



**Australian Government**  
**Registered Organisations Commission**

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10 May 2017

Mr John Owen  
Secretary, New South Wales, South Australian and Tasmanian Branch  
Textile, Clothing and Footwear Union of Australia

By email: [tcfuansw@tcfua.org.au](mailto:tcfuansw@tcfua.org.au); [jwestgarth@tcfvic.org.au](mailto:jwestgarth@tcfvic.org.au)

Dear Mr Owen

**Re: Lodgement of Financial Statements and Accounts – Textile, Clothing and Footwear Union of Australia, New South Wales, South Australian and Tasmanian Branch - for year ended 31 December 2016 (FR2016/392)**

I refer to the financial report for the New South Wales, South Australian and Tasmanian Branch of the Textile, Clothing and Footwear Union of Australia. The report was lodged with the Registered Organisations Commission ('ROC') on 3 May 2017. An amended Designated Officer's certificate was received on 9 May 2017.

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

The financial report has been filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2017 may be subject to an advanced compliance review.

I make the following comment to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

**New Format for Auditor's Statement**

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the organisation/branch was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

**Reporting Requirements**

On the Registered Organisations Commission ('ROC') website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be

found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained at [this link](#).

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Kellett', with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting

**From:** KELLETT,Stephen  
**Sent:** Wednesday, 10 May 2017 11:11 AM  
**To:** 'jwestgarth@tcfvic.org.au'  
**Cc:** 'doug@sutherlandandcompany.com.au'; 'tcfuansw@tcfua.org.au'  
**Subject:** FW: Attention Mr John Owen - financial reporting - y/e 31 December 2016 - filing  
[SEC=UNCLASSIFIED]

**UNCLASSIFIED**

Dear Jane,

Please see attached a copy of my amended letter in relation to the above, replacing the letter previously sent. I have also copied the letter to the attention of the Auditor.

Yours faithfully

**STEPHEN KELLETT**  
Financial Reporting  
Tel: (02) 6746 3283  
Email: [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au)

The Registered Organisations Commission  
Level 13, 175 Liverpool Street, Sydney NSW 2000  
[www.roc.gov.au](http://www.roc.gov.au)



Australian Government  
Registered Organisations Commission



TCFUA NSW SA TAS  
FR2016 392 (primary)

**From:** Jane Westgarth [mailto:jwestgarth@tcfvic.org.au]  
**Sent:** Tuesday, 9 May 2017 3:40 PM  
**To:** KELLETT,Stephen  
**Subject:** TCFUA NSW Designated Officers Certificate

Hi Stephen,

Further to our telephone discussion yesterday please find attached amended Designated Officers Certificate to accompany the TCFUA NSW/SA/TAS Branch Financial Report.

If you require anything further please don't hesitate to contact me.

Regards,  
Jane

**Jane Westgarth**  
Executive Assistant to  
TCFUA National Secretary  
Ph: 03 9639 2955  
Fax: 03 9639 2944  
email: [jwestgarth@tcfvic.org.au](mailto:jwestgarth@tcfvic.org.au)

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Designated Officer  
Certificate 9.05.17.pdf

**Designated Officer's Certificate**  
*s268 Fair Work (Registered Organisations) Act 2009*

I, John Owen, being the State Secretary of the Textile Clothing and Footwear Union of Australia (TCFUA) New South Wales/South Australia/Tasmania Branch certify:

- that the documents lodged herewith are copies of the full report of the Textile Clothing and Footwear Union of Australia New South Wales/South Australia/Tasmania Branch for the period ended 31 December 2016 referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 1 May 2017 and;
- that the full report was presented to a meeting of the committee of management of the reporting unit on 1 May 2017; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature: 

Name of prescribed officer: John Owen

Title of Prescribed designated officer: Branch Secretary

Date: 9 May 2017

**From:** Jane Westgarth [<mailto:jwestgarth@tcfvic.org.au>]  
**Sent:** Wednesday, 3 May 2017 2:55 PM  
**To:** ROC - Registered Org Commission  
**Subject:** HPRM: ON CMS FR2016/392 TCFUA (NSW/SA/TAS Branch) Financial Report year ending 2016

[FR2016/392](#)

Good afternoon,

### **Lodgement of Financial Report 2016**

Please see attached Designated Officers Certificate and Financial Report of the TCFUA (NSW/SA/TAS Branch).

If you require anything further please contact John Owen, TCFUA (NSW/SA/TAS Branch) Secretary on the number below.

Could you please confirm receipt of this email.

Regards,  
Jane

**Jane Westgarth**  
Executive Assistant to  
TCFUA National Secretary  
Ph: 03 9639 2955  
Fax: 03 9639 2944  
email: [jwestgarth@tcfvic.org.au](mailto:jwestgarth@tcfvic.org.au)

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Designated Officers  
Certificate.pdf



NSW-SA-TAS Branch  
Financial Report 2016

# **Textile Clothing & Footwear Union of Australia**

## **New South Wales / South Australia / Tasmania**

### **Branch**

#### **FINANCIAL STATEMENTS 2016**

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## **INDEPENDENT AUDIT REPORT**

To the members of Textile, Clothing & Footwear Union of Australia New South Wales / South Australia / Tasmania Branch:

### **Report on the Financial Report**

We have audited the accompanying financial report of Textile, Clothing & Footwear Union of Australia New South Wales / South Australia / Tasmania Branch which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, accompanying notes to these financial statements and the Committee of Management Statement for the year ended 31 December 2016.

### **Responsibility for the Financial Report**

The Committee of Management and the Branch Secretary of Textile, Clothing & Footwear Union of Australia New South Wales / South Australia / Tasmania Branch are responsible for the preparation and fair presentation of the financial reports in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and other mandatory financial reporting requirements in Australia.

This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards and with reference to the Fair Work (Registered Organisations) Act 2009. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management and the Branch Secretary, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Independence**

In conducting our audit, we have complied with the independence requirement of Australian professional ethical pronouncement and the Fair Work (Registered Organisations) Act 2009.

## **Auditor's Opinion**

We state that the financial report has been audited and in our opinion, the financial report presents fairly, in all material respects, the financial position of the Textile, Clothing & Footwear Union of Australia New South Wales / South Australia / Tasmania Branch as at 31 December 2016, and its financial performance and cash flows for the year ended in accordance with:

- 1) the relevant Australian Accounting Standards; and
- 2) the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

As part of our audit of the financial statements we have concluded that the management's use of the going concern basis of accounting in the preparation of the financial statements for the year ended 31 December 2016 is appropriate.

We declare that the auditor is 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 with a current Public Practice Certificate.

**Sutherland and Company**  
**Chartered Accountants and**  
**Registered Company Auditor 3835**



.....  
**D W Sutherland, AM JP BA**  
**Economic & Financial Studies FCA**

**Date: 1<sup>st</sup> May 2017**

**TEXTILE, CLOTHING & FOOTWEAR UNION OF AUSTRALIA**  
**NEW SOUTH WALES / SOUTH AUSTRALIA / TASMANIA BRANCH**

**for the period ended 31 December 2016**

**OPERATING REPORT**

The Branch Executive (Committee of Management) of the Textile Clothing & Footwear Union of Australia New South Wales / South Australia / Tasmania Branch presents its report on the reporting unit for the financial year ended 31 December 2016

**Principle Activities**

The principal activities of the Branch during the year were:

- 1) The provision of services to members
- 2) The representation of members on award matters and disputes
- 3) The provision of education in relation to workplace safety and industrial training.

The results of those activities were reviewed and achieved to the satisfaction of the members. There were no significant changes in the nature of these activities during the financial year.

**Operating Results**

There were no significant changes in the financial affairs of the Branch. The operating loss of the Branch was \$644,524 (2015: \$259,890). The Branch is exempt from income tax and no provision for income tax was necessary.

**Event subsequent to report date**

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

**Rights of Members to Resign**

Members retain the right to resign from the Branch in accordance with section 174 of the Fair Work Act (Registered Organisations) Act 2009 and Rule 12 of the Branch Rule.

**Superannuation Fund Trustee(s)**

No officer, employee or member of the Branch holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer, employee or member of the Branch.

**Number of Members**

The number of persons who were at the end of the financial year to which the report relates, recorded in the register of the members for section 230 of the Act and who are taken to be members of the Branch under section 244 of the Act was 1,332 (2015: 1,439).

**Number of Employees**

The number of employees (on a full time equivalent basis) at the end of the financial year was 4.

**Names of the Committee of Management Members and Period of Positions held during the Financial Year**

<b>Name</b>	<b>Position</b>	<b>Period Held</b>
Hung Nguyen	President	1 January 2016 to 12 August 2016
Vacant	President	13 August 2016 to 31 December 2016
James Dylan Mausolf	Vice President	Full year
John Owen	Branch Secretary	Full year
Mark Edwards	Assistant Secretary	Full year
Eric Lam	Trustee	Full year
Christine Sutanto	Trustee	Full year
James Coventry	Committee Member	Full year
Michael Scott Rutherford	Committee Member	1 January 2016 to 1 February 2016
Mathew Hueppauff	Committee Member	Full year

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

**Officers and Employees who are Directors of a Company or a Member of a Board**

No Officer or Employee of the Branch is a Director of a Company. John Owen is a Committee Member for the Board of Ethical Clothing Australia. Hung Nguyen was a Committee Member for the Board of Ethical Clothing Australia until 12 August 2016. Ethical Clothing Australia is an organisation set up to protect the wellbeing of Out Workers in the Textile, Clothing & Footwear Supply Chain and is registered with the approval of the ACCC. Both Officers hold their honorary positions because they are an Officer or Employee of the reporting unit.

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



**John Owen**

Branch Secretary

Dated: 1<sup>st</sup> May 2017



**Mark Edwards**

Assistant Secretary

Dated: 1<sup>st</sup> May 2017

**TEXTILE, CLOTHING & FOOTWEAR UNION OF AUSTRALIA**

**NEW SOUTH WALES / SOUTH AUSTRALIA / TASMANIA BRANCH**

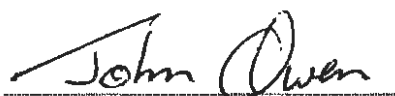
**COMMITTEE OF MANAGEMENT STATEMENT for the period ended 31 December 2016**

On the 10<sup>th</sup> April 2017, the Committee of Management of Textile, Clothing and Footwear Union of Australia, New South Wales / South Australia / Tasmania Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016:

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 the reporting guidelines of the General Manager;
- (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 Fair Work (Registered Organisations) Act (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 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.



**John Owen**

Branch Secretary

Dated: 10<sup>th</sup> April 2017



**Mark Edwards**

Assistant Secretary

Dated: 10<sup>th</sup> April 2017

**TEXTILE, CLOTHING & FOOTWEAR UNION OF AUSTRALIA  
NEW SOUTH WALES / SOUTH AUSTRALIA / TASMANIA BRANCH  
STATEMENT OF COMPREHENSIVE INCOME  
for the period ended 31 December 2016**

	Notes	2016 \$	2015 \$
<b>Revenue</b>			
Membership subscription		<b>604,518</b>	655,774
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	<b>35</b>	9,903
Other revenue		<b>677</b>	15,000
<b>Total revenue</b>		<b>605,230</b>	680,677
<b>Other Income</b>			
Grants and/or donations	3D	<b>118,182</b>	223,303
<b>Total other income</b>		<b>118,182</b>	223,303
<b>Total income</b>		<b>723,412</b>	903,980
<b>Expenses</b>			
Employee expenses	4A	<b>839,581</b>	541,547
Capitation fees	4B	<b>92,196</b>	67,906
Affiliation fees	4C	<b>13,733</b>	18,135
Administration expenses	4D	<b>268,427</b>	351,554
Grants or donations	4E	<b>1,730</b>	1,100
Depreciation and amortisation	4F	<b>50,353</b>	58,567
Legal costs	4G	<b>48,291</b>	70,508
Audit fees	13	<b>33,150</b>	26,074
Net losses from sale of assets	4H	<b>20,475</b>	28,479
Other expenses	4I	-	-
<b>Total expenses</b>		<b>1,367,936</b>	1,163,870
<b>Profit (loss) for the year</b>		<b>(644,524)</b>	(259,890)
<b>Other comprehensive income</b>			
Gain on revaluation of land & buildings		-	1,488,991
Gain/(Loss) on Investment		<b>(1,329)</b>	1,990
<b>Total other comprehensive income for the year</b>		<b>(1,329)</b>	1,490,981
<b>Net Surplus / (Deficit) for the year</b>		<b>(645,853)</b>	(1,231,091)

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

**TEXTILE, CLOTHING & FOOTWEAR UNION OF AUSTRALIA  
NEW SOUTH WALES / SOUTH AUSTRALIA / TASMANIA BRANCH  
STATEMENT OF FINANCIAL POSITION  
as at 31 December 2016**

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	160,791	457,447
Trade and other receivables	5B	96,048	375,827
Other current assets	5C	11,476	22,621
<b>Total current assets</b>		<b>268,315</b>	<b>855,895</b>
<b>Non-Current Assets</b>			
Land and buildings	6A	4,000,000	4,000,000
Plant and equipment	6B	88,918	162,235
<b>Total non-current assets</b>		<b>4,088,918</b>	<b>4,162,235</b>
<b>Total assets</b>		<b>4,357,233</b>	<b>5,018,130</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	82,648	47,802
Other payables	7B	54,052	72,697
Employee provisions	8	38,513	41,086
<b>Total current liabilities</b>		<b>175,213</b>	<b>161,585</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8	106,762	135,434
<b>Total non-current liabilities</b>		<b>106,762</b>	<b>135,434</b>
<b>Total liabilities</b>		<b>281,975</b>	<b>297,019</b>
<b>Net assets</b>		<b>4,075,258</b>	<b>4,721,111</b>
<b>EQUITY</b>			
Asset revaluation reserve	9	3,783,449	3,783,449
Retained earnings		291,809	937,662
<b>Total equity</b>		<b>4,075,258</b>	<b>4,721,111</b>

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

**TEXTILE, CLOTHING & FOOTWEAR UNION OF AUSTRALIA**  
**NEW SOUTH WALES / SOUTH AUSTRALIA / TASMANIA BRANCH**  
**STATEMENT OF CHANGES IN EQUITY**  
for the period ended 31 December 2016

	Notes	General funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 January 2015</b>		2,294,458	1,195,562	3,490,020
Profit for the year		-	(259,890)	(259,890)
Other comprehensive income for the year		-	1,490,981	1,490,981
Transfer from asset revaluation reserve	9	-	(1,488,991)	(1,488,991)
Transfer from retained earnings		1,488,991	-	1,488,991
<b>Closing balance as at 31 December 2015</b>		<b>3,783,449</b>	<b>937,662</b>	<b>4,721,111</b>
Profit for the year		-	(645,853)	(645,853)
Other comprehensive income for the year		-	-	-
Transfer to/from funds	9	-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance as at 31 December 2016</b>		<b>3,783,449</b>	<b>291,809</b>	<b>4,075,258</b>

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

**TEXTILE, CLOTHING & FOOTWEAR UNION OF AUSTRALIA**  
**NEW SOUTH WALES / SOUTH AUSTRALIA / TASMANIA BRANCH**  
**CASH FLOW STATEMENT**  
for the period ended 31 December 2016

	Notes	2016 \$	2015 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	10B	-	6,752
Interest		35	9,903
Other		748,188	918,532
<b>Cash used</b>			
Employees		(839,581)	(541,546)
Suppliers		(293,223)	(507,663)
Payment to other reporting units/controlled entity(s)	10B	(164,565)	(146,042)
<b>Net cash from (used by) operating activities</b>	10A	<b>(549,146)</b>	<b>(260,605)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		4,357	76,364
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		(1,867)	(176,820)
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		<b>2,490</b>	<b>(100,456)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		250,000	(250,000)
<b>Cash used</b>			
Repayment of borrowings		-	-
Other		-	-
<b>Net cash from (used by) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>		<b>(296,656)</b>	<b>(610,520)</b>
Cash & cash equivalents at the beginning of the reporting period		457,447	1,067,967
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>160,791</b>	<b>457,447</b>

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



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## **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 Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Textile, Clothing & Footwear Union of Australia 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 are no accounting assumptions or estimates that have been identified to have a significant risk or causing a material adjustment to the carrying amounts of assets and liabilities with the next reporting period.

### **1.4     New Australian Accounting Standards**

#### ***Adoption of New Australian Accounting Standard requirements***

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year and which the reporting entity has considered and concluded that they did not have any material impact on the Branch

- *AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* contains three main parts and makes amendments to a number of Standards and Interpretations.

Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.

Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.

Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 *Financial Instruments*.

This standard has no impact on the reporting unit.

*AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards - This standard has no impact on the reporting unit.

*AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent* aligns the relief available in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent - This standard has no impact on the reporting unit.

### ***Future Australian Accounting Standards Requirements***

There have been no accounting standards issued which will have a financial impact on the financial report in future periods and which are not yet effective.

#### **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.

Donation income is recognised when it is received.

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

#### **1.6 Government grants**

Government grants are not recognised until there is reasonable assurance that the Textile, Clothing & Footwear Union of Australia New South Wales / South Australia / Tasmania Branch will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in profit or loss when received or the right to receive has been established.

#### **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 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. 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.

#### **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 consolidated statement of financial position.

### 1.13 Financial instruments

Financial assets and financial liabilities are recognised when the Branch 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.

### 1.14 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.

#### ***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 remeasurement 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.

### ***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.

### ***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.

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:

- 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.



## 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.

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

	2016	2015
Land and Buildings	4-10%	4-10%
Plant and equipment	10-50%	10-50%
Furniture and Fittings	10-25%	10-25%
Motor vehicles	25-30%	25-30%

## ***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 of Australia 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.

### **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.

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 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.

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**

The Textile, Clothing & Footwear Union of Australia New South Wales / South Australia / Tasmania Branch is not reliant on any agreed financial support of another reporting unit to continue on as a going concern basis and has no agreement to provide financial support to ensure another reporting unit(s) so that they can continue on a going concern basis. There has been no financial support during the period from another reporting unit.

## **Note 2 Events after the reporting period**

There were no events that occurred after 31 December 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Textile, Clothing & Footwear Union of Australia New South Wales / South Australia / Tasmania Branch.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees*</b>		
	-	-
<b>Total capitation fees</b>	-	-
<b>Note 3B: Levies*</b>		
	-	-
<b>Total levies</b>	-	-
<b>Note 3C: Interest</b>		
Deposits	35	9,903
Loans	-	-
<b>Total interest</b>	35	9,903
<b>Note 3D: Grants or donations</b>		
Grants	118,182	223,303
Donations	-	-
<b>Total grants or donations</b>	118,182	223,303
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	221,489	251,411
Superannuation	60,932	72,523
Leave and other entitlements	26,890	-
Separation and redundancies	212,468	-
Other employee expenses	4,343	-
<b>Subtotal employee expenses holders of office</b>	526,122	323,934

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

	2016 \$	2015 \$
<b>Employees other than office holders:</b>		
Wages and salaries	244,882	167,294
Superannuation	42,994	50,319
Leave and other entitlements	12,640	-
Separation and redundancies	10,245	-
Other employee expenses	2,698	-
<b>Subtotal employee expenses employees other than office holders</b>	<b>313,459</b>	<b>217,613</b>
<b>Total employee expenses</b>	<b>839,581</b>	<b>541,547</b>

**Note 4B: Capitation fees**

Textile, Clothing & Footwear Union of Australia – National Council	92,196	67,906
<b>Total capitation fees</b>	<b>92,196</b>	<b>67,906</b>

**Note 4C: Affiliation fees**

Australian Labor Party	7,540	8,384
Labour Council NSW	5,439	9,210
Workers Health Centre	754	541
<b>Total affiliation fees/subscriptions</b>	<b>13,733</b>	<b>18,135</b>

**Note 4D: Administration expenses**

Consideration to employers for payroll deductions	1,146	1,563
Compulsory levies		
Textile, Clothing & Footwear Union of Australia – National Council charge	58,636	60,000
Fees/allowances - meeting and conferences	11,115	16,216
Conference and meeting expenses	30,579	45,644
Property expenses	8,347	7,920
Office expenses	19,221	21,120
Information communications technology	24,717	27,703
Other	107,550	163,560
<b>Subtotal administration expense</b>	<b>261,311</b>	<b>343,726</b>
Operating lease rentals:		
Lease payments	7,116	7,828
<b>Total administration expenses</b>	<b>268,427</b>	<b>351,554</b>

	2016 \$	2015 \$
<b>Note 4E: Grants or donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	1,730	1,100
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>1,730</b>	<b>1,100</b>

**Note 4F: Depreciation and amortisation**

Depreciation		
Land & buildings	-	2,771
Property, plant and equipment	50,353	55,796
<b>Total depreciation</b>	<b>50,353</b>	<b>58,567</b>
Amortisation		
Intangibles	-	-
<b>Total amortisation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>50,353</b>	<b>58,567</b>

**Note 4G: Legal costs**

Litigation	-	-
Other legal matters	48,291	70,508
<b>Total legal costs</b>	<b>48,291</b>	<b>70,508</b>

**Note 4H: Net losses from sale of assets**

Land and buildings	-	-
Plant and equipment	20,475	28,479
Intangibles	-	-
<b>Total net losses from asset sales</b>	<b>20,475</b>	<b>28,479</b>

**Note 4I: Other expenses**

Penalties - via RO Act or RO Regulations*	-	-
<b>Total other expenses</b>	<b>-</b>	<b>-</b>

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

<b>2016</b>	<b>2015</b>
<b>\$</b>	<b>\$</b>

## **Note 5 Current Assets**

### **Note 5A: Cash and Cash Equivalents**

Cash at bank	<b>159,291</b>	455,924
Cash on hand	<b>1,500</b>	1,523
Short term deposits	-	-
Other	-	-
<b>Total cash and cash equivalents</b>	<b>160,791</b>	<b>457,447</b>

### **Note 5B: Trade and Other Receivables**

#### **Receivables from other reporting unit[s]\***

TCFUA Victoria / Queensland / Western Australia Branch – short term loan	-	250,000
<b>Total receivables from other reporting unit[s]</b>	<b>-</b>	<b>250,000</b>

#### **Less provision for doubtful debts\***

<b>Total provision for doubtful debts</b>	-	-
<b>Receivable from other reporting unit[s] (net)</b>	<b>-</b>	<b>250,000</b>

#### **Other receivables:**

GST receivable from the Australian Taxation Office	<b>59,033</b>	64,189
Other trade receivables	<b>37,015</b>	61,638
<b>Total other receivables</b>	<b>96,048</b>	125,827
<b>Total trade and other receivables (net)</b>	<b>96,048</b>	<b>375,827</b>

### **Note 5C: Other Current Assets**

Shares Investment – Listed	<b>9,470</b>	20,615
Shares Investment – Unlisted	<b>2,006</b>	2,006
<b>Total other current assets</b>	<b>11,476</b>	<b>22,621</b>

## **Note 6 Non-current Assets**

### **Note 6A: Land and buildings**

#### **Land and buildings:**

fair value	<b>4,000,000</b>	4,000,000
accumulated depreciation	-	-
<b>Total land and buildings</b>	<b>4,000,000</b>	<b>4,000,000</b>

	2016 \$	2015 \$
<b>Reconciliation of the Opening and Closing Balances of Land and Buildings</b>		
<b>As at 1 January</b>		
Gross book value	4,000,000	2,475,000
Accumulated depreciation and impairment	-	-
<b>Net book value 1 January</b>	-	-
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	109,362
Revaluations	-	1,488,991
Impairments	-	-
Depreciation expense	-	(73,353)
Other movement [ <i>give details below</i> ]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
<b>Net book value 31 December</b>	4,000,000	4,000,000
<b>Net book value as of 31 December represented by:</b>		
Gross book value	4,000,000	4,000,000
Accumulated depreciation and impairment	-	-
<b>Net book value 31 December</b>	4,000,000	4,000,000

The revalued land and buildings consist of on class of asset. 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 difference in the nature, location or condition of the specific property. The land and building was independently revalued in December 2015 and no further revaluation was considered necessary for the year ending 31 December 2016.

#### **Note 6B: Plant and equipment**

Plant and equipment:		
at cost	268,939	306,413
accumulated depreciation	(180,021)	(144,178)
<b>Total plant and equipment</b>	<b>88,918</b>	<b>162,235</b>



2016	2015
\$	\$

**Reconciliation of the Opening and Closing Balances of Plant and Equipment**

**As at 1 January**

Gross book value	306,413	450,918
Accumulated depreciation and impairment	(144,178)	(266,157)
<b>Net book value 31 December</b>	<b>162,235</b>	<b>184,761</b>

**Additions:**

By purchase	1,868	176,893
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(50,353)	(58,567)
Other movement (reclassification)	-	(36,009)

**Disposals:**

From disposal of entities (including restructuring)	(20,475)	(76,364)
Other	(4,357)	(28,479)

<b>Net book value 31 December</b>	<b>88,918</b>	<b>162,235</b>
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**Net book value as of 31 December represented by:**

Gross book value	268,939	306,413
Accumulated depreciation and impairment	(180,021)	(144,178)
<b>Net book value 31 December</b>	<b>88,918</b>	<b>162,235</b>

**Note 7 Current Liabilities**

**Note 7A: Trade payables**

Trade creditors and accruals	22,132	14,850
<b>Subtotal trade creditors</b>	<b>22,132</b>	<b>14,850</b>

**Payables to other reporting unit[s]\***

Textile, Clothing & Footwear Union of Australia – National Council	60,516	32,952
<b>Subtotal payables to other reporting unit[s]</b>	<b>60,516</b>	<b>32,952</b>

<b>Total trade payables</b>	<b>82,648</b>	<b>47,802</b>
-----------------------------	---------------	---------------

Settlement is usually made within 30 days.

	2016 \$	2015 \$
<b>Note 7B: Other payables</b>		
Consideration to employers for payroll deductions*	-	-
Legal costs*		
Litigation	-	-
Other legal matters	-	-
Prepayments received/uneamed revenue	-	-
GST payable	50,817	42,863
PAYG Payable	-	25,443
Other	3,235	4,391
<b>Total other payables</b>	<b>54,052</b>	<b>72,697</b>

Total other payables are expected to be settled in:

No more than 12 months	54,052	72,697
More than 12 months	-	-
<b>Total other payables</b>	<b>54,052</b>	<b>72,697</b>

## Note 8 Employee Provisions

### Office Holders:

Annual leave	27,172	30,267
Long service leave	56,474	61,890
Separations and redundancies	-	-
Other	17,676	25,263
<b>Subtotal employee provisions—Officer holders</b>	<b>101,322</b>	<b>59,101</b>

### Employees other than office holders:

Annual leave	11,341	10,820
Long service leave	32,612	48,281
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<b>43,953</b>	<b>59,101</b>
<b>Total employee provisions</b>	<b>145,275</b>	<b>176,521</b>

Current	38,513	41,086
Non-Current	106,762	135,435
<b>Total employee provisions</b>	<b>145,275</b>	<b>176,521</b>

2016	2015
\$	\$

## Note 9 Equity

Asset Revaluation Reserve		
<b>Balance as at start of year</b>	<b>3,783,449</b>	2,294,458
Transferred to reserve	-	1,488,991
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	<b>3,783,449</b>	3,783,449
<b>Total Reserves</b>	<b>3,783,449</b>	3,783,449

## 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	160,791	457,441
Balance sheet	160,791	457,441
<b>Difference</b>	-	-

#### Reconciliation of profit/(deficit) to net cash from operating activities:

Profit/(deficit) for the year	(645,854)	(259,889)
-------------------------------	-----------	-----------

#### Adjustments for non-cash items

Depreciation/amortisation	50,353	58,567
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	20,475	28,479

#### Changes in assets/liabilities

(Increase)/decrease in trade receivables	29,779	49,645
(Increase)/decrease in other assets	11,145	-
Increase/(decrease) in supplier payables	34,846	(90,049)
Increase/(decrease) in other payables	(18,645)	19,129
Increase/(decrease) in employee provisions	(31,245)	(66,487)
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<b>(549,146)</b>	<b>(260,605)</b>

<b>2016</b>	<b>2015</b>
<b>\$</b>	<b>\$</b>

# **Note 10B: Cash flow information**

## **Cash inflows**

Transport Workers Union- NSW Branch

-	6,752
---	-------

## **Total cash inflows**

-	6,752
---	-------

## **Cash outflows**

Textile, Clothing & Footwear Union of

Australia – National Council

(150,832)	(127,906)
-----------	-----------

Australian Labor Party NSW

(7,540)	(7,965)
---------	---------

Australian Labor Party SA

-	(538)
---	-------

Labour Council NSW

(5,439)	(8,326)
---------	---------

Unions Tasmania / SA

-	(765)
---	-------

Workers Health Centre

(754)	(542)
-------	-------

## **Total cash outflows**

(164,565)	(146,042)
-----------	-----------

# **Note 11 Contingent Liabilities, Assets and Commitments**

## **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 as follows:

Within one year

7,116	7,828
-------	-------

After one year but not more than five years

8,300	17,612
-------	--------

More than five years

-	-
---	---

15,416	25,440
--------	--------

# **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.

## **Textile, Clothing & Footwear Union of Australia – National Council**

## **Expenses**

Capitation Fee

92,196	67,906
--------	--------

Levy

58,636	60,000
--------	--------

## **Amounts Owed To**

Trade Payable

60,516	32,952
--------	--------

	2016	2015
	\$	\$
<b>Textile, Clothing &amp; Footwear Union Victoria / Queensland / Western Australia Branch</b>		
<b>Amounts Owed To</b>		
Loan	-	\$250,000

#### **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 2016 the Textile, Clothing & Footwear Union New South Wales / South Australia / Tasmanian Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$250,000). 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)	221,489	251,411
Annual leave accrued	16,550	-
Performance bonus	-	-
Other	4,757	-
<b>Total short-term employee benefits</b>	<b>242,796</b>	<b>-</b>

##### **Post-employment benefits:**

Superannuation	60,932	72,523
<b>Total post-employment benefits</b>	<b>60,932</b>	<b>72,523</b>

##### **Other long-term benefits:**

Long-service leave	9,926	-
<b>Total other long-term benefits</b>	<b>9,926</b>	<b>-</b>

##### **Termination benefits**

<b>Total</b>	<b>212,468</b>	<b>-</b>
	<b>526,122</b>	<b>323,934</b>

These key management personnel receive the above remuneration as employees of the Branch.

#### **Note 13 Remuneration of Auditors**

##### **Value of the services provided**

Financial statement audit services	25,900	24,074
Other services	7,250	2,000
<b>Total remuneration of auditors</b>	<b>33,150</b>	<b>26,074</b>

2016	2015
\$	\$

## 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 forecasts 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	1,523
-------	-------

Cash at Bank

159,291	455,924
---------	---------

##### Total

160,791	457,447
---------	---------

##### Available-for-sale assets:

List Shares

9,470	20,614
-------	--------

Unlisted Shares: At Cost

2,006	2,006
-------	-------

##### Total

11,476	22,620
--------	--------

##### Loans and receivables:

Other Receivable

96,048	125,827
--------	---------

Trade Receivable

-	250,000
---	---------

##### Total

96,048	375,827
--------	---------

#### Carrying amount of financial assets

268,315	855,895
---------	---------

#### Financial Liabilities

##### Other financial liabilities:

Capitation Fees

60,516	32,952
--------	--------

Trade Creditors

22,132	14,850
--------	--------

Other Payables

54,052	72,696
--------	--------

##### Total

136,700	120,498
---------	---------

#### Carrying amount of financial liabilities

136,700	120,498
---------	---------

### Note 14B: Net Income and Expense from Financial Assets

#### Held-to-maturity

Interest revenue

35	9,903
----	-------

Gain/loss on disposal

-	-
---	---

#### Net gain/(loss) held-to-maturity

35	9,903
----	-------

The net income/expense from financial assets not at fair value from profit and loss is \$35 (2015: \$9,903).

## Note 14C: Credit Risk

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

	Not Past Due Nor Impaired 2016 \$	Past due or impaired 2016 \$	Not Past Due Nor Impaired 2015 \$	Past due or impaired 2015 \$
Shares Investment-Listed	9,470	-	20,614	-
Shares Investment-Unlisted	2,006	-	2,006	-
<b>Total</b>	<b>11,476</b>	<b>-</b>	<b>22,620</b>	<b>-</b>

Ageing of financial assets that were past due but not impaired for 2015.

### 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 \$
Share Investments-Listed	9,470	-	-	-	9,470
Shares Investment-Unlisted	2,006	-	-	-	2,006
<b>Total</b>	<b>11,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,476</b>

### Ageing of financial assets that were past due but not impaired for 2015

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Shares Investment-Listed	20,614	-	-	-	20,614
Shares Investment-Unlisted	2,006	-	-	-	2,006
<b>Total</b>	<b>22,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,620</b>

## Note 14D: Liquidity Risk

### Contractual maturities for financial liabilities 2016

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

### Maturities for financial liabilities 2015

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade creditors & accruals	-	128,633	135,435	-	-	264,068
Payable to other reporting units	-	32,952	-	-	-	32,952
<b>Total</b>	<b>-</b>	<b>161,585</b>	<b>135,435</b>	<b>-</b>	<b>-</b>	<b>297,020</b>

## Note 14E: Market Risk

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

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 below:

<b>31 December 2016</b>	<b>Floating Interest Rate</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>			
Cash and cash equivalents	160,791	-	160,791
Receivables	-	107,524	107,524
	<u>160,791</u>	<u>107,524</u>	<u>268,315</u>
Weighted average interest rate	0.01%		
<b>Financial Liabilities</b>			
Payables	-	136,700	136,700
<b>Net Financial Assets (Liabilities)</b>	<u><b>160,791</b></u>	<u><b>(29,176)</b></u>	<u><b>131,615</b></u>
 <b>31 December 2015</b>	 <b>Floating Interest Rate</b>	 <b>Non-Interest Bearing</b>	 <b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>			
Cash and cash equivalents	457,447	-	457,447
Receivables	-	398,448	398,448
	<u>457,447</u>	<u>398,448</u>	<u>855,895</u>
Weighted average interest rate	0.01%		
<b>Financial Liabilities</b>			
Payables	-	120,499	120,499
<b>Net Financial Assets (Liabilities)</b>	<u><b>457,447</b></u>	<u><b>277,949</b></u>	<u><b>735,396</b></u>
 <b>Sensitivity Analysis</b>	 <b>Carrying Amount</b>	 <b>+50% (50 basis points) profit</b>	 <b>-50% (50 basis points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2016</b>			
Cash Assets	<u>160,791</u>	<u>8</u>	<u>8</u>
<b>2015</b>			
Cash Assets	<u>457,447</u>	<u>23</u>	<u>23</u>



## 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 2016 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- 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 2016 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 New South Wales / South Australia / Tasmania Branch financial assets and liabilities:

	Carrying amount 2016 \$	Fair value 2016 \$	Carrying amount 2015 \$	Fair value 2015 \$
<b>Financial Assets</b>				
Shares Investment-Listed	9,470	9,470	20,614	20,614
Shares Investment-Unlisted	2,006	2,006	2,006	2,006
<b>Total</b>	<b>11,476</b>	<b>11,476</b>	<b>22,620</b>	<b>22,620</b>
	Carrying amount 2016 \$	Fair value 2016 \$	Carrying amount 2015 \$	Fair value 2015 \$
<b>Financial Assets</b>				
Land and Buildings	4,000,000	4,000,000	4,000,000	4,000,000
<b>Total</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>

#### **Note 15B: 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.

##### **Fair value hierarchy –31 December 2016**

	<b>Date of valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets measured at fair value</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
Land and Buildings	<b>31-12-2015</b>	<b>4,000,000</b>	-	-
<b>Total</b>		<b>4,000,000</b>	-	-

##### **Liabilities measured at fair value**

	-	-	-
<b>Total</b>	-	-	-
[			

##### **Fair value hierarchy –31 December 2015**

	<b>Date of valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets measured at fair value</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
Land and Buildings	<b>31-12-2015</b>	<b>4,000,000</b>	-	-
<b>Total</b>		<b>4,000,000</b>	-	-

##### **Liabilities measured at fair value**

	-	-	-
<b>Total</b>	-	-	-

#### **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).

**Note 17    Additional Branch Information**

The registered office of the Branch is situated at:

28 Anglo Road

Campsie NSW 2195



27 January 2017

Mr John Owen  
Branch Secretary  
Textile, Clothing and Footwear Union of Australia  
New South Wales South Australian Tasmanian Branch  
By Email: [tcfuansw@tcfua.org.au](mailto:tcfuansw@tcfua.org.au)

Dear Mr Owen,

**Re: Lodgement of Financial Report - [FR2016/392]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Textile, Clothing and Footwear Union of Australia-New South Wales South Australian Tasmanian Branch (the reporting unit) ended on 31 December 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017.

### **The new Registered Organisations Commission**

The Registered Organisations Commission (the ROC) will be established in 2017.

Statements of loans, grants and donation and financial reports must be lodged with the Fair Work Commission until the ROC is established. Once the ROC is established, they must be lodged with the ROC.

It is not yet known when in 2017 the ROC will be established. The Fair Work Commission will be providing information on the transition to the ROC through its subscription service and its website. For details about the subscription service, go to [Subscriptions](#) and subscribe to the Registered organisations information service.

### **Where to lodge Statements of Loans Grants and Donations and Financial Reports**

	<b>Before the ROC is established</b>	<b>From establishment of the ROC</b>
<b>Where to lodge</b>	Lodge your statement of loans grants donations and your financial report with the Fair Work Commission	Lodge your statement of loans grants donations and your financial report and with the ROC
<b>How to lodge</b>	The easiest way to lodge is via email: <a href="mailto:orgs@fwc.gov.au">orgs@fwc.gov.au</a>	Lodgement methods are not yet known

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

## Our focus this year: timelines and disclosure of loans, grants and donations

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

### Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

As stated above, section 237 requires the loans, grants and donations statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017. A sample statement of loans, grants or donations is available at [sample documents](#).

### Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission (FWC) website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statements, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Running a Registered Organisation section.

### Civil penalties may apply

**It should be noted that s.268 and s.237 are civil penalty provisions.** If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

### Contact

Should you wish to seek any clarification in relation to the above, email [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,

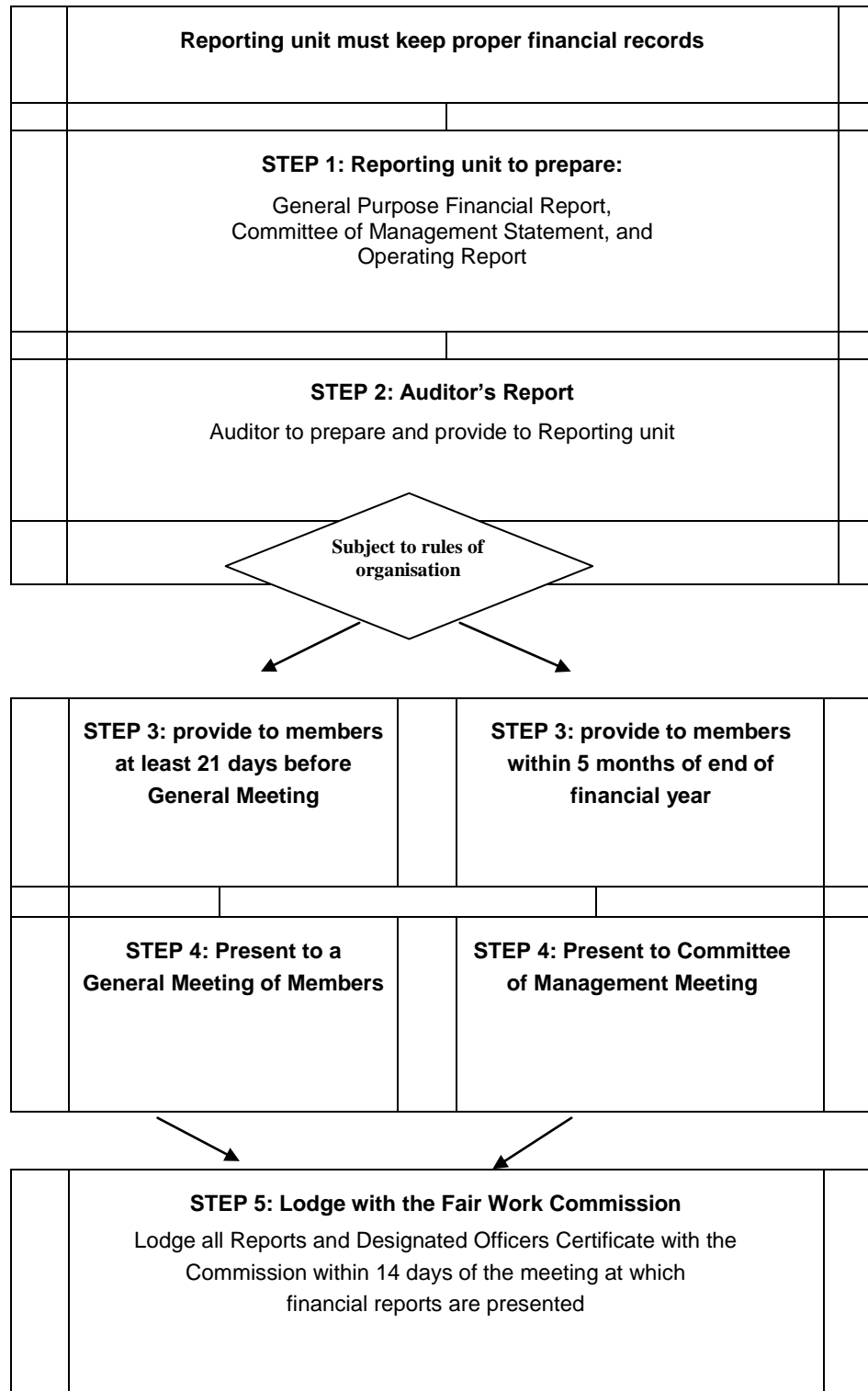


Marianne Kay  
Adviser  
Regulatory Compliance Branch

## Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



# Fact Sheet - Loans, Grants & Donations

## The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

## The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,\* and







the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)