Australian Government
Registered Organisations Commission

22 August 2018

Mr Michael O'Connor
National Secretary
Construction, Forestry, Maritime, Mining and Energy Union

By e-mail: moconnor@cfmeu.org

Dear Mr O'Connor

Textile, Clothing and Footwear Union of Australia
Financial Report for the year ended 31 December 2017 - FR2017/335

I acknowledge receipt of the financial report for the year ended 31 December 2017 for the Textile, Clothing and Footwear Union of Australia (TCFUA). The financial report was lodged with the Registered Organisations Commission (ROC) on 24 July 2018.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

K. Morgan

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

CFMEU MANUFACTURING

CFMEU Manufacturing Division
National Office
540 Elizabeth Street
MELBOURNE VIC 3000
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Certificate of the prescribed designated officer for the period ended 31 December 2017 - s.268 *Fair Work (Registered Organisations) Act 2009*

I, Michael O'Connor, being the Divisional Secretary of the Construction, Forestry, Maritime, Mining and Energy Union – Manufacturing Division certify:

- that the documents lodged herewith are copies of the full report for the TCFUA National Council for the period ended 31 December 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 24 July 2018; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 24 July 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:

Name of prescribed designated officer:
MICHAEL O'CONNOR

Title of prescribed designated officer:
DIVISIONAL SECRETARY, CONSTRUCTION FORESTRY MARITIME MINING & ENERGY UNION MANUFACTURING DIVISION

Dated:
24 JULY 2018

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

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2017

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 Textile Clothing & Footwear Union of Australia National Council ("the Union"), the relevant Reporting Unit for the financial year ended 31 December 2017.

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.

On the 6 March 2018 the Fair Work Commission approved the amalgamation of the Textile, Clothing and Footwear Union of Australia, the Construction, Forestry, Mining and Energy Union and The Maritime Union of Australia. The amalgamation took effect as of the 27th March 2018 and the Textile, Clothing and Footwear Union of Australia now forms part of the Manufacturing Division of the Construction, Forestry, Maritime, Mining and Energy Union.

Operating Result
The results of the principal activities of the Union during the financial year was to further the interests of TCF workers through improvements in wages and conditions, health and safety, legal rights and company compliance with Australian labour standards.

The operating loss of the Union for the financial year was $242,960 (2016 profit: $134,159). No provision for tax was necessary as the Union is exempt from income tax.

Significant change
There were no significant changes in the principal activities or financial affairs of the Union during the financial year.

Rights of Members
Pursuant to the Reporting Unit Rule 21 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 notice
  whichever is the later.

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

No other officer or member of the Union is:
(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.

OPERATING REPORT continued

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 3,104 (2016: 3,159)

(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 2.

(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 up to the date of the amalgamation were as follows;

Name	
Elizabeth Macpherson	National President (appointed 21 December 2017)
John Owen	National President [resigned 20 December 2017)
Jenny Kruschel	National Senior Vice President
Michele O'Neil	National Secretary
Mark Edwards	National Trustee
Elizabeth Macpherson	National Trustee [resigned 20 December 2017)
Christine Sutanto	National Trustee (appointed 21 December 2017)

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

For Committee of Management: Michael O'Connor
Title of Office held: Divisional Secretary Construction, Forestry, Maritime, Mining and Energy Union, Manufacturing Division

Signature:

Dated: 24 July 2018

Melbourne

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

ABN 93 734 785 862

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

On the 24 July 2018 the Committee of Management of the Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 2017:

The Committee of Management declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; 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 RO Act; and
- (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
- (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
- (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

(f) No revenue from the undertaking of recovery of wages was derived during the year

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

Signature of designated officer: ....

Name and title of designated officer: Michael O'Connor, Divisional Secretary, Construction Forestry, Maritime, Mining and Energy Union Manufacturing Division

Dated: 24 July 2018

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

ABN 93 734 785 862

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 $	2016 $
Revenue			
Membership subscription*		**-**	-
Capitation fees	3A	**181,952**	179,715
Levies	3B	**-**	112,521
Interest	3C	**1,357**	1,582
Fee for service	3D	**437,551**	423,593
Other revenue		**71,070**	94,127
Total income		**691,930**	811,538
Expenses			
Employee expenses	4A	**(218,146)**	(158,246)
Capitation Fees	4B	**-**	-
Affiliation fees	4C	**(64,420)**	(64,228)
Administration expenses	4D	**(585,583)**	(428,957)
Grants or donations	4E	**(909)**	-
Depreciation and amortisation	4F	**(2,160)**	(824)
Legal costs	4G	**(47,267)**	(9,723)
Audit fees	13	**(15,250)**	(15,400)
Net losses from sale of assets	4H	**(1,155)**	-
Total expenses		**(934,890)**	(677,378)
(Loss)/ profit for the year		**(242,960)**	134,159

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	2017 $	2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**105,280**	222,910
Trade and other receivables	5B	**203,063**	127,909
Other current assets	5C	**9,232**	5,086
Total current assets		**317,575**	355,905
Non-Current Assets			
Plant and equipment	6A	**25,320**	5,966
Other investments	6B	**24,158**	24,158
Total non-current assets		**49,478**	30,124
Total assets		**367,053**	386,029
LIABILITIES			
Current Liabilities			
Trade payables	7A	**306,074**	97,814
Employee provisions	8A	**129,540**	116,787
Total current liabilities		**435,614**	214,601
Non-Current Liabilities			
Employee provisions	8A	**2,971**	-
Total non-current liabilities		**2,971**	-
Total liabilities		**438,585**	214,601
Net assets/ (liabilities)		**(71,532)**	171,428
EQUITY			
Financial Asset Reserve		**10,697**	10,697
Retained earnings (accumulated deficit)		**(82,229)**	160,731
Total equity		**(71,532)**	171,428

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

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

ABN 93 734 785 862

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Retained earnings $	Financial Asset Reserve	Total equity $
Balance as at 1 January 2016		26,572	10,697	37,269
Profit/(loss) for the year		134,159	-	134,159
Closing balance as at 31 December 2016		160,731	10,697	171,428
Profit/(loss) for the year		(242,960)	-	(242,960)
Closing balance as at 31 December 2017		(82,229)	10,697	(71,532)

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 $	2016 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	**244,151**	259,651
Interest		**1,493**	1,741
Other		**440,326**	544,673
Cash used			
Suppliers and employees		**(570,359)**	(384,821)
Payment to other reporting units/controlled entity(s)	10B	**(231,620)**	(293,917)
Net cash from (used by) operating activities	10A	**(116,010)**	127,327
INVESTING ACTIVITIES			
Cash received		**-**	-
Cash used			
Purchase of plant and equipment		**(1,620)**	-
Net cash from (used by) investing activities		**(1,620)**	-
FINANCING ACTIVITIES			
Cash received		**-**	-
Cash used		**-**	-
Net cash from (used by) financing activities		**-**	-
Net increase (decrease) in cash held		**(117,630)**	127,327
Cash & cash equivalents at the beginning of the reporting period		**222,910**	95,582
Cash & cash equivalents at the end of the reporting period	5A	**105,280**	222,910

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Equity
Note 10	Cash flow
Note 11	Contingent liabilities, assets and commitments
Note 12	Related party disclosures
Note 13	Remuneration of auditors
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Note 15	Fair value measurements
Note 16	Section 272 Fair Work (Registered Organisations) Act 2009

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the reporting unit is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on reporting unit include:

IFRS 15 Revenue from contracts with customers.

Effective 31 December 2018

IFRS 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Impacts on the reported financial position and performance have not yet been determined.

Note 1 Summary of significant accounting policies

1.4 New Australian Accounting Standards continued

IFRS 9 Financial Instruments

Effective 31 December 2018

Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value.

Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.

Impairment of assets is now based on expected losses in IFRS 9 which requires entities to measure:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument.

1.5 Revenue

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

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Note 1 Summary of significant accounting policies (continued)

1.6 Government Grants

Government grants are not recognised until there is reasonable assurance that the reporting unit will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised on a systematic basis over the periods in which the reporting unit recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the reporting unit should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the reporting unit with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.8 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.9 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

Note 1 Summary of significant accounting policies (continued)

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

1.11 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Note 1 Summary of significant accounting policies (continued)

1.12 Financial assets continued

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

Note 1 Summary of significant accounting policies (continued)

Impairment of financial assets continued

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

1.13 Financial liabilities

Financial Liabilities

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

it has been acquired principally for the purpose of repurchasing it in the near term; or

on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or

it is a derivative that is not designated and effective as a hedging instrument.

Note 1 Summary of significant accounting policies (continued)

1.13 Financial liabilities continued

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

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

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

1.14 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Library	5.5%
Furniture and Fittings	20 - 40%
Motor Vehicles	25%

Note 1 Summary of significant accounting policies (continued)

1.14 Land, Buildings, Plant and Equipment continued

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.15 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Taxation

Reporting unit is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:
- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.17 Fair value measurement

The reporting unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15A.

Note 1 Summary of significant accounting policies (continued)

1.17 Fair value measurement continued

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the reporting unit. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the reporting unit determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.18 Going concern

As at 31 December 2017, the entity is in a net asset deficiency of $71,532, this deficiency is mainly due to expenses exceeding revenue for the period ending 31 December 2017. Notwithstanding this factor, the financial report has been prepared on the basis that the entity is a going concern, which assumes continuity of normal business activities and the realisation and the settlement of liabilities in the normal course of business.

To continue as a going concern, the entity requires:
- to generate sufficient funds from future operating activities
- to acquire financial support from its related divisions

Rule 50 of the Textile, Clothing and Footwear Union of Australia rules states that

> *' the fund or property of the National Council or National Executive shall consist of any real or personal property of which the National Council or National Executive of the Union by these Rules or by any established practice not inconsistent with these Rules, has, or, in the absence of any limited term lease, bailment or arrangement, would have the right of custody, control or management'.*

Based on its review of the financial position of the respective related branches, the Committee of Management is satisfied that each branch is able to provide such financial support. The reporting entity does not believe that are any issues in regards to going concern. As at the date of signing this financial report the entity has amalgamated with the Construction, Forestry, Mining and Energy Union FFPD and the Maritime Union of Australia. The Textile, Clothing and Footwear Union now forms part of the Manufacturing Division of the Construction, Forestry, Maritime Mining and Energy Union.

Note 2 Events after the reporting period

On 6 March 2018 the Fair Work Commission approved the amalgamation of the Textile, Clothing and Footwear Union of Australia, the Construction, Forestry, Mining and Energy Union and The Maritime Union of Australia. The amalgamation took effect as of the 27th March 2018 and the Textile, Clothing and Footwear Union of Australia now forms part of the Manufacturing Division of the Construction, Forestry, Maritime, Mining and Energy Union.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	$	$

Note 3 Income

Note 3A: Capitation fees

	2017 $	2016 $
Textile Clothing & Footwear Union of Australia - New South Wales/South Australia/Tasmania	**85,487**	92,196
Textile Clothing & Footwear Union of Australia - Victoria/Queensland/Western Australia	**96,465**	87,519
Total capitation fees	**181,952**	179,715

Note 3B: Levies

	2017 $	2016 $
Textile Clothing & Footwear Union of Australia - New South Wales/South Australia/Tasmania - National Branch Levy	-	51,157
Textile Clothing & Footwear Union of Australia - Victoria/Queensland/Western Australia - National Branch Levy	-	61,364
Total levies	-	112,521

Note 3C: Interest

	2017 $	2016 $
Deposits	**1,357**	1,582
Total interest	**1,357**	1,582

Note 3D: Fee for service

	2017 $	2016 $
Homeworker Code Committee Incorporated.	**437,551**	423,593
Total fee for service	**437,551**	423,593

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 4 Expenses

Note 4A: Employee expenses

	2017 $	2016 $
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	-	-
Employees other than office holders:		
Wages and salaries	**171,314**	129,312
Superannuation	**29,018**	23,481
Leave and other entitlements	**15,724**	2,989
Separation and redundancies	-	-
Other employee expenses	**2,090**	2,464
Subtotal employee expenses employees other than office holders	**218,146**	158,246
Total employee expenses	**218,146**	158,246

Note 4B: Capitation fees

	2017 $	2016 $
Capitation Fees	-	-
Total capitation fees	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 $	2016 $
Note 4C: Affiliation fees*		
Affiliation fees:		
Australian Council of Trade Union	**48,707**	46,050
IndustriAll Global Union	**14,758**	17,728
APHEDA - Union Aid Abroad	**955**	450
Total affiliation fees/subscriptions	**64,420**	64,228

Note 4D: Administration expenses

	2017 $	2016 $
Included in administration expense		
Compulsory levies		
ACTU - Growth & Campaign levy	-	-
Fees/allowances - meeting and conferences		
Fee for service – to Vic/QLD/WA Branch and NSW/SA/TAS Branch	**363,636**	279,764
Conference and meeting expenses	**5,201**	1,073
Contractors/consultants	**20,251**	-
Office expenses	**132,501**	73,210
Less accounting recharge to Vic/QLD/WA Branch and NSW/SA/TAS Branch	**(54,400)**	-
Information communications technology	**1,866**	1,479
Campaign expenses	**12,772**	-
Other	**103,756**	73,431
Total administration expense	**585,583**	428,957

A recharge amount of $54,400 for the provision for accounting fees has been recorded to both TCFUA Vic/QLD/WA Branch and NSW/SA/TAS Branch ($27,200 each) during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	$	$
Note 4E: Grants or donations		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	909	-
Total paid that exceeded $1,000	-	-
Total grants or donations	909	-
Note 4F: Depreciation expense		
Depreciation		
Property, plant and equipment	2,160	824
Total depreciation	2,160	824
Note 4G: Legal costs		
Litigation	-	-
Other legal matters	47,267	9,723
Total legal costs	47,267	9,723
Note 4H: Net losses from sale of assets		
Plant and equipment	1,155	-
Total net losses from asset sales	1,155	-

	2017	2016
	$	$

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

	2017 $	2016 $
Cash at bank		
General account	**20,829**	134,810
Mortality fund	**84,451**	88,100
Total cash and cash equivalents	**105,280**	222,910

Note 5B: Trade and other receivables

	2017 $	2016 $
Receivables from other reporting units		
Capitation and Levies		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**33,923**	61,877
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**128,564**	66,032
Total receivables from other reporting units	**162,487**	127,909
Other receivables:		
Other trade receivables	**40,576**	-
Total other receivables	**40,576**	-
Total trade and other receivables	**203,063**	127,909

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	$	$

Note 5C: Other current assets

Prepayments	**9,232**	5,086
Total other current assets	**9,232**	5,086

Note 6 Non-current Assets

Note 6A: Plant and equipment

Plant and equipment:		
Furniture and fittings at cost	**9,823**	8,203
Accumulated depreciation of furniture and fittings	**(8,320)**	(7,942)
Library – at cost	**41,018**	41,018
Accumulated depreciation	**(37,082)**	(36,853)
Motor vehicles at cost	**21,049**	21,467
Accumulated depreciation of motor vehicles	**(1,168)**	(19,927)
Total plant and equipment	**25,320**	5,966

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 January		
Gross book value	**70,688**	70,688
Accumulated depreciation and impairment	**(64,722)**	(63,898)
Net book value 1 January	**5,966**	6,790
Additions:		
By purchase	**22,669**	-
Depreciation expense	**(2,160)**	(824)
Other	**(1,155)**	-
Net book value 31 December	**25,320**	5,966
Net book value as of 31 December represented by:		
Gross book value	**71,890**	70,688
Accumulated depreciation and impairment	**(46,570)**	(64,722)
Net book value 31 December	**25,320**	5,966

Additions for the year include a purchase of a motor vehicle of $21,049 which was paid for by TCFUA VIC/QLD/WA Branch.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	$	$
Note 6B: Other Investments		
Shares in unlisted company at cost		
ACTU	24,158	13,461
Revaluation	-	10,697
Total other investments	24,158	24,158

Note 7 Current Liabilities

	2017	2016
Trade payables		
Trade creditors and accruals	**54,079**	71,981
Payables to other reporting units		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**203,509**	25,833
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**48,486**	-
Subtotal payables to other reporting units	**251,995**	25,833
Total trade payables	**306,074**	97,814

Settlement is usually made within 30 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	$	$

Note 8 Provisions

Employee Provisions*

	2017	2016
Office Holders:		
Annual leave		-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	-	-
Employees other than office holders:		
Annual leave	**65,028**	59,704
Long service leave	**67,483**	57,083
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	**132,511**	116,787
Total employee provisions	**132,511**	116,787
Current	**129,540**	116,787
Non Current	**2,971**	-
Total employee provisions	**132,511**	116,787

Note 9A: Equity - Other Specific disclosures - Funds

Compulsory levy/voluntary contribution fund – if invested in assets.

	2017	2016
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

	2017 $	2016 $
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	**105,280**	222,910
Balance sheet	**105,280**	222,910
Difference	**-**	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**(242,960)**	134,159
Adjustments for non-cash items		
Depreciation/amortisation	**2,160**	824
Loss on disposal of assets	**1,155**	-
Purchase of motor vehicle by related entity	**(21,049)**	-
Changes in assets/liabilities		
(Increase)/decrease in receivables	**(75,154)**	(60,006)
(Increase)/decrease in prepayments	**(4,145)**	6,027
Increase/(decrease) in trade and other payables	**208,259**	47,439
Increase/(decrease) in other provisions	**15,724**	(1,117)
Net cash from (used by) operating activities	**(116,010)**	127,327

During the year, a car was purchased by Textile Clothing & Footwear Union of Australia – Victoria/Queensland/ Western Australia Branch on behalf of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 $	2016 $
Note 10B: Cash flow information*		
Cash inflows		
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**64,035**	129,326
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**180,116**	130,325
Total cash inflows	**244,151**	259,651
Cash outflows		
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**(80,000)**	(153,872)
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**(150,620)**	(140,045)
Total cash outflows	**231,620**	293,917

Note 11 Contingent Assets and liabilities

There were no contingent assets or liabilities during the year (2016:nil)

Note 12 Related Party Disclosures

Related Party Transactions for the Reporting Period

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

Revenue received from related parties includes the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch – capitation fees/ levies	**96,465**	148,882
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch – Fee for service	**27,200**	-
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania- capitation fees/ levies	**85,487**	143,352
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania- Fees for Services	**29,086**	-

	2017 $	2016 $
Note 12: Related Party Transactions for the Reporting Period continued		
Expenses paid by TCFUA National Office includes the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch –fee for service	**(181,818)**	(139,882)
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania – fee for service	**(181,818)**	(139,882)
Amounts owed by related parties include the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**33,923**	61,877
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**128,564**	66,032
Amounts owed to related parties include the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**203,509**	25,833
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**48,486**	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2017, the reporting unit has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: $Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No property was transferred to related parties during the financial year ended 31 December 2017.

Note 13 Remuneration of Auditors

	2017 $	2016 $
Value of the services provided		
Financial statement audit services	**15,250**	15,400
Total remuneration of auditors	**15,250**	15,400

During the financial year the auditors provided services including assistance with the preparation of tax statements and other accounting services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 14 Financial Instruments

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

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:

Note 14A: Categories of Financial Instruments

	2017	2016
	$	$
Financial Assets		
Fair value through profit or loss:		
Total		
Held-to-maturity investments:		
Cash and cash equivalents	**105,280**	222,910
Total	**105,280**	222,910
Available-for-sale assets:		
At cost		
Unlisted investment	**24,158**	24,158
Total	**24,158**	24,158
Loans and receivables – refer to Note 5B	**203,063**	127,909
Total	**203,063**	127,909
Carrying amount of financial assets	**332,501**	374,977
Financial Liabilities		
Other financial liabilities:		
Trade and other payables	**306,074**	97,814
Total	**306,074**	97,814

	2017	2016
	$	$

Note 14B: Net Income and Expense from Financial Assets

	2017 $	2016 $
Held-to-maturity		
Interest revenue	1,357	1,582
Net gain/(loss) from financial assets	1,357	1,582

The net income/expense from financial assets not at fair value from profit and loss is $1,357 (2016:$1,582).

Note 14C: 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 reporting entity.

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.

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 reporting entity securing trade and other receivables.

The reporting entity has no significant concentrations 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 5B.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5B.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2017	2016
	$	$
Financial assets		
Trade and other receivables	203,063	127,909
Total	203,063	127,909
Financial liabilities		
Trade and other payables	306,074	97,814
Total	306,074	97,814

In relation to the entity's gross credit risk the following collateral is held: $Nil (2016: $Nil)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 14C: Credit Risk (continued)

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	110,596	-	-	92,467	203,063
Total	110,596	-	-	92,467	203,063

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	126,485	-	-	1,424	127,909
Total	126,485	-	-	1,424	127,909

Note 14D: Liquidity Risk

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

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Contractual maturities for financial liabilities 2017

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Trade and other payables	-	306,074	-	-	-	306,074
Total	-	306,074	-	-	-	306,074

Maturities for financial liabilities 2016

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Trade and other payables	-	97,814	-	-	-	97,814
Total	-	97,814	-	-	-	97,814

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 14E: 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.

Sensitivity analysis of the risk that the entity is exposed to for 2017

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	-	+ 2%	2,106	-
Interest rate risk	-	- 2%	(2,106)	-

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	-	+ 2%	4,458	-
Interest rate risk	-	- 2%	(4,458)	-

(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 reporting entity is not exposed to securities price risk on available-for-sale investments

Note 15 Fair Value Measurement

Note 15A: Financial Assets and Liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2017 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

The following table contains the carrying amounts and related fair values for the reporting unit's financial assets and liabilities:

	Carrying amount 2017 $	**Fair value 2017 $**	Carrying amount 2016 $	Fair value 2016 $
Financial Assets				
Cash and cash equivalents	**105,280**	**105,280**	222,910	222,910
Trade and other receivables	**203,063**	**203,063**	127,909	127,909
Other investments	**24,158**	**24,158**	24,158	24,158
Total	**332,501**	**332,501**	374,977	374,977
Financial Liabilities				
Trade and other payables	**306,074**	**306,074**	97,814	97,814
Total	**306,074**	**306,074**	97,814	97,814

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

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

Information to be provided to members or General Manager:

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

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

Committee of Management's Responsibility for the Financial Report

The Reporting Entity's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee of management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the Reporting Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intends to liquidate the Reporting Entity or to cease operations, or has no realistic alternative but to do so.

The committee of management is responsible for overseeing the Reporting Entity's financial reporting process.

Auditor's Responsibility

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

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

Opinion

I have audited the financial report of Textile Clothing & Footwear Union of Australia (the Reporting Unit), which comprises the statement of financial position as at 31 December 2017, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Textile Clothing & Footwear Union of Australia National Council as at 31 December 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

(i) the Australian Accounting Standards; and

(ii) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Reporting Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The committee of management is responsible for the other information. The other information comprises the operating report

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for our audit opinion.

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

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

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

L.S.WONG CA
Registered Company Auditor

Level 2
108 Power Street
Hawthorn Victoria
Australia
T +613 9819 4011

Melbourne: 24 July 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/21