



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-New South Wales South Australian
Tasmanian Branch**

Financial Report for the year ended 31 December 2017 - FR2017/336

I acknowledge receipt of the financial report for the year ended 31 December 2017 for the Textile, Clothing and Footwear Union of Australia-New South Wales South Australian Tasmanian Branch (TCFUA-NST). The financial report was lodged with the Registered Organisations Commission (ROC) on 2 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

A handwritten signature in black ink, appearing to read 'K. Morgan'.

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

Certificate of the prescribed designated officer for the period ended 31 December 2017
- s.268 Fair Work (Registered Organisations) Act 2009

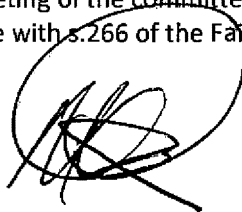
Certificate By Prescribed Designated Officer

Certificate for the year ended 31 December 2017

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 Textile, Clothing, Footwear Union of Australia, New South Wales / South Australia / Tasmania Branch 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 29 June 2018; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 2 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 and Energy Union – Manufacturing Division

Dated: 2 July 2018

Textile, Clothing, Footwear Union
New South Wales / South Australia / Tasmania Branch

FINANCIAL STATEMENTS

for the year ended 31 December 2017

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SUTHERLAND & COMPANY

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Independent Audit Report

To the members of the Construction, Forestry, Maritime, Mining and Energy Union - Manufacturing Division.

Report on the Financial Report

I have audited the financial report of the Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch which comprises the statement of financial position as at 31 December 2017, the statement of 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 the Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch as at 31 December 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) 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 my audit in accordance with Australian Auditing Standards. My 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 Unit 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 my other ethical 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 obtained at the date of this auditor's report is in the Operating Report accompanying the financial 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.

Responsibilities of Committee of Management for the Financial Report

The Reporting Entity's Committee of Management are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit'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 intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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:

- 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 my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- 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 my 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, as provided in the Fair Work (Registered Organisations) Act 2009 and is a Fellow of The Institute of Chartered Accountants in Australia and New Zealand with a current Public Practice Certificate.

Sutherland and Company, Chartered Accountants



D W Sutherland, AM JP BA - Economic & Financial Studies FCA
Registered Company Auditor 3835
Registered Fair Work Auditor AA2017/57
Address: Suite 1, 4 Railway Parade, Burwood, NSW, 2134
Dated: 29 June 2018

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Textile, Clothing, Footwear Union
New South Wales / South Australia / Tasmania Branch

Operating Report

for the year ended 31 December 2017

The Committee of Management presents its report for the year ended 31 December 2017.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year:

The principal activity of the Branch during the year was that of a branch of a registered union of employees. Those activities included, but were not limited to:

- The provision of services to members;
- The representation of members before Fair Work Australia on award matters and disputes; and
- The provision of education in relation to workplace safety and industrial training.

The Branch's principal activities resulted in:

- Maintenance and improvement of wages and conditions of employment for our members, especially those covered by collective bargaining agreements negotiated by our union;

There were no significant changes to the nature of the Branch's activities during the year.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Branch. The operating loss of the Branch was \$107,466 (2016: \$644,524 loss). The Branch is exempt from income tax and no provision for income tax was necessary.

Right of members to resign

In accordance with section 174 of the Fair Work Act (Registered Organisations) Act 2009 and the Rule 12 of the Branch Rule, a member may resign from membership by written notice addressed and delivered to the Secretary.

Officers and employees who are superannuation fund trustees or are directors of a company that is a superannuation fund trustee are:

No officer or employee of the Branch is a superannuation fund trustee or a director of a company that is a superannuation fund trustee.

**Textile, Clothing, Footwear Union
New South Wales / South Australia / Tasmania Branch**

Number of members

The number of members recorded at the end of the financial year was 1,285.

Number of employees

The number of employees (on a full time equivalent basis) at the end of the financial year was 3.

Names of committee of management members and the periods held during the financial year

The following persons held positions on the Committee of Management during the reporting period.

Vacant	President	1 January to 5 December
Mathew Hueppauff	President	From 6 December
James Dylan Mausolf	Vice President	Full year
John Owen	Secretary	1 January to 20 December
Mark Edwards	Secretary	From 20 December
Vacant	Assistant Secretary	Full year
Eric Lam	Trustee	Full year
Christine Sutanto	Trustee	Full year
James Coventry	Committee Member	Full year
Vacant	Committee Member	Full year
Vacant	Committee Member	Full year

Signature of designated officer:



Name of designated officer : Michael O'Connor

Title of designated officer: Divisional Secretary, Construction Forestry Maritime Mining and Energy Union - Manufacturing Division

Dated: 29 June 2018

Construction Forestry Maritime Mining and Energy Union Manufacturing Division

Committee of Management Statement

for the year ended 31 December 2017

On 29 June 2018 the Committee of Management of the Construction Forestry Mining Maritime Mining and Energy Union passed the following resolution in relation to the Textile, Clothing, Footwear Union NSW/SA/Tasmania Branch general purpose financial report (GPFR) 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; 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 has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer:



Name of designated officer : Michael O'Connor

Title of designated officer: Divisional Secretary, Construction Forestry Maritime Mining and Energy Union - Manufacturing Division

Dated: 29 June 2018

Textile, Clothing, Footwear Union
New South Wales / South Australia / Tasmania Branch

Statement of Comprehensive Income

for the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Revenue			
Membership subscription*		568,564	604,518
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	17	35
Other revenue		7,762	677
Total revenue		576,343	605,230
Other Income			
Grants and/or donations	3D	181,818	118,182
Total other income		181,818	118,182
Total income		758,161	723,412
Expenses			
Employee expenses	4A	457,819	839,581
Capitation fees	4B	85,487	92,196
Affiliation fees	4C	10,961	13,733
Administration expenses	4D	221,862	268,427
Grants or donations	4E	1,650	1,730
Depreciation and amortisation	4F	46,846	50,353
Legal costs	4G	9,397	48,291
Audit fees	13	20,650	33,150
Net losses from sale of assets	4H	10,955	20,475
Total expenses		865,627	1,367,936
Surplus (deficit) for the year		(107,466)	(644,524)
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Net gain/(loss) on available for sale investments	14B	(33)	(1,329)
Total comprehensive income for the year		(107,499)	(645,853)

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

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Textile, Clothing, Footwear Union
New South Wales / South Australia / Tasmania Branch

Statement of Financial Position

as at 31 December 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	98,187	160,791
Trade and other receivables	5B	62,941	96,048
Other current assets	5C	10,892	11,476
Total current assets		172,020	268,315
Non-Current Assets			
Land and buildings	6A	3,994,532	4,000,000
Plant and equipment	6B	68,999	88,918
Total non-current assets		4,063,531	4,088,918
Total assets		4,235,551	4,357,233
LIABILITIES			
Current Liabilities			
Trade payables	7A	165,515	82,648
Other payables	7B	49,724	54,052
Employee provisions	8A	24,024	38,513
Total current liabilities		239,263	175,213
Non-Current Liabilities			
Employee provisions	8A	75,089	106,762
Total non-current liabilities		75,089	106,762
Total liabilities		314,352	281,975
Net assets		3,921,199	4,075,258
EQUITY			
General funds	9A	3,783,449	3,783,449
Retained earnings (accumulated deficit)		137,750	291,809
Total equity		3,921,199	4,075,258

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

Textile, Clothing, Footwear Union
New South Wales / South Australia / Tasmania Branch

Statement of Changes in Equity

for the year ended 31 December 2017

	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2015	9A	3,783,449	937,662	4,721,111
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	(644,524)	(644,524)
Other comprehensive income	14B	-	(1,329)	(1,329)
Transfer to/from		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2016	9A	3,783,449	291,809	4,075,258
				-
Adjustment for GST reconciliation		-	(46,560)	(46,560)
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	(107,466)	(107,466)
Other comprehensive income	14B	-	(33)	(33)
Transfer to/from		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2017		3,783,449	137,750	3,921,199

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

Textile, Clothing, Footwear Union
New South Wales / South Australia / Tasmania Branch

Statement of Cash Flows

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	159,901	-
Interest		17	35
Other		573,092	748,188
Cash used			
Employees		(493,382)	(839,581)
Suppliers		(147,116)	(293,223)
Payment to other reporting units/controlled entity(s)	10B	(123,648)	(164,565)
Net cash from (used by) operating activities	10A	(31,135)	(549,146)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		4,350	4,357
Proceeds from sale of land and buildings		-	-
Other		551	-
Cash used			
Purchase of plant and equipment		(36,370)	(1,867)
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		(31,469)	2,490
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	250,000
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		-	250,000
Net increase (decrease) in cash held		(62,604)	(296,656)
Cash & cash equivalents at the beginning of the reporting period		160,791	457,447
Cash & cash equivalents at the end of the reporting period	5A	98,187	160,791

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

Textile, Clothing, Footwear Union
New South Wales / South Australia / Tasmania Branch

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for the year ended 31 December 2017

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Textile, Clothing, Footwear Union

New South Wales / South Australia / Tasmania Branch

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 Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch 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

There were no accounting assumptions or estimates 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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements. The directors' assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

Textile, Clothing, Footwear Union New South Wales / South Australia / Tasmania Branch

1.4 New Australian Accounting Standards (continued)

AASB 15 Revenue from Contracts with Customers

This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB118: Revenue.

Application date of standard: For financial years commencing after 1 January 2018.

Impact on financial report: The Branch is yet to assess its full impact.

AASB 16 Leases

This standard eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It requires the entity to bring most leases onto its balance sheet in a similar way to how existing leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use of the asset in its balance sheet. There are some exemptions such as leases with a period of 12 months or less and low value leases are exempted.

Application date of standard: For financial years commencing after 1 January 2019.

Impact on financial report: The Branch is yet to assess its full impact.

AASB 110 Events after the Reporting Period

This standard prescribes when an entity should adjust its financial statements for events after the reporting period and the disclosures that an entity should give about the date when the financial statements were authorised for issue and about events after the reporting period.

Application date of standard: For financial years commencing after 1 January 2018.

Impact on financial report: The Branch is yet to assess its full impact.

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 but only receipted subscriptions are recorded in the financial year due to the uncertainty of collectability of unpaid subscriptions at balance date.

Donation income is recognised when it is received.

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

Textile, Clothing, Footwear Union New South Wales / South Australia / Tasmania Branch

1.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch 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 Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch 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.

Textile, Clothing, Footwear Union New South Wales / South Australia / Tasmania Branch

1.9 Employee benefits (continued)

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 at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on 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.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Textile, Clothing, Footwear Union New South Wales / South Australia / Tasmania Branch

1.11 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.12 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.13 Financial instruments

Financial assets and financial liabilities are recognised when the Branch 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.

1.14 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.

Textile, Clothing, Footwear Union New South Wales / South Australia / Tasmania Branch

1.14 Financial assets (continued)

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

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

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

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1.14 Financial assets (continued)

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

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1.14 Financial assets (continued)

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.

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.

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1.14 Financial assets (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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.

1.15 Financial Liabilities

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

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

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1.15 Financial Liabilities (continued)

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

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

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

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.

Derecognition of financial liabilities

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

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1.16 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.17 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.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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.

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1.17 Land, Buildings, Plant and Equipment (continued)

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2017	2016
Land & buildings	0 - 40 years	0 - 40 years
Plant and equipment	2 to 20 years	2 to 20 years

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.

1.18 Taxation

Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch 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 statement of cash flows 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.

1.19 Fair value measurement

The Branch 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 16A.

Textile, Clothing, Footwear Union New South Wales / South Australia / Tasmania Branch

1.19 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 Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch. 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.

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch 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.

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1.19 Fair value measurement (continued)

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.20 Going concern

These financial statements have been prepared on a going concern basis.

Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch is not reliant on the agreed financial support of another reporting unit.

Textile, Clothing, & Footwear Union New South Wales / South Australia / Tasmania Branch has not agreed to provide financial support to another reporting unit.

Note 2 Events after the reporting period

A non-adjustment event after the reporting date has occurred and which is considered material. Accordingly, the following disclosures are made:

(a) The nature of the event;

On March 6, 2018 the Fair Work Commission has published the decision to allow the Construction, Forestry, Mining and Energy Union (CFMEU), the Maritime Union of Australia (MUA) and the Textile, Clothing and Footwear Union of Australia (TCFUA) to merge on March 27, 2018, on a going concern basis.

The proposed amalgamation has been approved for the purposes of Chapter 3, Part 2 of the RO Act. The scheme of the proposed amalgamation therefore takes effect in accordance with s.73.

The Construction, Forestry, Maritime, Mining and Energy Union is the amalgamated organisation. The MUA and the TCFUA were merged with the Construction, Forestry, Maritime, Mining and Energy Union and are the deregistered organisations, consistent with the requirements of the Act that only one registered organisation goes forward as a vehicle for the amalgamated organisation.

(b) An estimate of the financial effect:

An estimate cannot be made at the date of this report.

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	2017 \$	2016 \$
Note 3 Income		
Note 3A: Capitation fees *		
	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies*		
	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Interest		
Deposits	17	35
Total interest	<u>17</u>	<u>35</u>
Note 3D: Grants or donations *		
Grants	181,818	118,182
Donations	-	-
Total grants or donations	<u>181,818</u>	<u>118,182</u>
* As required by the Reporting Guidelines. Item to remain even if 'nil'.		
Note 4 Expenses		
Note 4A: Employee expenses*		
Holders of office:		
Wages and salaries	193,018	221,489
Superannuation	35,134	60,932
Leave and other entitlements	49,243	26,890
Separation and redundancies	-	212,468
Other employee expenses	-	4,343
Subtotal employee expenses holders of office	<u>277,395</u>	<u>526,122</u>

**Textile, Clothing, Footwear Union
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	2017 \$	2016 \$
Note 4A: Employee expenses* (continued)		
Employees other than office holders:		
Wages and salaries	99,906	244,882
Superannuation	30,649	42,994
Leave and other entitlements	49,869	12,640
Separation and redundancies	-	10,245
Other employee expenses	-	2,698
Subtotal employee expenses employees other than office holders	180,424	313,459
Total employee expenses	457,819	839,581

Note 4B: Capitation fees*

Textile, Clothing & Footwear Union of Australia - National Council	85,487	92,196
Total capitation fees	85,487	92,196

Note 4C: Affiliation fees*

Australian Labor Party	6,044	7,540
Labour Council NSW	3,527	5,439
Workers Health Centre	564	754
SA Unions	826	-
Total affiliation fees/subscriptions	10,961	13,733

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Note 4D: Administration expenses

Consideration to employers for payroll deductions*	351	1,146
Compulsory levies*	-	-
Textile, Clothing & Footwear Union of Australia	-	-
- National Council charge	27,200	58,636
Fees/allowances - meeting and conferences*	2,481	11,115
Conference and meeting expenses*	20,209	30,579
Contractors/consultants	2,000	-
Property expenses	11,066	8,347
Office expenses	19,080	19,221
Information communications technology	4,500	24,717
Other	126,048	107,550
Subtotal administration expense	212,936	261,311

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	2017	2016
	\$	\$
Note 4D: Administration expenses (continued)		
Operating lease rentals:		
Minimum lease payments	8,926	7,116
Total administration expenses	221,862	268,427

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	1,650	1,730
Total paid that exceeded \$1,000	-	-
Total grants or donations	1,650	1,730

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	5,468	-
Property, plant and equipment	41,378	50,353
Total depreciation	46,846	50,353
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	46,846	50,353

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Note 4G: Legal costs*

Litigation	-	-
Other legal matters	9,397	48,291
Total legal costs	9,397	48,291

**Textile, Clothing, Footwear Union
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	2017 \$	2016 \$
Note 4H: Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	10,955	20,475
Total net losses from asset sales	10,955	20,475

Note 4I: Other expenses

Penalties - via RO Act or RO Regulations*	-	-
Total other expenses	-	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	96,687	159,291
Cash on hand	1,500	1,500
Total cash and cash equivalents	98,187	160,791

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]*

Textile, Clothing & Footwear Union of Australia - National Council	49,706	-
Total receivables from other reporting unit[s]	49,706	-

Less provision for doubtful debts*

	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit[s] (net)	-	-

Other receivables:

GST receivable	-	59,033
Other receivables	13,235	37,015
Total other receivables	13,235	96,048
Total trade and other receivables (net)	62,941	96,048

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	2017 \$	2016 \$
Note 5C: Other Current Assets		
Shares Investment - Listed	8,886	9,470
Shares Investment - Unlisted	2,006	2,006
Total other current assets	10,892	11,476

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Note 6 Non-current Assets

Note 6A: Land and buildings

Land and buildings:		
fair value	4,000,000	4,000,000
accumulated depreciation	(5,468)	-
Total land and buildings	3,994,532	4,000,000

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 January 2017		
Gross book value	4,000,000	4,000,000
Accumulated depreciation and impairment	-	-
Net book value 1 January 2017	4,000,000	4,000,000
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense (building)	(5,468)	-
Other movement <i>[give details below]</i>	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 December 2017	3,994,532	4,000,000
Net book value as of 31 December represented by:		
Gross book value	4,000,000	4,000,000
Accumulated depreciation and impairment	(5,468)	-
Net book value 31 December 2017	3,994,532	4,000,000

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Note 6A: Land and buildings (continued)

The revalued land and buildings consist of Land, Building and Building Fit-Outs. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. The land and building were revalued in December 2015. The properties' fair values are based on valuations performed by an accredited independent valuer.

	2017	2016
	\$	\$
Note 6B: Plant and equipment		
Plant and equipment:		
at cost	265,989	268,939
accumulated depreciation	(196,990)	(180,021)
Total plant and equipment	<u>68,999</u>	<u>88,918</u>

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 January 2017		
Gross book value	268,939	306,413
Accumulated depreciation and impairment	(180,021)	(144,178)
Net book value 1 January 2017	<u>88,918</u>	<u>162,235</u>
Additions:		
By purchase	36,370	1,868
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(41,378)	(50,353)
Other movement	-	-
Disposals:		
From disposal of entities (including restructuring)	-	(20,475)
Other	(14,911)	(4,357)
Net book value December 2017	<u>68,999</u>	<u>88,918</u>
Net book value as of 31 December represented by:		
Gross book value	265,989	268,939
Accumulated depreciation and impairment	(196,990)	(180,021)
Net book value 31 December 2017	<u>68,999</u>	<u>88,918</u>

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	2017 \$	2016 \$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	36,951	22,132
Subtotal trade creditors	36,951	22,132
Payables to other reporting unit[s]*		
Textile, Clothing and Footwear Union of Australia - National Council	128,564	60,516
Subtotal payables to other reporting unit[s]	128,564	60,516
Total trade payables	165,515	82,648
Settlement is usually made within 30 days.		
*As required by the Reporting Guidelines. Item to remain even if 'nil'.		
Note 7B: Other payables		
Prepayments received/unearned revenue	-	3,235
ATO payable	49,724	50,817
Total other payables	49,724	54,052
Total other payables are expected to be settled in:		
No more than 12 months	49,724	54,052
More than 12 months	-	-
Total other payables	49,724	54,052
Note 8 Provisions		
Note 8A: Employee Provisions*		
Office Holders:		
Annual leave	11,685	27,172
Long service leave	28,634	56,474
Separations and redundancies	-	-
Other	8,924	17,676
Subtotal employee provisions—office holders	49,243	101,322

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	2017 \$	2016 \$
Note 8A: Employee Provisions* (continued)		
Employees other than office holders:		
Annual leave	12,339	11,341
Long service leave	37,530	32,612
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	49,869	43,953
Total employee provisions	99,113	145,275
Current	24,024	38,513
Non Current	75,089	106,762
Total employee provisions	99,113	145,275

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Note 9 Equity

Note 9A: Funds

Asset Revaluation Reserve		
Balance as at start of year	3,783,449	3,783,449
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	3,783,449	3,783,449
Total Reserves	3,783,449	3,783,449

Note 9B: Other Specific disclosures - Funds*

Compulsory levy/voluntary contribution fund – if invested in assets	-	-
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*As required by Reporting Guidelines. Items to be disclosed even if nil.

**Textile, Clothing, Footwear Union
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	2017 \$	2016 \$
Note 10 Cash Flow		
Note 10A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	98,187	160,791
Balance sheet	98,187	160,791
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	(107,499)	(645,854)
Adjustments for non-cash items		
Depreciation/amortisation	46,845	50,353
Net write-down/(acquisition) of non-financial assets	(25,009)	-
Fair value movements in investment property	-	-
Gain/(loss) on disposal of assets	(10,955)	20,475
Changes in assets/liabilities		
(Increase)/decrease in net receivables	33,107	29,779
(Increase)/decrease in prepayments	-	11,145
Increase/(decrease) in supplier payables	82,867	34,846
Increase/(decrease) in other payables	(4,328)	(18,645)
Increase/(decrease) in employee provisions	(46,163)	(31,245)
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	<u>(31,135)</u>	<u>(549,146)</u>
Note 10B: Cash flow information*		
Cash inflows		
Textile, Clothing & Footwear Union of Australia - National Council	159,901	-
Total cash inflows	<u>159,901</u>	<u>-</u>

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	2017 \$	2016 \$
Note 10B: Cash flow information* (continued)		
Cash outflows		
Textile, Clothing & Footwear Union of Australia - National Council	(112,687)	(150,832)
Australian Labour Party NSW	(6,044)	(7,540)
Labour Council NSW	(3,527)	(5,439)
SA Unions	(826)	-
Workers Health Centre	(564)	(754)
Total cash outflows	(123,648)	(164,565)

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Operating lease commitments—as lessee

The Operating Lease pertains to the rental of a photocopying machine with an expiry date of 9 March 2019.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are:

Within one year	7,828	7,116
After one year but not more than five years	2,609	8,300
More than five years	-	-
	10,437	15,416

Note 12 Related Party Disclosures

Note 12A: 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 Textile, Clothing & Footwear Union of Australia - National Council includes the following:

Grant	181,818	118,182
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**Textile, Clothing, Footwear Union
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	2017	2016
	\$	\$

Note 12A: Related Party Transactions for the Reporting Period (continued)

Expenses paid to Textile, Clothing & Footwear Union of Australia - National Council includes the following:

Capitation Fee	85,487	92,196
Financial Services	27,200	-
Levy	-	58,636

Amounts owed by Textile, Clothing & Footwear Union of Australia - National Council include the following:

Grant remaining amount to be distributed	49,706	-
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Amounts owed to Textile, Clothing & Footwear Union of Australia - National Council include the following:

Capitation Fee	94,036	46,880
Levy	15,000	13,636
Reimbursement of expenses	19,528	

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 Textile, Clothing, & Footwear Union NSW/SA/TAS Branch Branch 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.

Note 12B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	193,018	221,489
Annual leave accrued	11,685	16,550
Performance bonus	-	-
Other	-	4,757
Total short-term employee benefits	204,703	242,796

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2017 **2016**
\$ **\$**

Note 12B: Key Management Personnel Remuneration for the Reporting Period (continued)

Post-employment benefits:

Superannuation	35,134	60,932
Total post-employment benefits	35,134	60,932

Other long-term benefits:

Long-service leave	28,634	9,926
Total other long-term benefits	28,634	9,926

Termination benefits	8,924	212,468
Total	277,395	526,122

Note 13 Remuneration of Auditors

Value of the services provided

Financial statement audit services	20,650	25,900
Other services	-	7,250
Total remuneration of auditors	20,650	33,150

No other services were provided by the auditor of the financial statements in 2017.

Note 14 Financial Instruments

The committee of management meets on a regular basis to analyse the financial risk exposure with respect to most recent economic conditions and forecast and to minimise the potential adverse effects on the financial performance of the Branch. Risk management policies including credit risk, liquidity risk are reviewed regularly. The carrying amount of the financial assets is reviewed annually to identify any impairment of financial assets.

Note 14A: Categories of Financial Instruments

Financial Assets

Held-to-maturity investments:

Cash on Hand	1,500	1,500
Cash at Bank	96,687	159,291
Total	98,187	160,791

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	2017 \$	2016 \$
Note 14A: Categories of Financial Instruments (continued)		
Available-for-sale assets:		
Listed Shares	8,886	9,470
Unlisted Shares: At Cost	2,006	2,006
Total	10,892	11,476
Loans and receivables:		
Trade and other receivables	62,941	96,048
Total	62,941	96,048
Carrying amount of financial assets	172,020	268,315
Financial Liabilities		
Other financial liabilities:		
Captation Fees and Levy	109,036	60,516
Trade Creditors	56,479	22,132
Other Payables	49,724	54,052
Total	215,239	136,700
Carrying amount of financial liabilities	215,239	136,700
Note 14B: Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	17	35
Net gain/(loss) held-to-maturity	17	35
Available for sale		
Dividend revenue	551	1,177
Gain/loss recognised in equity	(584)	(2,506)
Net gain/(loss) from available for sale	(33)	(1,329)

The net income/expense from financial assets not at fair value from profit and loss is 17 (2016: \$35).

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Note 14C: Credit Risk

The Credit risk is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation.

The Textile, Clothing, & Footwear Union NSW/SA/TAS Branch Branch does not have any material credit risk exposure to any debtor or group of debtors under financial instruments.

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

	2017 \$	2016 \$
Financial assets		
Listed Shares	8,886	9,470
Unlisted Shares: At Cost	2,006	2,006
Trade and other receivables	62,941	96,048
Total	73,833	107,524
Financial liabilities		
Captation Fees and Levy	109,036	60,516
Trade Creditors	56,479	22,132
Other Payables	49,724	54,052
Total	215,239	136,700

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired	Past due or impaired	Not Past Due Nor Impaired	Past due or impaired
	2017 \$	2017 \$	2016 \$	2016 \$
Listed Shares	8,886	-	9,470	-
Unlisted Shares: At Cost	2,006	-	2,006	-
Trade and other receivables	62,941	-	96,048	-
Total	73,833	-	107,524	-

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Note 14D: Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Textile, Clothing, & Footwear Union NSW/SA/TAS Branch does not have any material liquidity risk exposure to any creditor or group of creditors under financial instruments.

Contractual maturities for financial liabilities 2017

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade creditors & other payables	106,203	-	-	-	-	106,203
Payable to other reporting Units	109,036	-	-	-	-	109,036
Accruals	24,024	75,089				99,113
Total	-	239,263	75,089	-	-	314,352

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade creditors, other payables & Accruals	114,697	106,762				221,459
Payable to other reporting Units	60,516					60,516
Total	-	175,213	106,762	-	-	281,975

Note 14E: Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. Is it the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

The Interest rate risk bellow is the Reserve Bank target 'cash rate' (market interest rate on overnight funds) set in the December 2017 and December 2016 Board meetings.

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised bellow:

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Note 14E: Market Risk (continued)

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

		2017 \$	2016 \$
Change in risk variable %		Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	[+ 1.5%]	109,078	3,980,017
Interest rate risk	[- 1.5%]	105,854	3,862,381

Note 14E: Market Risk (continued)

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

		2016 \$	2015 \$
Change in risk variable %		Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	[+ 1.5%]	654,191	4,136,387
Interest rate risk	[- 1.5%]	634,856	4,014,130

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.

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Note 15A: Financial Assets and Liabilities (continued)

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2017 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Textile, Clothing, & Footwear Union NSW/SA/TAS Branch financial assets and liabilities:

	Carrying amount 2017 \$	Fair value 2017 \$	Carrying amount 2016 \$	Fair value 2016 \$
Financial Assets				
Listed Shares	8,886	8,886	9,470	9,470
Unlisted Shares: At Cost	2,006	2,006	2,006	2,006
Total	10,892	10,892	11,476	11,476

Note 15B: Financial and Non-financial Assets and Liabilities Fair Value Hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.

Fair value hierarchy – 31 December 2017

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land & Building	31/12/2017	3,994,532	-	-
Total		3,994,532	-	-
Liabilities measured at fair value		-	-	-
Total		-	-	-

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Note 15B: Financial and Non-financial Assets and Liabilities Fair Value Hierarchy (continued)

Fair value hierarchy – 31 December 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land & Building	31/12/2016	4,000,000	-	-
Total		4,000,000	-	-
Liabilities measured at fair value				
Total		-	-	-

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 Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

Note 17 Additional Branch Information

The registered office of the Branch is situated at:
1st floor 12 Railway Street
Lidcombe NSW 2141