



FAIR WORK
AUSTRALIA

18 July 2011

Ms Michele O'Neil
Secretary
Textile, Clothing and Footwear Union of Australia
email: nationaloffice@tcfvic.org.au

Dear Ms O'Neil

Re: Financial Report for the Textile, Clothing and Footwear Union of Australia for year ended 31 December 2010 – FR2010/2826

I acknowledge receipt of the financial report for the Textile, Clothing and Footwear Union of Australia for the year ended 31 December 2010. The report was lodged with Fair Work Australia on 29 June 2011.

The financial report has now been filed.

You are not required to take any further action in respect of the report lodged.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

Kevin Donnellan
Tribunal Services and Organisations
Fair Work Australia
Email: kevin.donnellan@fwa.gov.au



TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA

National Secretary

Michele O'Neil

National Office

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29 June 2011

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, for the year ended 31 December 2010.

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

Yours sincerely

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 1 March 2011 passed a resolution to provide members with a concise report; and
- that the concise report was provided to members on 16 May 2011 and;
- that the full report was presented to a meeting of the committee of management of the reporting unit on 24 June 2011 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



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NATIONAL SECRETARY – MICHELE O'NEIL

Dated: 29 June 2011

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

**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 2010.

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.

Results of Principal Activities

The results of the Principal Activities of the reporting unit were to further the industrial, professional and political interests of textile, clothing and footwear workers through improved pay and conditions in Enterprise Agreements and Award conditions; industry policy improvements; and advocacy on behalf of members in industrial and legal tribunals and courts to recover wages and entitlements and enforce legal minimum conditions of employment.

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.

The right of members to resign from the Union is set out in Rule 12 of the Rules of the Textile Clothing and Footwear Union of Australia.

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 6,671 (2009: 6,928);
- (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 1 (2009: 8);

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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 (resigned 30 July 2010)
John Owen	National Junior Vice President (appointed 1 August 2010)
Michele O'Neil	National Secretary
Warren Smith	National Councillor (term ended 14 May 2010)
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: 9 May 2011

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
Revenue	3	1,426,783	726,140
Administration and general expense		(52,501)	(55,784)
Affiliation and capitation expense	4	(47,572)	(36,805)
Campaign expense		-	(1,809)
Depreciation and amortisation expenses	4	(3,581)	(4,700)
Employee benefits expense	4	(168,807)	(193,763)
Finance costs		-	-
Travel expense		(21,751)	(34,954)
Project expenses		(1,108,662)	(357,723)
Mortality funds expense		(5,500)	(12,000)
Profit before income tax expense		18,409	28,602
Income tax expense	1(b)	-	-
Profit attributable to members		18,409	28,602

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 2010**

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	5	654,118	281,437
Trade and other receivables	6	158,439	395,438
Other current assets	7	6,702	32,125
TOTAL CURRENT ASSETS		<u>819,259</u>	<u>709,000</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	15,638	19,219
Financial assets	9	13,461	13,461
TOTAL NON-CURRENT ASSETS		<u>29,099</u>	<u>32,680</u>
TOTAL ASSETS		<u>848,358</u>	<u>741,680</u>
CURRENT LIABILITIES			
Trade and other payables	10	532,966	444,799
Short-term provisions	11	74,336	74,234
TOTAL CURRENT LIABILITIES		<u>607,302</u>	<u>519,033</u>
TOTAL LIABILITIES		<u>607,302</u>	<u>519,033</u>
NET ASSETS		<u>241,056</u>	<u>222,647</u>
EQUITY			
Retained earnings		<u>241,056</u>	<u>222,647</u>
TOTAL EQUITY		<u>241,056</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 CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

	Retained Earnings \$	Total \$
Balance at 1 January 2009	194,045	194,045
Profit attributable to members of the Union	<u>28,602</u>	<u>28,602</u>
Balance at 31 December 2009	222,647	222,647
Profit attributable to members of the Union	<u>18,409</u>	<u>18,409</u>
Balance at 31 December 2010	<u>241,056</u>	<u>241,056</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 2010**

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Capitation fees		276,049	312,775
Interest received		13,786	3,547
Sundry income		1,355,571	378,850
Payments to suppliers & employees		<u>(1,272,725)</u>	<u>(573,986)</u>
Net cash from / (used in) operating activities	17b	<u>372,681</u>	<u>121,186</u>
Net increase / (decrease) in cash held		372,681	121,186
Cash at beginning of year		281,437	160,251
Cash at end of year	17a	<u>654,118</u>	<u>281,437</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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 2010

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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 2010**

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. 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:

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

i. New Accounting Standards for Application in Future Periods continued

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The consolidated group has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - simplifying the requirements for embedded derivatives;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Union.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Subject to AASB 1049, general government sectors of the Australian Government and state and territory governments would also apply Tier 1 reporting requirements.

The following entities can elect to apply Tier 2 of the framework when preparing general financial statements:

- for-profit private sector entities that do not have public accountability;
- not-for-profit private sector entities; and
- public sector entities, whether for-profit or not-for-profit, other than Australian Government and state, territory and local governments.

AASB 2010-2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific 'RDR' disclosures.

The Union does not anticipate early adoption of the above reporting requirements.

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).

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**NOTES TO THE FINANCIAL STATEMENTS
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	2010 \$	2009 \$
NOTE 3: REVENUE		
Capitation fees		
- New South Wales/SA/TAS	169,239	174,399
- Queensland	22,520	20,344
- Victoria	89,829	118,970
Interest received	13,786	3,547
Project income	1,106,668	387,235
Sundry income		
- Victoria mortality fund	4,680	2,657
- New South Wales/SA/TAS mortality fund	6,419	3,478
- Queensland mortality fund	733	456
- other sundry income	12,909	15,054
	<hr/>	<hr/>
Total revenue	1,426,783	726,140
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NOTE 4: PROFIT FOR YEAR		
Profit income tax expense has been determined after:		
EXPENSES		
Affiliation, capitation fees, compulsory levies and commissions		
Affiliation fees:		
- ACTU	32,316	22,110
- ITGLWF	14,438	13,844
- TWARO	182	215
- APHEDA	636	636
	<hr/>	<hr/>
	47,572	36,805
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Depreciation expense		
Plant and equipment	3,581	4,700
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 \$	2009 \$
NOTE 4: PROFIT FOR YEAR continued		
Employee benefits expense		
Salaries and allowances		
- elected officials	14,329	-
- employees	106,319	92,736
Superannuation contributions		
- elected officials	-	-
- employees	18,810	12,971
Provision for annual leave		
- elected officials	-	-
- employees	(4,702)	44,868
Provision for long service leave		
- employees	6,128	22,776
Provision for RDO		
- employees	(1,324)	3,359
Other		
- employee on costs	3,533	-
- employee overheads	24,105	-
- fringe benefit tax	780	15,325
- workcover	829	1,728
	<u>168,807</u>	<u>193,763</u>
Included within Administration and General Expenses		
Remuneration of auditor		
- auditing of the financial statements	13,850	19,570
- auditing of project acquittals	750	-
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	1,500	1,500
Cash at bank		
- National Council FWEIP	-	33,635
- General account	40,555	115,199
- Electronic clearing account	-	-
- Mortality fund	142,063	130,434
Cash on deposit	470,000	669
	<u>654,118</u>	<u>281,437</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 2010**

	2010 \$	2009 \$
NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Capitation fee		
- Victoria	22,868	22,914
- New South Wales/SA/TAS	44,029	52,430
- Queensland	42,864	22,378
Other receivables	48,678	297,716
	<u>158,439</u>	<u>395,438</u>

(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 following table details the Union's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Union and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining the solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Union.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
	\$	\$	< 30	31-60	61-90	> 90	\$
2010							
Trade receivables	109,761	-	-	-	-	20,344	89,417
Other receivables	48,678	-	-	-	-	-	48,678
Total	<u>158,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,344</u>	<u>138,095</u>
2009							
Trade receivables	97,722	-	-	-	-	-	97,722
Other receivables	297,716	-	-	-	-	-	297,716
Total	<u>395,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,438</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 2010**

NOTE 6: TRADE AND OTHER RECEIVABLES continued

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 not impaired and are past due. It is expected that these balances will be received when due.

	2010 \$	2009 \$
NOTE 7: OTHER ASSETS		
CURRENT		
Other receivables	-	1,571
Prepayments	6,702	30,554
	<u>6,702</u>	<u>32,125</u>

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Library improvements at cost	41,018	41,018
Less accumulated depreciation	(35,171)	(34,831)
	<u>5,847</u>	<u>6,187</u>
Motor vehicles at cost	21,467	21,467
Less accumulated depreciation	(12,808)	(9,921)
	<u>8,659</u>	<u>11,546</u>
Office furniture and equipment at cost	8,203	8,203
Less accumulated depreciation	(7,071)	(6,717)
	<u>1,132</u>	<u>1,486</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>15,638</u>	<u>19,219</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 2010**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT continued

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	6,187	11,546	1,486	19,219
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(340)	(2,887)	(354)	(3,581)
Carrying amount at the end of the year	5,847	8,659	1,132	15,638

**2010
\$**

**2009
\$**

NOTE 9: FINANCIAL ASSETS

Units in Unit Trust at costs
- ACTU Member Connect Pty Ltd

13,461

13,461

NOTE 10: TRADE AND OTHER PAYABLES

CURRENT

Sundry creditors

373,646

149,499

Income in advance

159,320

295,300

532,966

444,799

NOTE 11: PROVISIONS

Provision for annual leave

- elected official

-

-

- employees

43,397

48,099

Provision for long service leave

- elected official

-

-

- employees

28,904

22,776

Provision for RDO

- elected official

-

-

- employees

2,035

3,359

Total employee entitlements

74,336

74,234

Number of employees at year end based on full-time
equivalent basis

1

8

**THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 11: PROVISIONS continued

	Annual Leave	Long Service Leave	Rostered Days-Off	Total
Opening balance at 1 January 2010	48,099	22,776	3,359	74,234
Additional provision raised during the year	23,474	6,128	5,434	35,036
Amounts used	(28,176)	-	(6,758)	(34,934)
Balance at 31 December 2010	43,397	28,904	2,035	74,336

NOTE 12: CONTINGENT LIABILITIES

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

NOTE 13: 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 2010.

NOTE 14: 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 (resigned 30 July 2010)
John Owen	National Junior Vice President (appointed 1 August 2010)
Michele O'Neil	National Secretary
Warren Smith	National Councillor (term ended 14 May 2010)
Jack Morel	National Trustee
Peter Lane	National Trustee
Elizabeth MacPherson	National Trustee

- (a) The aggregate amount of remuneration paid to elected official (former) during the financial year for salaries was \$14,329 (2009: \$Nil).

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$Nil (2009: \$Nil).

- (b) The aggregate amount of remuneration paid to other persons on the Committee of Management was as follows: -
- salaries and allowances \$Nil (2009: \$Nil)
 - superannuation \$Nil (2009: \$Nil)
 - loss of wages \$Nil (2009: \$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.

**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 2010**

NOTE 15: ECONOMIC DEPENDENCE

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

NOTE 16: SEGMENT REPORTING

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: 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:

	2010 \$	2009 \$
Cash on hand	1,500	1,500
Cash at bank	652,618	279,937
	<u>654,118</u>	<u>281,437</u>

(b) Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit after income tax	18,409	28,602
Non cash items		
- Depreciation	3,581	4,700
- Asset written off	-	5,554
Changes in assets and liabilities:		
- (Increase)/decrease in receivables	236,999	(319,787)
- (Increase)/decrease in prepayments	25,423	(30,554)
- Increase/(decrease) in payables	88,167	361,668
- Provision for employee entitlements	102	71,003
Cash flows used by operations	<u>372,681</u>	<u>121,186</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
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ABN 93 734 785 862**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 18: 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:

	2010 \$	2009 \$
Financial assets		
Cash and cash equivalents	654,118	281,437
Trade and other receivables	158,439	395,438
Available for sale financial assets:		
- Equity investments	13,461	13,461
Total financial assets	<u>826,018</u>	<u>690,336</u>
Financial liabilities		
Financial liabilities at amortised cost:		
- Sundry creditors	373,646	149,499
Total financial liabilities	<u>373,646</u>	<u>149,499</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.

THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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ABN 93 734 785 862
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 18: 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 2010**

NOTE 18: FINANCIAL RISK MANAGEMENT continued

	Profit \$	Equity \$
Year ended 31 December 2010		
+/- 1% in interest rates basis points	5,121	5,121
Year ended 31 December 2009	2,814	2,814
+/- 1% in interest rates basis points		

Net Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. When securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments which are carried at amortised cost (i.e. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Union.

	2010		2009	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial Assets				
Cash and cash equivalents	654,118	654,118	281,437	281,437
Trade and other receivables	158,439	158,439	395,438	395,438
Investments	13,461	13,461	13,461	13,461
Total Financial Assets	826,018	826,018	690,336	690,336
Financial Liabilities				
Trade and other payables	373,646	373,646	149,499	149,499
Total Financial Liabilities	373,646	373,646	149,499	149,499

**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 2010**

NOTE 18: FINANCIAL RISK MANAGEMENT continued

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual and long service leave, which are not considered to be financial instruments.
- (ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used.
- (iii) Fair values of held-to-maturity investments are based on quoted market prices at the ending of the reporting period.
- (iv) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will differ to the carrying values.

NOTE 19: 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 9 May 2011 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 2010:

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) 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 or General Manager of Fairwork Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by Fair Work Australia under Section 273 of the Act.

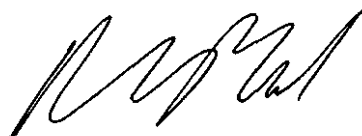
**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 45 839 589 441**

**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: 9 May 2011

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF 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 2010, 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
TO THE MEMBERS OF 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 general purpose 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 2010 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

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

Melbourne: 9 May 2011

**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 2010 on pages 31 and 32. The specific purpose for which the special purpose financial statements have been prepared is to provide financial information to the Committee of Management of the Textile Clothing & Footwear Union of Australia National Council.

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.

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: 9 May 2011

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

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

**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 2010.

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.

Results of Principal Activities

The results of the Principal Activities of the reporting unit were to further the industrial, professional and political interests of textile, clothing and footwear workers through improved pay and conditions in Enterprise Agreements and Award conditions; industry policy improvements; and advocacy on behalf of members in industrial and legal tribunals and courts to recover wages and entitlements and enforce legal minimum conditions of employment.

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 6,671 (2009: 6,928);
- (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 1 (2009: 8);

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

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 (resigned 30 July 2010)
John Owen	National Junior Vice President (appointed 1 August 2010)
Michele O'Neil	National Secretary
Warren Smith	National Councillor (end of term 14 May 2010)
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: 9 May 2011

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
Revenue	1,426,783	726,140
Administration and general expense	(52,501)	(55,784)
Affiliation and capitation expense	(47,572)	(36,805)
Campaign expense	-	(1,809)
Depreciation and amortisation expenses	(3,581)	(4,700)
Employee benefits expense	(168,807)	(193,763)
Finance cost	-	
Travel expense	(21,751)	(34,954)
Project expenses	(1,108,662)	(357,723)
Mortality funds expense	(5,500)	(12,000)
Profit before income tax expense	18,409	28,602
Income tax expense	-	-
Profit attributable to members	18,409	28,602

Discussion and Analysis of the Statement of Comprehensive Income

The operating result of the Union for the year is a net profit of \$18,409.

This is attributed to increased project revenue and lower operating and employee costs.

The accompanying notes form part of these concise financial statements.

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	2010	2009
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	654,118	281,437
Trade and other receivables	158,439	395,438
Other current assets	6,702	32,125
TOTAL CURRENT ASSETS	<u>819,259</u>	<u>709,000</u>
NON-CURRENT ASSETS		
Property, plant and equipment	15,638	19,219
Financial assets	13,461	13,461
TOTAL NON-CURRENT ASSETS	<u>29,099</u>	<u>32,680</u>
TOTAL ASSETS	<u>848,358</u>	<u>741,680</u>
CURRENT LIABILITIES		
Trade and other payables	532,966	444,799
Short-term provisions	74,336	74,234
TOTAL CURRENT LIABILITIES	<u>607,302</u>	<u>519,033</u>
TOTAL LIABILITIES	<u>607,302</u>	<u>519,033</u>
NET ASSETS	<u>241,056</u>	<u>222,647</u>
EQUITY		
Retained earnings	241,056	222,647
TOTAL EQUITY	<u>241,056</u>	<u>222,647</u>

Discussion and Analysis of the Statement of Financial Position

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

The accompanying notes form part of these concise financial statements.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Retained Earnings \$	Total \$
Balance at 1 January 2009	194,045	194,045
Profit attributable to members of the Union	<u>28,602</u>	<u>28,602</u>
Balance at 31 December 2009	222,647	222,647
Profit attributable to members of the Union	<u>18,409</u>	<u>18,409</u>
Balance at 31 December 2010	<u>241,056</u>	<u>241,056</u>

Discussion and Analysis of the Statement of Changes in Equity

As explained in the Income Statement on page 3, the entity made a profit for the year ended 31 December 2010 of \$18,409.

The accompanying notes form part of these concise financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Capitation fees	276,049	312,775
Interest received	13,786	3,547
Sundry income	1,355,571	378,850
Payments to suppliers & employees	<u>(1,272,725)</u>	<u>(573,986)</u>
Net cash from / (used in) operating activities	<u>372,681</u>	<u>121,186</u>
 Net increase / (decrease) in cash held	 372,681	 121,186
Cash at beginning of year	281,437	160,251
	<hr/>	<hr/>
Cash at end of year	<u>654,118</u>	<u>281,437</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.

The accompanying notes form part of these concise financial statements.

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

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 \$	2009 \$
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 2010.

The accompanying notes form part of these concise financial statements.

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

**NOTES TO THE CONCISE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 1: BASIS OF PREPARATION

The concise financial report is an extract for the full financial report for the year ended 31 December 2010. 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 2010, free of charge to any member who requests it.

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 2010, 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 2010, 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 2010. Our audit report on the financial report for the year was signed on 9 May 2011 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 2010 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: 9 May 2011