed by RTBU New South Wales ("State")		
Receivables.	973,538	973,963
Amounts Owed to RTBU National Office		
ACTU IR Levy Payable	-	12,422

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 yearend 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 2015, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2014: \$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.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December 2015

	2015 \$	2014 \$
NOTE 22 – KEY MANAGEMENT PERSONNEL REMUNERATION		
Short-Term Employee Benefits		
Salary (Including Annual Leave Taken)	756,101	1,009,835
Annual Leave Accrued	62,951	92,494
	<u>819,052</u>	<u>1,102,329</u>
Post-Employment Benefits		
Superannuation	48,129	68,486
Retirement Benefit Accrued	116,069	94,783
	<u>164,198</u>	<u>163,269</u>
Other Long-Term Benefits		
Long-Service Leave Accrued	68,374	78,922
	<u>68,374</u>	<u>78,922</u>
TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION	<u>1,051,624</u>	<u>1,344,520</u>

NOTE 23 – RETIREMENT BENEFITS OBLIGATIONS

The economic entity participated in an employer sponsored defined benefits plan during the year. The benefit provided by the plan is based on the length of service of the member at retirement. Employees contribute various percentages of their gross income and the union may contribute up to 4.5 times the employees final average salary at retirement depending on the length of membership and the employees own contributions.

Reconciliation of the present value of the defined benefit obligation -

	2015 \$	2014 \$
Present Value at the Beginning of the	3,866,370	3,341,383
Current Service Cost	21,374	25,831
Interest Cost	105,075	137,107
Contributions by Funds Participants	13,723	15,360
Actuarial (Gains) / Losses	250,624	577,458
Benefits Paid	(491,909)	(79,752)
Taxes, Premiums & Expenses Paid	11	(4,354)
Present Value at the End of the Year	<u>3,765,268</u>	<u>4,013,033</u>
Fair Value at the Beginning of the Year	3,859,387	3,652,228
Interest Income	104,875	150,531
Actual Return	130,778	263,240
Employer Contributions	-	7,157
Contributions by Funds Participant	13,729	15,362
Benefits (Paid) Transferred In	(492,126)	(79,768)
Taxes, Premiums & Expenses Paid	11	(4,355)
Fair Value at the End of the Year	<u>3,616,654</u>	<u>4,004,395</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2015**

Reconciliation of assets and liabilities recognized in the Statement of Financial Positions -

Present Value of Funded Defined Benefit	3,765,268	4,013,033
Fair Value of Fund Assets at End of Year	(3,616,654)	(4,004,395)
Adjustment for Effect of Asset Ceiling	-	-
Net (Asset)/Liability Recognised in the	<u>148,614</u>	<u>8,638</u>

The percentage of the Funds assets invested in each asset class at 31 December

	2015 %	2014 %
Australian Equities	24.0	26.9
Overseas Equities	31.4	30.5
Australian Fixed Interest	6.7	6.7
Overseas Fixed Interest	2.1	2.5
Property	8.7	8.8
Cash	-	-
Other	19.6	17.4
Short Term Securities	7.5	7.2

All fund assets are invested by STC at arm's length through independent fund managers.

NOTE 24 – FINANCIAL RISK AND INSTRUMENTS

The Unions activities are such that they are not exposed to a variety of risk, such as market or price risk.

Credit Risk

The Union's exposure to risk, if any is to credit risk were an entity may default on it's contractual obligations such as rent resulting in financial loss to the Union.

Interest Rate Risk

The Union's exposure to interest rate risk and the effective average interest rate for each class of financial Assets and financial liabilities are set out below

	Floating Interest	Fixed Interest		Non Interest	Total
		1 Year	Over 1 -5		
	\$	\$	\$	\$	\$
31 December 2014					
Cash	3,825,862	5,911,379	-	2,350	9,739,591
Financial Assets	-	-	-	1,236	1,236
	<u>3,825,862</u>	<u>5,911,379</u>	<u>-</u>	<u>3,586</u>	<u>9,740,827</u>
31 December 2015					
Cash	5,764,638	4,735,341	1,145,728	2,350	11,648,057
Financial Assets	-	-	-	1,236	1,236
	<u>5,764,638</u>	<u>4,735,341</u>	<u>-</u>	<u>3,586</u>	<u>11,649,293</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2015**

Weighted average interest rate 1.9%

Credit Risk Exposure

Credit risk is the risk that counter parties to a financial asset will fail to discharge their obligations, causing the Branch to incur a financial loss. The committee assesses the credit risk of any counter party prior to entering into a transaction.

The credit risk exposure of the Branch to financial assets which have been recognised in the Statement of Financial Position is generally the carrying amounts.

The carrying amounts of cash and investments approximate net fair values.

NOTE 25 – FAIR VALUE MEASUREMENT**Financial Assets and Liabilities**

Management of the Union has assessed that cash, trade receivables, trade payables, 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. These financial assets are not significant and do not warrant further disclosure.

NOTE 26 – PROVIDING INFORMATION

In accordance with the requirements of the Fair Work (Registered Organisation) Act 2009, the attention of members is drawn to the provisions of Subsection (1) to (3) of Section 272 which reads as follows-

1. A member of a reporting unit, or the general manager of Fair Work Commission, 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, 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).

NOTE 27: RECOVERY WAGES

The Union has not derived any revenue during the year as a result of any recovery of wages activity it may have undertaken on behalf of members.

NOTE 28: GOING CONCERN

The reporting unit's ability to continue as a going concern is not reliant on any other reporting units.

NOTE 29: FINANCIAL SUPPORT

The reporting unit has not agreed to provide any financial support to any reporting units other than referred to in Note 1.

NOTE 30: ASSETS & LIABILITIES ACQUIRED

The reporting unit has not acquired any asset or liability as a result of an amalgamation, a restructure of branches, determination or revocation of the Fair Work Commission.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION,
NEW SOUTH WALES BRANCH**

We have audited the accompanying financial report of Australian Rail, Tram and Bus Industry Union, New South Wales Branch ("the Union"), which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, the statement of changes in members' equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the Committee of Management Statement.

Committee of Managements' Responsibility for the Financial Report

The Committee of Management of the Union is 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*. This responsibility includes such internal controls as the Committee of Management determines 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with *Australian Auditing Standards*. Those standards require that we comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of the financial report that gives a true and fair view 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION,
NEW SOUTH WALES BRANCH****Opinion**

In our opinion the financial report of Australian Rail, Tram and Bus Industry Union, New South Wales Branch:

- (i) presents fairly, in all material respects, the entity's financial position as at 31 December 2015 and of its performance and cash flows for the year then ended; and
- (ii) complies with *Australian Accounting Standards*; and
- (iii) complies with requirements of *Fair Work (Registered Organisations) Regulations 2009*; and
- (iv) as part of the audit of the financial statement, we have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

Report on the recovery of wages activity

The Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2)(c) of the *Fair Work Act 2009 (Registered Organisations)*. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the committee of management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

Auditors' Opinion on the recovery of wages activity

Based upon the management statements referred to above, in our opinion in relation to the recovery of wages activity, the financial report of Independent Audit Report to the Members of Australian Rail, Tram and Bus Industry Union, New South Wales Branch presents fairly all reporting guidelines in the General Manager, including:

- (i) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (ii) any donations or other contributions deducted from recovered money



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION,
NEW SOUTH WALES BRANCH**

Other Matter

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Chartered Accountants Australia and New Zealand.

Dated at Sydney the 26th day of May 2016.

ESV

ESV Accounting and Business Advisors

Tim Valtwies
Partner