



FAIR WORK
AUSTRALIA

8 March 2011

Ms. M. O'Neil
National Secretary
Textile, Clothing and Footwear Union of Australia
PO Box 441
CARLTON SOUTH VIC 3000

By email: nationaloffice@tcfvic.org.au

Dear Ms O'Neil

Financial report for year ended 31 December 2009 - FR2009/10222

I acknowledge receipt of the financial report and concise report of the Textile, Clothing and Footwear Union of Australia for the year ended 31 December 2009.

The financial report has been filed.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under the Fair Work (Registered Organisations) Act 2009 (the RO Act). Please note that these matters are generally advised for assistance in the future preparation of financial reports. No further action is required in respect of the subject documents.

The following comments except for items 1(a) and 6, which relate only to the full set of accounts and item 5, which relates to the concise report, are in relation to both the full set of accounts and also the concise report.

1. Auditor's Report

- (a) The opinion expressed by the auditor in their report has not fully met the requirements of the RO Act. Section 257(5) now sets out the matters on which an auditor is required to state an opinion. An acceptable wording would be as follows:

“In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the RO Act.”

- (b) The audit report must satisfy the Australian Auditing Standards for a GPFR. In particular, the scope of the audit report should be addressed to the members of the reporting unit (ASA 700).

2. Operating report

(a) Results of principal activities

I refer to the Operating Report, in particular to the “Operating Result”. I note that section 254(2)(a) of the RO Act requires the operating report to include a review of the principal activities of the reporting entity, the results of those activities and any significant changes in the nature of those activities.

The “results of operation” requirement contemplates reference in the operating report to results directly related to the principal activities as opposed to the reporting entities financial result, particularly as measured in dollar ‘surplus’ or ‘loss’ terms. Although this may not be stated explicitly in the text of the subsection, I think it is reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and secondly, the actual financial outcome is elaborated elsewhere in the financial documents, such as the Balance Sheet and/or the Profit and Loss statement.

(b) Right of members to resign

Subsection 254(2)(c) of the RO Act requires the operating report to “give details” of the right of members to resign from the reporting unit under section 174. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report.

I note these matters were previously advised on 11 August 2009 in relation to the financial year ended 31 December 2008.

3. Committee of Management Statement

(a) Consistency with other reporting units

Paragraph 25 of the Reporting guidelines, as made under section 255 of the RO Act states:

“The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management

.....

(e)(iv) where the organisation consists of 2 or more reporting units, 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;

.....

The Committee of Management’s Statement has repeated the wording as provided in paragraph 25(e)(iv). Such statement should indicate whether or not the financial records have been kept in a consistent manner to each of the other reporting units of the organisation.

I suggest, if the records have been kept in a consistent manner to each of the organisation’s reporting units, that the words “where the organisation consists of 2 or more reporting units” be deleted.

- (b) The words “to the member of Fairwork Australia” appearing in paragraph (v) should read “to the member or the General Manager of Fair Work Australia”
- (c) The words “the Commissioner” appearing in paragraph (vi) should read “Fair Work Australia”.

4. Required disclosures

Finance costs

AASB 101(82) requires the income statement of comprehensive to include a line item that presents the finance costs for the period. In future years please ensure that the income statement includes this item.

Audit fees

AASB 101 (138.1) requires an entity to disclose the amounts paid or payable to the entity's auditor. In future years please ensure that the required information is disclosed.

5. Concise Report

Committee of Management Statement

The words "the General Manager of" should be inserted after the word "or" appearing in the first line of paragraph (v).

6. Notes

It appears that the information contained in notes 16 and 17 have been inserted under the wrong note. The information under note 16 covers segment reporting which is note 17 whilst the information under note 17 covers economic dependence which is note 16.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7993 or by email at larry.powell@fwa.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L Powell'.

Larry Powell

Tribunal Services and Organisations
Fair Work Australia



TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA

National Secretary

Michele O'Neil

National Office

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Website www.tcfua.org.au

30 June 2010

Fair Work Australia
General Manager
11 Exhibition Street
Melbourne VIC 3000

Dear Sir/Madam

In accordance with the Fair Work (Registered Organisations) Act 2009 please find attached a copy of the full report and the concise report provided to members of the Textile Clothing and Footwear Union of Australia, Financial Report for the year ended 31 December 2009.

Please contact me if you have any queries in relation to the above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michele O'Neil', written in a cursive style.

Michele O'Neil
National Secretary

TEXTILE CLOTHING AND FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

CERTIFICATE BY SECRETARY

I, Michele O'Neil, being the National Secretary of the Textile Clothing and Footwear Union of Australia National Council, certify:

- that the documents lodged herewith are copies of the full report and the concise report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the committee of management of the reporting unit on 2 March 2010 passed a resolution to provide members with a concise report; and
- that the concise report was provided to members on 28 May 2010 and;
- that the full report was presented to a meeting of the committee of management of the reporting unit on 29 June 2010 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



.....

NATIONAL SECRETARY – MICHELE O'NEIL

Dated: 30 June 2010

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management report on the Textile Clothing Footwear Union of Australia National Council (the Reporting Unit), for the financial year ended 31 December 2009.

Principal Activities

The principal activities of the Reporting Unit during the financial year were to provide industrial and organising services to each of the Branches of the Textile, Clothing & Footwear Union of Australia and their members, consistent with the objectives of the National Council and particularly the objective of protecting and improving the interests of the various Branches and their members.

Operating Result

The operating profit of the Reporting Unit for the financial year was \$28,602 (2008: \$35,545). No provision for tax was necessary as the Reporting Unit is exempt from income tax.

Significant Changes

There were no significant changes in the nature of activities of the Reporting Unit during the financial year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Reporting Unit, the results of those operations, or the state of affairs of the Reporting Unit in future financial years.

Rights of Members

Subject to the Reporting Unit rules and Section 174 of the Fair Work (Registered Organisations) Act 2009 members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

Superannuation Officeholders

Michele O'Neil is the Secretary of the Union and also holds Alternate Directorship of Australian Super.

No other officer or member of the Reporting Unit:

- (a) is a trustee of a superannuation Union or an exempt public sector superannuation scheme; or
- (b) is a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 ("Regulations"):

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Act and who are taken to be members of the Reporting Unit under Section 244 of the Act was 6,928 (2008: 7,072);
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Reporting Unit, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 8 (2008: 1);

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OPERATING REPORT continued

Other Prescribed Information continued

- (c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	
Barry Tubner	National President
Jenny Kruschel	National Senior Vice President
Stephen Davis	National Junior Vice President
Michele O'Neil	National Secretary
John Dalton	National Councillor (Retired October 2009)
Warren Smith	National Councillor
Jack Morel	National Trustee
Peter Lane	National Trustee
Elizabeth MacPherson	National Trustee

Committee members have been in Council since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Committee of Management:

For Committee of Management: Michele O'Neil
Title of Office held: National Secretary

Signature



Melbourne: 11 May 2010

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 \$	2008 \$
Revenue	3	726,140	576,989
Administration and general expense		(55,784)	(80,515)
Affiliation and capitation expense	4	(36,805)	(34,664)
Campaign expense		(1,809)	(59,151)
Depreciation and amortisation expenses	4	(4,700)	(13,378)
Employee benefits expense	4	(468,455)	(290,165)
Travel expense		(34,954)	(59,389)
Grant expenses		(83,031)	-
Mortality funds expense		(12,000)	(4,182)
Profit before income tax expense		28,602	35,545
Income tax expense	1(b)	-	-
Profit attributable to members		28,602	35,545

The accompanying notes form part of these financial statements.

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	5	151,003	21,077
Trade and other receivables	6	395,438	75,651
Other current assets	7	<u>32,125</u>	<u>1,571</u>
TOTAL CURRENT ASSETS		<u>578,566</u>	<u>98,299</u>
NON-CURRENT ASSETS			
Other assets	8	130,434	139,174
Property, plant and equipment	9	19,219	29,473
Financial assets	10	<u>13,461</u>	<u>13,461</u>
TOTAL NON-CURRENT ASSETS		<u>163,114</u>	<u>182,108</u>
TOTAL ASSETS		<u>741,680</u>	<u>280,407</u>
CURRENT LIABILITIES			
Trade and other payables	11	444,799	83,131
Short-term provisions	12	<u>74,234</u>	<u>3,231</u>
TOTAL CURRENT LIABILITIES		<u>519,033</u>	<u>86,362</u>
TOTAL LIABILITIES		<u>519,033</u>	<u>86,362</u>
NET ASSETS		<u>222,647</u>	<u>194,045</u>
EQUITY			
Retained earnings		<u>222,647</u>	<u>194,045</u>
TOTAL EQUITY		<u>222,647</u>	<u>194,045</u>

The accompanying notes form part of these financial statements.

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Retained Earnings \$	Total \$
Balance at 1 January 2008	158,500	158,500
Profit attributable to members of the Union	<u>35,545</u>	<u>35,545</u>
Balance at 31 December 2008	194,045	194,045
Profit attributable to members of the Union	<u>28,602</u>	<u>28,602</u>
Balance at 31 December 2009	<u>222,647</u>	<u>222,647</u>

The accompanying notes form part of these financial statements.

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Capitation fees		312,775	357,238
Interest received		3,547	16,188
Sundry income		354,779	58,319
Payments to suppliers & employees		<u>(549,915)</u>	<u>(674,656)</u>
Net cash from / (used in) operating activities	18b	<u>121,186</u>	<u>(242,911)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant & equipment		<u>-</u>	<u>19,735</u>
Net cash from / (used in) investing activities		<u>-</u>	<u>19,735</u>
Net increase / (decrease) in cash held		121,186	(223,176)
Cash at beginning of year		160,251	383,427
Cash at end of year	18a	<u>281,437</u>	<u>160,251</u>

The accompanying notes form part of these financial statements.

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash assets in respect of recovered money at beginning of year		-	-
Receipts			
Amounts recovered from employers in respect of wages etc		-	-
Interest received on recovered money		-	-
Total receipts		-	-
Payments			
Deductions of amounts due in respect of membership for:-			
- 12 months or less		-	-
- greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of:-			
- the reporting unit		-	-
- other entity		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
Total payments		-	-
Cash assets in respect of recovered money at end of year		-	-

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements include the financial statements and notes of Textile Clothing & Footwear Union of Australia National Council.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009.

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

Basis of Preparation

Reporting Basis and Conventions

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. Income Tax

No provision for income tax is necessary for the Union as "Trade Unions" are exempt from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

b. Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the cost basis.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on either a straight line basis or a diminishing value over their useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Library	5.5%
Furniture and equipment	10% – 40%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

d. Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Financial Instruments continued

Amortised cost is calculated as:

- i) the amount at which the financial asset or financial liability is measured at initial recognition
- ii) less principal repayments
plus or minus the cumulative amortisation of the difference, if any, between the amount initially
- iii) recognised and the maturity amount calculated using the effective interest method; and
- iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Union does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

- i) Financial assets at fair value through profit or loss
Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.
- ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.
Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.
- iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Financial Instruments continued

iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Reporting Unit assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Impairment of Assets

At each reporting date, the Union reviews the carrying value of the tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

g. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

h. Revenue

Grant revenue is recognised in the income statement on a proportional basis over the period that the grant relates to where the grant monies are controlled or conditions for recognition have been met. Where there are conditions attached to grant revenue received in advance relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services are provided.

Revenue from membership is recognised on an accruals basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

j. Comparative Figures

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

k. Critical Accounting Estimates and Judgements

The Committee of Management members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

Key Estimates

The Committee of Management assesses impairment at each reporting date by evaluating conditions specific to the Reporting Unit that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculation performed in assessing recoverable amounts incorporates a number of key estimates.

Key Judgments

No key judgments have been used in the preparation of this financial report.

l. Adoption of New and Revised Accounting Standards

During the current year, the Union has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Textile, Clothing & Footwear Union of Australia (National Council).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

l. Adoption of New and Revised Accounting Standards continued

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Union's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement — the statement of comprehensive income, or two statements — a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Union's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

m. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union is as follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] and AASB 2008-11: Amendments to Australian Accounting Standard — Business Combinations Among Not-for-Profit Entities [AASB 3] (applicable for annual reporting periods commencing from 1 July 2009).

These Standards are applicable prospectively and will therefore only affect relevant transactions and consolidations occurring after the date of application. As such, the Union is unable to determine any potential impact on the financial statements.

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038] (applicable for annual reporting periods commencing from 1 January 2009) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & AASB 5] (applicable for annual reporting periods commencing from 1 July 2009).

These amendments detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Union.

- AASB 2008-8: Amendments to Australian Accounting Standards — Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

m. New Accounting Standards for Application in Future Periods

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Union.

- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009).

This amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value less costs to distribute. This amendment is not expected to impact the Union as it does not distribute non-cash assets.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These amendments detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Union.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIRWORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-section (1) (2) and (3) of Section 272 of the Act which read as follows: -

1. A member of a reporting unit, or the General Manager of Fairwork Australia, 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 specify the period within which, and the manner in which, the information is to be made available. The period must not be less than fourteen days after the application is given to the reporting unit.
3. A reporting unit must comply with an application under subsection (1).

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
NOTE 3: REVENUE		
Capitation fees		
- New South Wales/SA/TAS	174,399	192,527
- Queensland	20,344	24,012
- Victoria	118,970	153,762
Interest received	3,547	16,188
IR Campaign reimbursement	-	42,915
Reimbursement income	-	12,458
Grant income	387,235	-
Sundry income		
- Victoria mortality fund	2,657	3,408
- New South Wales/SA/TAS mortality fund	3,478	3,905
- Queensland mortality fund	456	-
- other sundry income	<u>15,054</u>	<u>127,814</u>
Total revenue	<u>726,140</u>	<u>576,989</u>

NOTE 4: PROFIT FOR YEAR

Profit income tax expense has been determined after:

EXPENSES

**Affiliation, capitation fees,
compulsory levies and commissions**

Affiliation fees:

- ACTU	22,110	20,597
- ITGLWF	13,844	13,060
- TWARO	215	371
- APHEDA	<u>636</u>	<u>636</u>
	<u>36,805</u>	<u>34,664</u>

Depreciation expense

Plant and equipment	<u>4,700</u>	<u>13,378</u>
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**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 \$	2008 \$
NOTE 4: PROFIT FOR YEAR continued		
Employee benefits expense		
Salaries and allowances		
- elected officials	-	115,961
- employees	367,428	107,943
Superannuation contributions		
- elected officials	-	32,129
- employees	12,971	16,907
Provision for annual leave		
- elected officials	-	-
- employees	44,868	1,865
Provision for long service leave		
- employees	22,776	-
Provision for RDO		
- employees	3,359	-
Other		
- fringe benefit tax	15,325	15,360
- other	1,728	-
	<u>468,455</u>	<u>290,165</u>

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	1,500	1,500
Cash at bank		
- National Council FWEIP	33,635	-
- General account	115,199	10,251
- Electronic clearing account	-	1,813
Cash on deposit	669	7,513
	<u>151,003</u>	<u>21,077</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT		
Capitation fee		
- Victoria	22,914	32,118
- New South Wales/SA/TAS	52,430	33,348
- Queensland	22,378	10,185
Other receivables	297,716	-
	<u>395,438</u>	<u>75,651</u>

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$

NOTE 6: TRADE AND OTHER RECEIVABLES Continued

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. There is no provision for impairment of receivables at year end.

(ii) Credit Risk – Trade and Other Receivables

The Union does not have any material credit risk exposure to any single receivable or group of receivables.

The balances of receivables that remain within initial trade terms are considered to be of high credit quality. All receivables are within initial trade terms as at year end.

The Union does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are impaired and are past due. It is expected that these balances will be received when due.

NOTE 7: OTHER ASSETS

CURRENT

Other receivables	1,571	1,571
Prepayments	30,554	-
	32,125	1,571

NOTE 8: OTHER ASSETS

NON CURRENT

Mortality Fund	130,434	139,174
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**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 \$	2008 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Library improvements at cost	41,018	41,018
Less accumulated depreciation	(34,831)	(34,471)
	<u>6,187</u>	<u>6,547</u>
Motor vehicles at cost	21,467	21,467
Less accumulated depreciation	(9,921)	(6,072)
	<u>11,546</u>	<u>15,395</u>
Office furniture and equipment at cost	8,203	98,337
Less accumulated depreciation	(6,717)	(90,806)
	<u>1,486</u>	<u>7,531</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>19,219</u>	<u>29,473</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Library \$	Motor Vehicles \$	Furniture and fittings \$	Total \$
Balance at the beginning of the year	6,547	15,395	7,531	29,473
Additions	-	-	-	-
Disposals	-	-	-	-
Write off	-	-	(5,554)	(5,554)
Depreciation expense	(360)	(3,849)	(491)	(4,700)
Carrying amount at the end of the year	<u>6,187</u>	<u>11,546</u>	<u>1,486</u>	<u>19,219</u>

NOTE 10: FINANCIAL ASSETS

Units in Unit Trust at costs		
- ACTU Member Connect Pty Ltd	<u>13,461</u>	<u>13,461</u>

NOTE 11: TRADE AND OTHER PAYABLES

CURRENT		
Sundry creditors	149,499	83,131
Income in advance	<u>295,300</u>	<u>-</u>
	<u>444,799</u>	<u>83,131</u>

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
NOTE 12: PROVISIONS		
Provision for annual leave	48,099	3,231
Provision for long service leave	22,776	-
Provision for RDO	3,359	-
	<hr/>	<hr/>
Total employee entitlements	74,234	3,231
	<hr/>	<hr/>
Number of employees at year end based on full-time equivalent basis	8	1

NOTE 13: CONTINGENT LIABILITIES

There are no contingent liabilities at the date of this report.

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the reporting date of this report which will have a material effect on the financial report for the year ended 31 December 2009.

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 15: KEY MANAGEMENT PERSONNEL

The names of Committee of Management of the Union who have held office during the financial year are:

Name	
Barry Tubner	National President
Jenny Kruschel	National Senior Vice President
Stephen Davis	National Junior Vice President
Michele O'Neil	National Secretary
John Dalton	National Councillor (Retired October 2009)
Warren Smith	National Councillor
Jack Morel	National Trustee
Peter Lane	National Trustee
Elizabeth MacPherson	National Trustee

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$Nil (2008:\$115,961).

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$Nil (2008:\$32,129).

- (b) The aggregate amount of remuneration paid to other persons on the Committee of Management was as follows: -
- salaries and allowances \$Nil (2008: \$Nil)
 - superannuation \$Nil (2008:\$Nil)
 - loss of wages \$Nil (2008: \$Nil)
- (c) Apart from the above, there were no other transactions between the officers of the Union other than those relating to their membership of the Reporting Unit and reimbursement by the Reporting Unit in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

NOTE 16: ECONOMIC DEPENDENCE

The Union operates predominantly in one industry, being the textile clothing and footwear sector. The business operates predominantly in one geographical area being Australia.

NOTE 17: SEGMENT REPORTING

The principle source of income for the Union is from membership fees from Branches. The Union is economically dependent upon the membership level and fees.

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 \$	2008 \$
NOTE 18: CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	1,500	1,500
Cash at bank	149,503	19,577
Cash in special purpose fund assets	130,434	139,174
	<u>281,437</u>	<u>160,251</u>
(b) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	28,602	35,545
Non cash items		
- Depreciation	4,700	13,378
- Asset written off	5,554	-
Changes in assets and liabilities:		
- (Increase)/decrease in receivables	(319,787)	(10,116)
- (Increase)/decrease in prepayments	(30,554)	-
- Increase/(decrease) in payables	361,668	(90,668)
- Provision for employee entitlements	71,003	(191,050)
Cash flows used by operations	<u>121,186</u>	<u>(242,911)</u>
(c) The Union has no Credit Stand-by Arrangement and Loan Facilities in place.		
(d) There were no non-cash financing or investing activities during the period.		

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 19: FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2009	2008
	\$	\$
Financial assets		
Cash and cash equivalents	151,003	21,007
Trade and other receivables	395,438	75,651
Other current assets	32,125	1,571
Mortality fund	130,434	139,174
Available for sale financial assets:		
- Equity investments	<u>13,461</u>	<u>13,461</u>
Total financial assets	<u>722,461</u>	<u>250,864</u>
Financial liabilities		
Financial liabilities at amortised cost:		
- Income in advance	295,300	-
- Sundry creditors	<u>149,499</u>	<u>83,131</u>
Total financial liabilities	<u>444,799</u>	<u>83,131</u>

Financial Risk Management Policies

The Union's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the Union. The treasurer monitors the Union's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management.

The treasurer's overall risk management strategy seeks to ensure that the Union meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 19: FINANCIAL RISK MANAGEMENT continued

a. Credit risk continued

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the Union securing trade and other receivables.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 6.

b. Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

c. Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

(ii) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The Union is exposed to securities price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations.

The Union's investments are held in diversified management fund portfolios.

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reporting 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. These sensitivities assume that the movement in a particular variable is independent of other variables.

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 19: FINANCIAL RISK MANAGEMENT continued

	Profit \$	Equity \$
Year ended 31 December 2009		
+/- 1% in interest rates basis points	2,814	2,814
Year ended 31 December 2008		
+/- 1% in interest rates basis points	1,603	1,603

NOTE 20: UNION DETAILS

The registered office and principal place of business is:
Textile Clothing and Footwear Union of Australia
359 Exhibition Street
Melbourne Vic. 3000

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 45 839 589 441**

COMMITTEE OF MANAGEMENT CERTIFICATE

On 11 May 2010 the Committee of Management of the Textile Clothing & Footwear Union of Australia National Council ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting units for the financial year ended 31 December 2009:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of Fair Work Australia;
- (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; 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 a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Act and the Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, 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) the information sought in any request of a member of the reporting unit or the General Manager of Fairwork Australia duly made under Section 272 of the Act has been furnished to the member of Fairwork Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Commissioner under Section 273 of the Act.

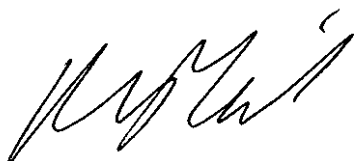
**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 45 839 589 441**

**COMMITTEE OF MANAGEMENT CERTIFICATE
continued**

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of Fairwork Australia; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Act all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.
- (g) that the members receive a copy of the concise financial report.

For the Committee of Management: Michele O'Neil
Title of Office held: National Secretary

Signature:



Melbourne: 11 May 2010

**INDEPENDENT AUDIT REPORT
TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL**

Report on the financial report

We have audited the accompanying financial report of the Textile Clothing & Footwear Union of Australia National Council ("Reporting Unit") which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the reporting unit during the financial year.

Committee of management's responsibility for the financial report

The reporting unit's committee of management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 Union's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control. 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.

**INDEPENDENT AUDIT REPORT
TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL continued**

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditor's opinion

In our opinion the financial report of the reporting unit:

- (a) is in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, including:
 - (i) presenting fairly the reporting unit's financial position as at 31 December 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations).
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of Fair Work Australia, 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.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L S Wong CA

L S WONG CA
Partner
Member of the Institute of Chartered Accountants in Australia and
holder of a current public practice certificate

Melbourne: 11 May 2010

**COMPILATION REPORT
TO TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL**

Scope

We have compiled the accompanying special purpose financial statements of Textile Clothing & Footwear Union of Australia National Council (Reporting Unit) which comprise the detailed income and expenditure statement for the year ended 31 December 2009 on pages 30 and 31. The specific purpose for which the special purpose financial statements have been prepared is to provide financial information to the committee of management.

The Responsibility of the Committee of Management

The Committee of Management is solely responsible for the information contained in the special purpose financial statements and has determined that the basis of accounting adopted is appropriate to meet the needs of the Committee of Management for the purpose of complying with the Reporting Unit's Constitution.

Our Responsibility

On the basis of the information provided by the Committee of Management we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the Reporting Unit and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

Melbourne: 11 May 2010

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862**

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management report on the Textile Clothing Footwear Union of Australia (National Council) the relevant Reporting Unit, for the financial year ended 31 December 2009.

Principal Activities

The principal activities of the Reporting Unit during the financial year were to provide industrial and organising services to each of the Branches of the Textile, Clothing & Footwear Union of Australia and their members, consistent with the objectives of the National Council and particularly the objective of protecting and improving the interests of the various Branches and their members.

Operating Result

The operating profit of the Reporting Unit for the financial year was \$28,602 (2008: \$35,545). No provision for tax was necessary as the Reporting Unit is exempt from income tax.

Significant Changes

There were no significant changes in the nature of activities of the Reporting Unit during the financial year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Reporting Unit, the results of those operations, or the state of affairs of the Reporting Unit in future financial years.

Rights of Members

Subject to the Reporting Unit rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

Superannuation Officeholders

Michele O'Neil is an officer of the Union and also holds Alternate Directorship of Australian Super.

No other officer or member of the Reporting Unit:

- (a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (b) is a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 ("Regulations"):

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Act and who are taken to be members of the Reporting Unit under Section 244 of the Act was 6,928 (2008: 7,072);
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Reporting Unit, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 8 (2008: 1);

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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OPERATING REPORT continued

Other Prescribed Information continued

- (c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name

Barry Tubner	National President
Jenny Kruschel	National Senior Vice President
Stephen Davis	National Junior Vice President
Michele O'Neil	National Secretary
John Dalton	National Councillor (Retired October 2009)
Warren Smith	National Councillor
Jack Morel	National Trustee
Peter Lane	National Trustee
Elizabeth MacPherson	National Trustee

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Committee of Management:

For Committee of Management: Michele O'Neil
Title of Office held: National Secretary

Signature



Melbourne: 11 May 2010

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
Revenue	726,140	576,989
Administration and general expense	(55,784)	(80,515)
Affiliation and capitation expense	(36,805)	(34,664)
Campaign expense	(1,809)	(59,151)
Depreciation and amortisation expenses	(4,700)	(13,378)
Employee benefits expense	(468,455)	(290,165)
Travel expense	(34,954)	(59,389)
Grant expenses	(83,031)	-
Mortality funds expense	(12,000)	(4,182)
Profit before income tax expense	28,602	35,545
Income tax expense	-	-
Profit attributable to members	28,602	35,545

Discussion and Analysis of Income Statement

The operating result of the Union for the year is a net profit of \$28,602.

The accompanying notes form part of these concise financial statements.

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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

	2009	2008
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	151,003	21,077
Trade and other receivables	395,438	75,651
Other current assets	32,125	1,571
TOTAL CURRENT ASSETS	<u>578,566</u>	<u>98,299</u>
NON-CURRENT ASSETS		
Other assets	130,434	139,174
Property, plant and equipment	19,219	29,473
Financial assets	13,461	13,461
TOTAL NON-CURRENT ASSETS	<u>163,114</u>	<u>182,108</u>
TOTAL ASSETS	<u>741,680</u>	<u>280,407</u>
CURRENT LIABILITIES		
Trade and other payables	444,799	83,131
Short-term provisions	74,234	3,231
TOTAL CURRENT LIABILITIES	<u>519,033</u>	<u>86,362</u>
TOTAL LIABILITIES	<u>519,033</u>	<u>86,362</u>
NET ASSETS	<u>222,647</u>	<u>194,045</u>
EQUITY		
Retained earnings	222,647	194,045
TOTAL EQUITY	<u>222,647</u>	<u>194,045</u>

Discussion and Analysis of Balance Sheet

Cash balances and current liabilities have increased due to money received for projects and grants.

The accompanying notes form part of these concise financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Retained Earnings \$	Total \$
Balance at 1 January 2008	158,500	158,500
Profit attributable to members of the Union	<u>35,545</u>	<u>35,545</u>
Balance at 31 December 2008	194,045	194,045
Profit attributable to members of the Union	<u>28,062</u>	<u>28,602</u>
Balance at 31 December 2009	<u>222,647</u>	<u>222,647</u>

Discussion and Analysis of Changes in Equity

As explained in the Income Statement on page 3, the entity made a profit for the year ended 31 December 2009 of \$28,062.

The accompanying notes form part of these concise financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Capitation fees	312,775	357,238
Interest received	3,547	16,188
Sundry income	354,779	58,319
Payments to suppliers & employees	<u>(549,915)</u>	<u>(674,656)</u>
Net cash from / (used in) operating activities	<u>121,186</u>	<u>(242,911)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	<u>-</u>	<u>19,735</u>
Net cash from / (used in) investing activities	<u>-</u>	<u>19,735</u>
Net increase / (decrease) in cash held	121,186	(223,176)
Cash at beginning of year	160,251	383,427
Cash at end of year	<u>281,437</u>	<u>160,251</u>

Discussion and Analysis of Statement of Cash Flows

There was a increase in cash held at the end of the year as the Union received additional revenue related to the projects and grants

The accompanying notes form part of these concise financial statements.

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**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:-		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:-		
- the reporting unit	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-

Discussion and Analysis of Recovery of Wages Activity

There was no recovery of wages on behalf of members paid via the Reporting Unit for the year ended 31 December 2009.

The accompanying notes form part of these concise financial statements.

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**NOTES TO THE CONCISE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 1: BASIS OF PREPARATION

The concise financial report is an extract for the full financial report for the year ended 31 December 2009. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Report and the Fair Work (Registered Organisations) Act 2009.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of the Textile Clothing and Footwear Union of Australia (National Council). The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Textile Clothing and Footwear Union of Australia (National Council) as the full financial report.

The financial report of the Textile Clothing and Footwear Union of Australia (National Council) comply with International Financial Reporting Standards.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of the Act which read as follows: -

1. A member of a reporting unit, or Fairwork Australia, 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 specify the period within which, and the manner in which, the information is to be made available. The period must not be less than fourteen days after the application is given to the reporting unit.
3. A reporting unit must comply with an application under subsection (1).

NOTE 3: FINANCIAL STATEMENTS

The Union will provide a copy of the full financial report for the year ended 31 December 2009, free of charge to any member who requests it.

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COMMITTEE OF MANAGEMENT CERTIFICATE

On 11 May 2010 the Committee of Management of the Textile Clothing & Footwear Union of Australia (National Council) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2009:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of Fair Work Australia;
- (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; 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 council 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 council concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Act and the Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, 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) the information sought in any request of a member of the reporting unit or Fairwork Australia duly made under Section 272 of the Act has been furnished to the member of Fairwork Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Commissioner under section 273 of the Act.

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COMMITTEE OF MANAGEMENT CERTIFICATE continued

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Act all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.
- (g) that the members receive a copy of the concise financial report.

For the Committee of Management: Michele O'Neil
Title of Office held: National Secretary

Signature:



11 May 2010

INDEPENDENT AUDIT REPORT
TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (NATIONAL COUNCIL)

Report on the concise financial report

The accompanying concise financial report of the Textile Clothing & Footwear Union of Australia (National Council) comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of receipts and payments for recovery of wages activity for the year then ended and related notes, derived from the audited financial report of the Textile Clothing & Footwear Union of Australia (National Council) for the year ended 31 December 2009, and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Committee of Management's responsibility for the concise financial report

The committee is responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the Union for the year ended 31 December 2009. Our audit report on the financial report for the year was signed on 4 May 2009 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

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 Australian professional ethical pronouncements.

Auditor's opinion

In our opinion, the concise financial report including the discussion and analysis of the Textile Clothing & Footwear Union of Australia (National Council) for the year ended 31 December 2009 complies with Accounting Standard AASB 1039: Concise Financial Reports.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L S Wong

L S WONG CA
Partner
Member of the Institute of Chartered Accountants in Australia
and holder of a current public practice certificate
Melbourne: 11 May 2010