



TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA

National Secretary

Michele O'Neil

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8 June 2012

Fair Work Australia
General Manager
11 Exhibition Street
Melbourne VIC 3000

Dear Sir/Madam

RE: Lodgement of Financial Documents for year ended 31 December 2011

In accordance with the Fair Work (Registered Organisations) Act 2009 please find attached a copy of the Designated Officer's Certificate. Also attached is the full report of the Textile Clothing and Footwear Union of Australia, Financial Report for the year ended 31 December 2011 and the concise report provided to members.

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 22 February 2012 passed a resolution to provide members with a concise report; and
- that the concise report was provided to members on 31 May 2012 and;
- that the full report was presented to a meeting of the committee of management of the reporting unit on 5 June 2012 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



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NATIONAL SECRETARY – MICHELE O'NEIL

Dated: 8 June 2012

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

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 present their Operating Report on the Textile Clothing Footwear Union of Australia National Council (the "Union"), the relevant Reporting Unit for the financial year ended 31 December 2011.

Principal Activities

The principal activities of the Union 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 loss of the Union for the financial year was \$77,797 (2010:\$18,409 profit). No provision for tax was necessary as the Union is exempt from income tax.

Significant change

There were no significant changes in the Union's state of affairs 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 Union, the results of those operations, or the state of affairs of the Union in future financial years.

Rights of Members

Pursuant 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.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the later, or
- (b) in any other case:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the noticewhichever is the later.

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 Union:

- (a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (b) 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 Union under section 244 of the Act was 5,317 (2010: 6,671)
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 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
John Owen	National Junior Vice President
Michele O'Neil	National Secretary
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: 

Dated: 1 May 2012

Melbourne:

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
Revenue	3	644,644	1,426,783
Administration expense	4	(71,968)	(52,501)
Affiliation and capitation fees	4	(41,222)	(47,572)
Bad debts		(38,966)	-
Campaign expense		(4,285)	-
Depreciation and amortisation expenses	4	(2,747)	(3,581)
Employee benefits expense	4	(148,025)	(168,807)
Travel expense		(56,976)	(21,751)
Project expenses		(349,752)	(1,108,662)
Mortality funds expense		(8,500)	(5,500)
		<hr/>	<hr/>
Profit/ (loss) before income tax expense		(77,797)	18,409
Income tax expense	1(a)	<hr/> -	<hr/> -
Net profit/ (loss) attributable to members		(77,797)	18,409
Other comprehensive income		<hr/> -	<hr/> -
Total comprehensive income		<hr/> (77,797)	<hr/> 18,409

The accompanying notes form part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	204,087	654,118
Trade and other receivables	6	301,413	158,439
Other current assets	7	<u>6,706</u>	<u>6,702</u>
TOTAL CURRENT ASSETS		<u>512,206</u>	<u>819,259</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	12,891	15,638
Financial assets		<u>13,461</u>	<u>13,461</u>
TOTAL NON-CURRENT ASSETS		<u>26,352</u>	<u>29,099</u>
TOTAL ASSETS		<u>538,558</u>	<u>848,358</u>
CURRENT LIABILITIES			
Trade and other payables	9	295,056	532,966
Provisions	10	<u>80,243</u>	<u>74,336</u>
TOTAL CURRENT LIABILITIES		<u>375,299</u>	<u>607,302</u>
TOTAL LIABILITIES		<u>375,299</u>	<u>607,302</u>
NET ASSETS		<u>163,259</u>	<u>241,056</u>
EQUITY			
Retained profits		<u>163,259</u>	<u>241,056</u>
TOTAL EQUITY		<u>163,259</u>	<u>241,056</u>

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Retained Profits \$	Total \$
Balance at 31 December 2010	222,647	222,647
Profit attributable to members	<u>18,409</u>	<u>18,409</u>
Balance at 1 January 2011	241,056	241,056
Loss attributable to members	<u>(77,797)</u>	<u>(77,797)</u>
Balance at 31 December 2011	<u>163,259</u>	<u>163,259</u>

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Capitation receipts		102,490	276,049
Payments to suppliers and employees		(1,066,403)	(1,272,725)
Interest received		14,449	13,786
Sundry income		<u>499,433</u>	<u>1,355,571</u>
Net cash provided by (used in) operating activities	16b	<u>(450,031)</u>	<u>372,681</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	-
Proceeds on sale of fixed assets		<u>-</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowings		<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(450,031)	372,681
Cash at beginning of year		<u>654,118</u>	<u>281,437</u>
Cash at end of year	16a	<u>204,087</u>	<u>654,118</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 2011**

	Note	2011 \$	2010 \$
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 Union		-	-
- 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 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

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 also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

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 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 less, where applicable any accumulated depreciation.

Property, leasehold improvements and plant and equipment are measured on the cost basis.

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

Depreciation

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

b. Property, Plant and Equipment continued

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

Class of Fixed Assets	Depreciation Rate
Library	5.5%
Furniture and Equipment	10% - 40%
Motor Vehicles	25%

c. Leases

Lease payments under 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 together with benefits arising from wages and salaries, annual leave and RDO which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other 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.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

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, or 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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
- iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially 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.

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 Union 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Financial Instruments continued

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.

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 Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions.

g. Revenue

Grant revenue is recognised 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 statement of financial position as a liability until such conditions are met or services are provided.

Revenue from membership subscriptions is recognised on a cash 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).

h. 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.

i. Comparative Figures

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

j. 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.

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 Union 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

k. Critical Accounting Estimates and Judgements continued

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 Australian Accounting Standards Board 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 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Union has not yet determined any potential impact on the financial statements.

The key 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;
- requiring financial assets to be reclassified where there is a change in an Union's business model as they are initially classified based on: (a) the objective of the Union's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an Union that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the Union's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the Union is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Union has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

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.

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

Since the Union is a not-for-profit private sector entity, the Union may qualify for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the Union may take advantage of Tier 2 reporting at a later date.

AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard will affect certain disclosures only relating to financial instruments and is therefore not expected to significantly impact the Union.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012). This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121 into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an Union expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to significantly impact the Union.

AASB 1054: Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113] (applicable for annual reporting periods commencing on or after 1 July 2011).

AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements.

The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

These Standards are not expected to significantly impact the Union.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Union has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

**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 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Union.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Union.

AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Union.

AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to Union items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Union.

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Union does not have any defined benefit plans and so is not impacted by the amendment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Union does not have any defined benefit plans and so is not impacted by the amendment.

- (i) for an offer that may be withdrawn – when the employee accepts;
- (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Union has not yet been able to reasonably estimate the impact of these changes to AASB 119.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK 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-sections (1), (2) and (3) of Section 272 of the Act which read as follows: -

1. A member of a reporting unit, or Fair Work 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 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

	2011	2010
	\$	\$
NOTE 3: REVENUE		
Capitation fees		
- New South Wales/SA/TAS	155,745	169,239
- Queensland	-	22,520
- Victoria	89,724	89,829
Interest received	14,449	13,786
Project income	340,253	1,106,668
Sundry income		
- Victoria mortality fund	2,346	4,680
- New South Wales/SA/TAS mortality fund	3,601	6,419
- Queensland mortality fund	103	733
- other sundry income	38,423	12,909
	<hr/>	<hr/>
Total revenue	644,644	1,426,783

NOTE 4: PROFIT FOR YEAR

Profit for the year before income tax expense has been determined after:

EXPENSES

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

Affiliation fees:

- ACTU	25,486	32,316
- ITGLWF	15,371	14,438
- TWARO	165	182
- APHEDA	-	636
- AAWL	200	-
	<hr/>	<hr/>
	41,222	47,572

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
NOTE 4: PROFIT FOR YEAR continued		
Depreciation expense		
Plant and equipment	2,747	3,581
Employee benefits expense		
Salaries and allowances		
- elected officials	-	14,329
- employees	119,568	106,319
Superannuation contributions		
- elected officials	-	-
- employees	20,043	18,810
Provision for annual leave		
- elected officials	-	-
- employees	(1,640)	(4,702)
Provision for long service leave		
- elected officials	-	-
- employees	6,951	6,128
Provision for RDO		
- elected officials	-	-
- employees	596	(1,324)
Other		
- employee on costs	-	3,533
- employee overheads	-	24,105
- fringe benefit tax	1,794	780
- workcover	713	829
	148,025	168,807
Included within Administration and General Expenses		
Remuneration of auditor		
- auditing of the financial statements	14,350	13,850
- auditing of project acquittals	-	750

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	950	1,500
Cash at bank		
- General account	55,139	40,555
- Mortality fund	147,007	142,063
- Western Australia TCF account	443	-
Cash on deposit	548	470,000
	204,087	654,118

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Department of Innovation, Industry, Science and Research	180,000	-
Capitation fee		
- Victoria	25,209	22,868
- New South Wales/SATAS	37,355	44,029
- Queensland	-	42,864
Other receivables	58,849	48,678
	<u>301,413</u>	<u>158,439</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. These amounts have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 31 December 2009	-
- Charge for the year	-
- Written off	-
Provision for impairment as at 31 December 2010	-
- Charge for the year	-
- Written off	-
Provision for impairment as at 31 December 2011	-

(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 Group's trade and other receivables exposed to credit risk 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 counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

(ii) Credit Risk – Trade and Other Receivables continued

	Gross amount \$	Past due but not impaired (days overdue)			Within normal trade terms \$
		< 30 \$	31 - 60 \$	>90 \$	
2011					
Trade and other receivables	301,413	63,874	182,193	55,346	63,874
	<u>301,413</u>	<u>63,874</u>	<u>182,193</u>	<u>55,346</u>	<u>63,874</u>
2010					
Trade and other receivables	158,439	99,951	-	58,488	99,951
	<u>158,439</u>	<u>99,951</u>	<u>-</u>	<u>58,488</u>	<u>99,951</u>
				2011	2010
				\$	\$

NOTE 7: OTHER CURRENT ASSETS

Prepayments	<u>6,706</u>	<u>6,702</u>
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NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Furniture and fixture – at cost

Leasehold improvements at cost	8,203	8,203
Less: accumulated amortisation	(7,331)	(7,071)
	<u>872</u>	<u>1,132</u>

Library – at cost

Building and improvements at cost	41,018	41,018
Less: accumulated depreciation	(35,493)	(35,171)
	<u>5,525</u>	<u>5,847</u>

Motor vehicles – at cost

Plant and equipment at cost	21,467	21,467
Less: accumulated depreciation	(14,973)	(12,808)
	<u>6,494</u>	<u>8,659</u>

TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>12,891</u>	<u>15,638</u>
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**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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NOTE 8: PROPERTY, PLANT AND EQUIPMENT continued

a. 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

	Furniture and fixtures \$	Library \$	Motor vehicles \$	Total \$
Balance at the beginning of year	1,132	5,847	8,659	15,638
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(260)	(322)	(2,165)	(2,747)
Carrying amount at the end of year	872	5,525	6,494	12,891

**2011
\$** **2010
\$**

NOTE 9: TRADE AND OTHER PAYABLES

CURRENT

Trade creditors	28,396	319,832
Income in advance	162,504	159,320
Other creditors	104,156	53,814
	<u>295,056</u>	<u>532,966</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
NOTE 10: PROVISIONS		
Analysis of Total Provisions		
Employee entitlements		
Provision for annual leave		
- elected officials	-	-
- employees	41,757	43,397
	<u>41,757</u>	<u>43,397</u>
Provision for long service leave		
- elected officials	-	-
- employees	35,854	28,904
	<u>35,854</u>	<u>28,904</u>
Provision for rostered days off		
- elected officials	-	-
- employees	2,632	2,035
	<u>2,632</u>	<u>2,035</u>
Total employee entitlements	<u>80,243</u>	<u>74,336</u>
Number of employees at year end	<u>1</u>	<u>1</u>

	RDO \$	Annual Leave \$	Long Service Leave \$	Total \$
Balance at 31 December 2010	2,035	43,397	28,904	74,336
Additional provisions raised during the year	1,198	5,221	6,950	13,369
Amounts used	(601)	(6,861)	-	(7,462)
Balance at 31 December 2011	<u>2,632</u>	<u>41,757</u>	<u>35,854</u>	<u>80,243</u>

NOTE 11: CONTINGENT LIABILITIES

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

**NOTE 12: KEY MANAGEMENT PERSONNEL COMPENSATION & RELATED PARTY
TRANSACTIONS**

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
John Owen	National Junior Vice President
Michele O'Neil	National Secretary
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 \$Nil (2010: \$14,329).

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$Nil (2010: \$Nil).

- b. The aggregate amount of remuneration paid to other persons on the Committee of Management was as follows: -
- salaries and allowances \$Nil (2010: \$Nil)
 - superannuation \$Nil (2010: \$Nil)
 - loss of wages \$Nil (2010: \$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 13: 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 14: 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 15: 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 2011.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
NOTE 16: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	950	1,500
Cash at bank	<u>203,137</u>	<u>652,618</u>
	<u>204,087</u>	<u>654,118</u>
b. Reconciliation of Cash Flow from Operations with Net Profit attributable to members		
Net profit/(loss)	(77,797)	18,409
Non-cash flows in profit:		
Depreciation	2,747	3,581
Net loss on disposal of fixed assets		
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(142,974)	236,999
(Increase)/decrease in other assets	(4)	25,423
Increase/(decrease) in trade and other payables	(237,910)	88,167
Increase/(decrease) in provisions	<u>5,907</u>	<u>102</u>
Cash flows from operations	<u>(450,031)</u>	<u>372,681</u>
c. The Union has no credit stand-by or financing facilities in place other than disclosed in the financial report.		
d. There were no non-cash financing or investing activities during the period.		

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 17: 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:

	2011	2010
	\$	\$
Financial assets		
Cash and cash equivalents	204,087	654,118
Loans and receivables	301,413	158,439
Financial assets	13,461	13,461
Total financial assets	<u>518,961</u>	<u>826,018</u>
Financial liabilities		
Trade and other payables	295,056	532,966
Borrowings	-	-
Total financial liabilities	<u>295,056</u>	<u>532,966</u>

Financial Risk Management Policies

The committee of management overall risk management strategy seeks to assist the Union in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee of members on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for Union operations. The Union does not have any derivative instruments at 31 December 2011.

The committee of management meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The committee of management's overall risk management strategy seeks to assist the reporting unit in meeting its financial targets, while minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the committee of members. Risk management policies are approved and reviewed by the committee of management on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Union is exposed to through its financial instruments are credit risk, liquidity risk, and market 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 17: FINANCIAL RISK MANAGEMENT continued

a. Credit risk continued

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.

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.

The table that follows reflects an undiscounted contractual maturity analysis for financial assets and liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 17: FINANCIAL RISK MANAGEMENT continued

b. Liquidity risk continued

	Within 1 Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
2011				
Financial Assets				
Cash and cash equivalents	204,087	-	-	204,087
Receivables	301,413	-	-	301,413
Total anticipated inflows	<u>505,500</u>	<u>-</u>	<u>-</u>	<u>505,500</u>
Financial Liabilities				
Trade and other payables	295,056	-	-	295,056
Total expected outflows	<u>295,056</u>	<u>-</u>	<u>-</u>	<u>295,056</u>
Net inflow/(outflow) on financial instruments	<u>210,444</u>	<u>-</u>	<u>-</u>	<u>210,444</u>
2010				
Financial Assets				
Cash and cash equivalents	654,118	-	-	654,118
Receivables	158,439	-	-	158,439
Total anticipated inflows	<u>812,557</u>	<u>-</u>	<u>-</u>	<u>812,557</u>
Financial Liabilities				
Trade and other payables	532,966	-	-	532,966
Total expected outflows	<u>532,966</u>	<u>-</u>	<u>-</u>	<u>532,966</u>
Net inflow/(outflow) on financial instruments	<u>279,591</u>	<u>-</u>	<u>-</u>	<u>279,591</u>

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 not exposed to securities price risk on available-for-sale investments.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 17: FINANCIAL RISK MANAGEMENT continued

c. Market risk continued

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates. 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.

	Profit \$	Equity \$
Year ended 31 December 2011		
+/- 1% in interest rates basis points – cash and cash equivalents	<u>2,041</u>	<u>2,041</u>
Year ended 31 December 2010		
+/- 1% in interest rates basis points – cash and cash equivalents	<u>6,541</u>	<u>6,541</u>

NOTE 18: ENTITY DETAILS

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

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COMMITTEE OF MANAGEMENT CERTIFICATE

On 1 May 2012 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 unit for the financial year ended 31 December 2011:

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 Fair Work Australia duly made under section 272 of the Act has been furnished to the member or Fair Work Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Fair Work Australia 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 Fair Work 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.

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:



Dated: 1 May 2012

Melbourne

**INDEPENDENT AUDITOR'S 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 Textile Clothing & Footwear Union of Australia National Council (the reporting unit), which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and the 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 Union's committee of management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1 the committee of management also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

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**

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 Act, including:
 - (i) presenting fairly the reporting unit's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.
- (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
Partner,
Member of the Institute of Chartered Accountants in Australia and
holder of a current public practice certificate

Melbourne 1 May 2012

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

Scope

We have compiled the accompanying special purpose financial statements of the Textile Clothing & Footwear Union of Australia National Council which comprises the attached detailed income and expenditure statement for the year ended 31 December 2011. The specific purposes for which the special purpose financial statements have been prepared is to provide information relating to the performance of the Union that satisfies the information needs of 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 statement 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 information provided by the committee of management we have compiled the accompanying special purpose financial statement 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 members provided, in compiling the financial statements. 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 statement was compiled exclusively for the benefit of the committee of management. 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: 1 May 2012.

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
INCOME		
Capitation fees	245,469	281,588
Interest received	14,449	13,786
Sundry income	44,473	24,741
Project income	340,253	1,106,668
TOTAL INCOME	<u>644,644</u>	<u>1,426,783</u>
EXPENDITURE		
Administration and general expense		
Advertising	1,030	-
Bank charges	271	274
Books, journals & publications	13,896	11,867
Committee & conference expenses	3,821	6,031
Computer & internet expense	1,670	4,025
Donations	1,500	193
Members expenses	487	-
Printing and stationery	4,158	11,699
Professional services		
- Accountancy and audit fees	14,350	14,600
- Consultancy fee	-	1,132
- Legal fees & other	24,307	-
Seminars	1,145	668
Sundry expenses	4,780	168
Telephone	553	1,844
Total administration and general expense	<u>71,968</u>	<u>52,501</u>
Affiliation & capitation expense		
Affiliation fees:		
- ACTU	25,486	32,316
- ITGLWF	15,371	14,438
- TWARO	165	182
- APHEDA	-	636
- AAWL	200	-
Total Affiliation & capitation expense	<u>41,222</u>	<u>47,572</u>
Bad Debts	<u>38,966</u>	-
Campaign expense	<u>4,285</u>	-
Depreciation and amortisation expense	<u>2,747</u>	<u>3,581</u>

This statement should be read in conjunction with the attached compilation report on page 34

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
Employee benefits expense		
Employee on costs	-	3,533
Employee overheads	-	24,105
Fringe benefits tax	1,793	780
Salaries		
- elected officials (former)	-	14,329
- employees	119,568	106,319
Superannuation		
- elected officials	-	-
- employees	20,043	18,810
Provision for annual leave	(1,640)	(4,702)
Provision for long service leave	6,951	6,128
Provision for RDO	596	(1,324)
Workcover	714	829
Total employee benefits expense	<u>148,025</u>	<u>168,807</u>
Travel expense		
Motor vehicle expenses	939	459
Airfare	25,360	10,064
Cab fares/parking/car rental	6,188	1,899
General travel expenses	24,489	9,329
Travel expense	<u>56,976</u>	<u>21,751</u>
Project expenses		
SAP expense	212,544	197,656
FWEIP expense	-	49,459
Pacific Brand project expense	137,208	861,547
Total project expense	<u>349,752</u>	<u>1,108,662</u>
Mortality funds expense	<u>8,500</u>	<u>5,500</u>
Total Operating Expenditure	<u>722,441</u>	<u>1,408,374</u>
NET PROFIT/(LOSS) FOR YEAR	<u>(77,797)</u>	<u>18,409</u>

This statement should be read in conjunction with the attached compilation report on page 34

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

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 December 2011**

**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 present their Operating Report on the Textile Clothing Footwear Union of Australia National Council (the Union), the relevant Reporting Unit for the financial year ended 30 December 2011.

Principal Activities

The principal activities of the Union 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 loss of the Union for the financial year was \$77,797 (2010: \$18,409 profit). No provision for tax was necessary as the Union is exempt from income tax.

Significant change

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

Rights of Members

Pursuant 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.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the later, or
- (b) in any other case:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the noticewhichever is the later.

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) 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 Union under section 244 of the Act was 5,317(2010: 6,671).

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

OPERATING REPORT continued

Other Prescribed Information continued

- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 1.
- (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

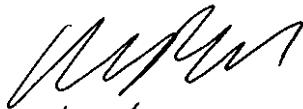
Barry Tubner	National President
Jenny Kruschel	National Senior Vice President
John Owen	National Junior Vice President
Michele O'Neil	National Secretary
Peter Lane	National Trustee
Elizabeth MacPherson	National Trustee

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:



Dated:

1/5/12

Melbourne:

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
Revenue		644,644	1,426,783
Administration expense		(71,968)	(52,501)
Affiliation and capitation fees		(41,222)	(47,572)
Bad Debts		(38,966)	-
Campaign expense		(4,285)	-
Depreciation and amortisation expenses		(2,747)	(3,581)
Employee benefits expense		(148,025)	(168,807)
Travel expense		(56,976)	(21,751)
Project expenses		(349,752)	(1,108,662)
Mortality funds expense		(8,500)	(5,500)
		<hr/>	<hr/>
Profit/ (loss) before income tax expense		(77,797)	18,409
Income tax expense	1(a)	<hr/> - <hr/>	<hr/> - <hr/>
Net profit/ (loss) attributable to members		<hr/> (77,797) <hr/>	<hr/> 18,409 <hr/>

Discussion and Analysis of Statement of Comprehensive Income:

Grant income and expenditure decreased by \$766,415 and \$758,910 respectively during the year. This is attributed to the completion of a major project earlier this year.

The Queensland branch was amalgamated with the Victorian Branch in November 2011. \$38,966 fees receivable from the Queensland branch were written off as a result. Additional legal and travel expenses were also incurred.

The accompanying notes form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents		204,087	654,118
Trade and other receivables		301,413	158,439
Other current assets		6,706	6,702
		<u>512,206</u>	<u>819,259</u>
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		12,891	15,638
Financial assets		13,461	13,461
		<u>26,352</u>	<u>29,099</u>
TOTAL NON-CURRENT ASSETS			
		<u>538,558</u>	<u>848,358</u>
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables		295,056	532,966
Short term provisions		80,243	74,336
		<u>375,299</u>	<u>607,302</u>
TOTAL CURRENT LIABILITIES			
		<u>375,299</u>	<u>607,302</u>
TOTAL LIABILITIES			
		<u>163,259</u>	<u>241,056</u>
NET ASSETS			
EQUITY			
Retained profits		163,259	241,056
		<u>163,259</u>	<u>241,056</u>
TOTAL EQUITY			

Discussion and Analysis of Statement of Financial Position

There has been a decrease in the cash held at the year end, due mainly to the completion of a major project in the year. The loss for the year has also resulted in a corresponding decrease in equity.

The accompanying notes form part of these 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 2011**

	Retained Profits \$	Total \$
Balance at 31 December 2010	222,647	222,647
Profit attributable to members	<u>18,409</u>	<u>18,409</u>
Balance at 1 January 2011	241,056	241,056
Loss attributable to members	<u>(77,797)</u>	<u>(77,797)</u>
Balance at 31 December 2011	<u>163,259</u>	<u>163,259</u>

Discussion and Analysis of Statement of Financial Position

Net equity at the year end has decreased in line with the losses incurred during the year.

The accompanying notes form part of these 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 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Capitation receipts		102,490	276,049
Payments to suppliers and employees		(1,066,403)	(1,272,725)
Interest received		14,449	13,786
Sundry income		499,433	1,355,571
		<hr/>	<hr/>
Net cash provided by (used in) operating activities		(450,031)	372,681
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	-
Proceeds on sale of fixed assets		-	-
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	-
Repayment of Borrowings		-	-
		<hr/>	<hr/>
Net cash provided by (used in) financing activities		-	-
		<hr/>	<hr/>
Net increase/(decrease) in cash held		(450,031)	372,681
Cash at beginning of year		654,118	281,437
		<hr/>	<hr/>
Cash at end of year		204,087	654,118
		<hr/>	<hr/>

Discussion and Analysis of Statement of Financial Position

Cashflows have decreased due to reductions in trade payables at year end.

The accompanying notes form part of these 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 2011**

	2011 \$	2010 \$
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 Statement of Receipts and Payments for Recovery of Wages Activity

The union did not collect any wages on behalf of members throughout the year ended 31 December 2011.

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: Statement of Significant Accounting Policies

The concise financial report is an extract of the full financial report for the year ended 31 December 2011. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Fair Work (Registered Organisations) Act 2009.

The financial statements, specific disclosure 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 financial and investing activities of 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 all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

NOTE 2: Information to Be Provided To Members Of Fair Work 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-sections (1), (2) and (3) of Section 272 of the Act, which read as follows:-

- (1) A member of a reporting unit, or Fair Work 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 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

NOTE 3: Financial Statements

The Union will provide a copy of the full financial report for the year ended 31 December 2011, free of charge to any member who requests it.

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

COMMITTEE OF MANAGEMENT CERTIFICATE

On 1 May 2012 the Committee of Management of the Textile, Clothing and Footwear Union of Australia National Council ("Union") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2011:

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 Fair Work Australia duly made under section 272 of the Act has been furnished to the member or Fair Work Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Fair Work Australia under section 273 of the Act.

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

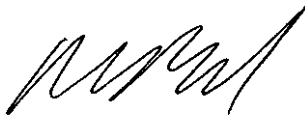
**COMMITTEE OF MANAGEMENT CERTIFICATE
continued**

- (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 Fair Work 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.

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:



Dated: 1 May 2012

Melbourne

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TEXTILE, CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL**

Scope

We have audited the concise financial report of the Textile, Clothing and Footwear Union of Australia National Council (the reporting unit), for the year ended 31 December 2011, as set out on pages 3 to 10 in order to express an opinion on it to the members of the Union. The Union's Committee of Management is responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of the Textile, Clothing and Footwear Union of Australia National Council for the year ended 31 December 2011. Our audit report on the full financial report was signed on 1 May 2012 and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the concise financial report of the Textile, Clothing and Footwear Union of Australia National Council complies with Accounting Standard AASB 1039: Concise Financial Reports and the Fair Work (Registered Organisations) Act 2009.

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: 1 May 2012