



Australian Government
Australian Industrial Registry

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80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
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Ms Michele O'Neil
State Secretary
Textile, Clothing and Footwear Union of Australia
Victorian Branch
Level 2, 132-138 Leicester Street
CARLTON VIC 3053

Dear Ms O'Neil,

Re: Textile, Clothing and Footwear Union of Australia - Victorian Branch - FR2004/260
Financial Documents - year ended 31 December 2002

I acknowledge receipt of the financial documents for the Victorian Branch of the TCFUA for the year ended 31 December 2002. The documents were lodged under s279(2) of the *Workplace Relations Act 1996* and received in the Industrial Registry on 5 July 2004.

The documents have been filed and are available for public viewing at www.e-airc.gov.au/125v/vic/financial.

The following comments are provided to assist in future financial years:-

Disclosure of Expenditure - *Compilation Report*

A detailed list of expenditure items was provided separately to the main accounts in a *Compilation Report* prepared in accordance with Australian Accounting Standard APS 9. In the Scope of the Compilation Report the auditor stated with respect to this information that 'no audit or review has been performed and accordingly no assurance is expressed'.

This approach appears to be inconsistent with the financial reporting requirements of the Act and Regulations (s273(1)(a), 276(4)(a)(ii) and reg 107(a)) which require the auditor to confirm whether the full range of expenditure items is presented in a true and fair manner - see Attachment A. The new financial reporting requirements of the RAO Schedule which will affect the branch from 1 January 2004 have a similar requirement - see the *Industrial Registrar's Reporting Guidelines under the RAO Schedule* (Attachment B at point 11). Accordingly, future financial returns should present expenditure items in the main body of the accounts rather than in a separately disclosed *Compilation Report*.

If you (or the auditor) have any queries please contact me on (03) 8661 7799.

Yours faithfully,

Andrew Schultz
Statutory Services Branch

30 July 2004

Disclosure of expenditure under s273(1) and Reg 107(a)

In general terms, the Workplace Relations Act 1996 and the Workplace Relations Regulations require the disclosure of such items as legal fees, audit fees, political party fees, costs for meetings and conferences, and any loans, grants and/or donations made by the organisation.

In specific terms the requirements are as follows:

Subsection 273(1) of the Act states:

As soon as practicable after the end of each financial year, an organisation:

- (a) *shall cause to be prepared from the accounting records kept by the organisation under subsection 272(1) in relation to the financial year, such accounts and other statements, in relation to the financial year, as are prescribed.*

Subsection 276(4) states:

An auditor shall, in a report under this section in relation to a financial year, state:

- (a) *whether in the auditor's opinion:*
- (i) *there were kept by the organisation in relation to the year satisfactory accounting records, including:*
 - (A) *records of the sources and nature of the income of the organisation (including income from members); and*
 - (B) *records of the nature and purposes of the expenditure of the organisation; and*
 - (ii) *the accounts and statements prepared under section 273 in relation to the year were properly drawn up so as to give a true and fair view of:*
 - (A) *the financial affairs of the organisation as at the end of the year; and*
 - (B) *the income and expenditure, and any surplus or deficit, of the organisation for the year; and*
- (b) *whether all the information and explanations that, under subsection (2), officers or employees of the organisation were required to provide were provided;*

and, in addition, the auditor shall state in the report particulars of any deficiency, failure or shortcoming in relation to a matter referred to in paragraphs (a) or (b).

Regulation 107(a) then states:

For the purposes of subsection 273(1) of the Act, each of the following accounts is prescribed in respect of each financial year of an organisation:

- (a) *an account of all the income and expenditure of the organisation during the financial year, being an account that, without limiting the generality of the foregoing, sets out (so far as applicable) the following particulars of income and expenditure during the financial year.....*
- (ix) *the total amount paid by the organisation as fees and periodic contributions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;*

- (x) *where the organisation is divided into branches and the rules of the organisation provide that the organisation shall pay to each of its branches, as a contribution towards the administrative expenses of that branch, a proportion of the total amount received by the organisation as entrance fees or membership contributions — the total amount so paid by the organisation to its branches;*
- (xi) *where the organisation is a branch of another organisation and the rules of the other organisation provide that each of its branches shall pay to the other organisation, as a contribution towards the administrative expenses of the other organisation, a proportion of the total amount received by the branch as entrance fees or membership contributions — the total amount so paid by the first-mentioned organisation to the other organisation;*
- (xii) *the total amount paid by the organisation in respect of compulsory levies imposed on the organisation;*
- (xiii) *the total amount of donations or grants made by the organisation;*
- (xiv) *the total amount paid as remuneration to holders of offices in the organisation;*
- (xv) *the total amount paid as remuneration to employees of the organisation;*
- (xvi) *the total amount paid as fees or allowances (other than any payment included in an amount referred to in subparagraph (xiv) or (xv)) to persons in respect of their attendances as representatives of the organisation at conferences or other meetings;*
- (xvii) *the total amount paid by the organisation in respect of audit fees, legal expenses and any other expenses incurred in respect of professional services;*
- (xviii) *the total amount of expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with meetings of members of the organisation and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the organisation was wholly or partly responsible;*
- (xix) *the total amount paid by the organisation in respect of administrative expenses other than any such expenses included in an amount referred to elsewhere in this paragraph;*
- (xx) *the total amount set aside by the organisation as provision for payments in respect of long service leave entitlements to officers and employees of the organisation;*
- (xxi) *the total amount set aside by the organisation as provision for payments in respect of annual leave entitlements to officers and employees of the organisation;*
- (xxii) *the total amount set aside by the organisation as provision for the payment of superannuation or retirement benefits to, or paid by the organisation as contribution to a superannuation or retirement scheme applicable in relation to, officers or employees of the organisation;*
- (xxiii) *the total amount paid by the organisation in respect of interest on loans to the organisation and any other expenses incurred in connection with the control or management of the assets of the organisation;*
- (xxiv) *the total amount set aside by the organisation as provision for depreciation or amortisation on investments and fixed assets;*
- (xxv) *the total amount paid by the organisation in respect of penalties imposed on the organisation under the Act or these Regulations;* (emphasis added)

Workplace Relations Act 1996

Schedule 1B

Australian Industrial Registry
Principal Registry
Nauru House
80 Collins Street
Melbourne Vic 3000

(Postal Address:
GPO Box 1994S
Melbourne Vic 3001)

Determination of reporting guidelines for the purposes of section 253 of RAO Schedule

Application

1. These reporting guidelines are made under section 255 of Schedule 1B (the RAO Schedule) of the *Workplace Relations Act 1996* (the Act).
2. These reporting guidelines apply to all general purpose financial reports of a reporting unit as defined in section 242 of the RAO Schedule except where a Registrar has issued a certificate under subsection 270(1) to the reporting unit in relation a financial year. Separate reporting guidelines made under section 255 of the RAO Schedule for purposes of section 270 apply to a general purpose financial report of a reporting unit in relation to the financial year for which a certificate has been issued under subsection 270(1).
3. In the event of a conflict between a requirement of these reporting guidelines and a requirement of an Australian Accounting Standard, the requirement of the Standard prevails unless there has been a determination under section 241 of the RAO Schedule that the Standard or the relevant part of the Standard does not apply in relation to an organisation or a class of organisations.

Operative Date

4. These reporting guidelines apply to each financial year of an organisation that starts on or after 1 July 2003.

Purpose of Reporting Guidelines

5. These reporting guidelines apply for purposes of section 253 of the RAO Schedule.
6. Under subsection 253(1) of the RAO Schedule a reporting unit is required to have a general purpose financial report (GPFR) prepared. The GPFR must be prepared in accordance with Australian Accounting Standards. These reporting guidelines prescribe certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the RAO Schedule.
7. The disclosure requirements prescribed by these reporting guidelines are directed towards providing members of a reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the GPFR about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

General Requirements for Presentation and Disclosures in GPFR

8. The reporting unit must disclose in the notes to the financial statements:
- (a) where the reporting unit is dependent on another reporting unit of the organisation for a significant volume of revenue or financial support and that dependency is not clearly discernible from a separate line item in the profit and loss statement or the balance sheet:
 - (i) the name of the reporting unit on which there is an economic dependency; and
 - (ii) the amount of revenue or financial support derived from the other reporting unit;
 - (b) information for the preceding corresponding financial year which corresponds to the disclosures specified for the current financial year must be disclosed, except where, in respect of the financial year to which these reporting guidelines are first applied, corresponding information was not required under the Act or the Workplace Relations Regulations or a superseded version of these reporting guidelines; and
 - (c) the notice required by subsection 272(5) of the RAO Schedule drawing attention to subsections (1), (2) and (3) of section 272 and setting out those subsections.
9. Where a reporting unit acquires during the financial year an asset or a liability as a result of:
- (a) an amalgamation under Chapter 3, Part 2 of the RAO Schedule in which the organisation was the amalgamated organisation; or
 - (b) a restructure of the branches of the organisation; or
 - (c) a determination by the Industrial Registrar under subsection 245(1) of the RAO Schedule of an alternative reporting structure for the organisation; or
 - (d) a revocation by the Industrial Registrar under subsection 249(1) of the RAO Schedule of a certificate issued to an organisation under subsection 245(1),
- the reporting unit must disclose in the notes to the financial statements in respect of each such asset or class of assets or each such liability or class of liabilities:
- (e) date acquired;
 - (f) description; and
 - (g) name of the entity (including a reporting unit of the organisation or that of another organisation) from which it was acquired.

Profit and Loss Statement

10. Balances for the following items of revenue must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) entrance fees or periodic subscriptions (in these guidelines referred to as membership subscriptions) in respect of membership of the organisation;
 - (b) where under the rules of the organisation or a branch of the organisation a reporting unit may receive from another reporting unit of the organisation as a contribution towards the general administrative expenses of the reporting unit a proportion of the total amount received by the other reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
 - (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the aggregate amount for all such reporting units;
 - (d) compulsory levies raised from the members or as appeals for voluntary contributions for the furtherance of particular purposes - the amount and a brief description of the purpose of each such levy or appeal; and

- (e) donations or grants (other than voluntary contributions referred to in subparagraph (d)).
11. Balances for the following items of expense must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions;
 - (b) where under the rules of the organisation or the rules of a branch of the organisation the reporting unit must pay to another reporting unit of the organisation as a contribution towards the administrative expenses of the other reporting unit a proportion of the total amount derived by the reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
 - (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the total amount in respect of all other reporting units;
 - (d) fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;
 - (e) compulsory levies imposed on the reporting unit - for each such levy, the amount, a brief description of purpose and the name of the entity imposing the levy (including another reporting unit of the organisation);
 - (f) grants or donations;
 - (g) employee benefits to holders of office of the reporting unit;
 - (h) employee benefits to employees (other than holders of offices) of the reporting unit;
 - (i) fees or allowances (other than any amount included in an amount referred to in subparagraphs (g) or (h) of this paragraph) to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;
 - (j) legal costs and other expenses related to litigation or other legal matters;
 - (k) expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible; and
 - (l) penalties imposed on the reporting unit under the Act or Regulations.
12. Balances for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) where any amount (other than an amount included in an amount referred to elsewhere in these reporting guidelines) has been transferred to a fund or account kept for a specific purpose by the reporting unit or any such amount has been withdrawn from such a fund or account - the amount transferred to, or withdrawn from, that fund or account, as the case may be, and the name of the fund or account; and
 - (b) the net surplus or net deficit of the reporting unit that has been transferred to the general fund.

Balance Sheet

13. Where an item is disclosed on the face of the balance sheet as:
- (a) a receivable or other right to receive cash; or

- (b) a payable or other financial liability; and
- (c) the item or a part of the item has been derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation,

the following additional disclosures should be made in the notes to the financial statements about the item or the part of the item:

- (d) name of the other reporting unit; and
- (e) cost or value attributable to the other reporting unit.

14. Total amounts for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the balance sheet in accordance with Australian Accounting Standards:

Liabilities

- (a) payables to employers as consideration for the employers making payroll deductions of membership subscriptions;
- (b) payables in respect of legal costs and other expenses related to litigation or other legal matters;
- (c) employee benefits in respect of holders of offices in the reporting unit;
- (d) employee benefits in respect of employees (other than holders of offices) of the reporting unit;

Equity

- (e) name and balance of each fund or account operated in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
- (f) where moneys, or the balance of moneys, standing to the credit of a fund or account referred to in subparagraph (e) have been invested in any assets - the name of the fund or account and the value of those assets;
- (g) name and balance of each fund or account operated (other than the general fund or a fund referred to in (e)) the operation of which is required by the rules of the organisation including the rules of a branch of the organisation; and
- (h) the balance of the general fund.

Statement of Cash Flows

15. Where another reporting unit of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned.

Committee of Management Statement

16. For purposes of paragraph 253(2)(c) of the RAO Schedule the reporting unit must cause to be prepared a committee of management statement containing declarations by the committee of management in relation to the GPFR.
17. The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that:
- (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 Industrial Registrar;

- (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 RAO Schedule and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

18. The committee of management statement must:

- (a) be made in accordance with such resolution as is passed by the committee of management of the reporting unit in relation to the matters requiring declaration;
- (b) specify the date of passage of the resolution;
- (c) be signed by a designated officer within the meaning of section 243 of the RAO Schedule; and
- (d) be dated as at the date the designated officer signs the statement.

Glossary of Terms

19. The following terms are used in these reporting guidelines - the meaning of any term defined in the Australian Accounting Standards is not modified by the following glossary:

amalgamated organisation has the meaning provided in section 35 of the RAO Schedule.

assets are future economic benefits controlled by the reporting unit as a result of past transactions or other past events.

Australian Accounting Standards means the accounting standards issued by the Australian Accounting Standards Board (AASB) or issued by CPA Australia and by The Institute of Chartered Accountants in Australia and adopted by the AASB (section 6 of the RAO Schedule).

cash flows means cash movements resulting from transactions with parties external to the reporting unit.

designated officer is an officer of the reporting unit within the meaning of section 243 of the RAO Schedule.

employee benefits means all forms of consideration given by the reporting unit in exchange for services rendered by holders of office or employees.

entity means any legal, administrative, or fiduciary arrangement, organisational structure (including a reporting unit of an organisation) or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

equity means the residual interest in the assets of the reporting unit after deduction of its liabilities.

financial liability includes an obligation to deliver cash to another entity.

financial records to the extent that they relate to finances or financial administration includes a register, any other record of information, financial reports or financial records, however compiled, recorded or stored, a document (section 6 of the RAO Schedule).

financial statements comprise a profit and loss statement, a balance sheet and a statement of cash flows (paragraph 253(2)(a) of RAO Schedule).

financial year in relation to an organisation means the period of 12 months commencing on 1 July in any year or another period of 12 months as is provided in the rules of the organisation (section 6 of RAO Schedule) or a different period in the special circumstances set out in section 240 of the RAO Schedule.

general administrative expenses includes expenses in respect of the office of the reporting unit, and other expenses that arise at the reporting unit level and relate to the reporting unit as a whole.

general fund means the equity of the reporting unit other than in relation to any fund operated by the reporting unit for a specific purpose.

general purpose financial report has the meaning set out in subsection 253(2) of the RAO Schedule.

grant or donation is taken to have the same meaning as used in section 149 or section 237 of the RAO Schedule though is not limited by amount.

liabilities are the future sacrifices of economic benefits that the reporting unit is presently obliged to make to other entities as a result of past transactions or other past events.

membership subscriptions means periodic subscriptions in respect of membership of the organisation.

notes to the financial statements comprise notes required by Australian Accounting Standards and information required by the reporting guidelines (paragraph 253(2)(b) of the RAO Schedule).

organisation means an organisation registered under the RAO Schedule.

payables are amounts owed by the reporting unit to other entities for goods or services delivered.

RAO Schedule means Schedule 1B to the *Workplace Relations Act 1996*.

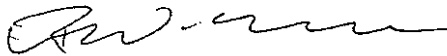
RAO Regulations means the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003*.

receivables are amounts owed to the reporting unit by other entities (including members of the reporting unit) for goods or services delivered (including membership subscriptions).

reporting unit has the meaning set out in section 242 of the RAO Schedule.

rules of an organisation are the rules that an organisation must have under Chapter 5, Part 2 of the RAO Schedule.

Dated: 20th June 2003



Nicholas Wilson
Industrial Registrar



TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. 8 BRANCH)

State Secretary
Michele O'Neil

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Carlton Vic. 3053

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Carlton South Vic. 3053

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30 June 2004

Industrial Registrar
Australian Industry Registry
GPO Box 19945
Victoria 3001

Attention: Andrew Schultz

Dear Sir

In accordance with Section 280 of the Workplace Relations Act 1996 please find attached a copy of the Textile Clothing and Footwear Union of Australia, Victorian Branch, Financial Report for the year ended 31 December 2002.

I certify that this report, which contains the report of the auditor and a copy of the accounts and statements, was presented to a meeting at the committee of management held on 4 July 2003.

My apologies for the delay in the provision of this information.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michele O'Neil', written over a horizontal line.

Michele O'Neil
State Secretary

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
FINANCIAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2002**

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2002**

FR2004/260

| | NOTE | 2002 \$ | 2001 \$ |
|---|------|---------------------|---------------------|
| Revenues from ordinary activities | 3 | 2,083,402 | 2,264,791 |
| Employee benefits expense | | (1,319,852) | (1,610,458) |
| Depreciation expense | 4 | (78,953) | (91,473) |
| Administration and general expense | | (212,936) | (129,886) |
| Affiliation, capitation and commission expense | | (456,493) | (523,686) |
| Communication expense | | (88,780) | (102,944) |
| Grant expense | | (354,362) | (142,904) |
| Occupancy expense | | (56,477) | (52,127) |
| Other expenses from ordinary activities | | <u>(218,169)</u> | <u>(200,122)</u> |
| Loss from ordinary activities before income tax expenses | 4 | (702,620) | (588,809) |
| Income tax expense | 1(a) | <u>-</u> | <u>-</u> |
| Net loss | | <u>(702,620)</u> | <u>(588,809)</u> |
| Total changes in equity | 14 | \$ <u>(702,620)</u> | \$ <u>(588,809)</u> |

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2002**

| | NOTE | 2002 \$ | 2001 \$ |
|----------------------------------|------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash asset | 6 | 1,674,048 | 2,672,523 |
| Receivables | 7 | 224,488 | 281,671 |
| Other | 8 | 61,225 | 80,660 |
| TOTAL CURRENT ASSETS | | <u>1,959,761</u> | <u>3,034,854</u> |
| NON CURRENT ASSETS | | | |
| Receivables | 9 | 1,539,712 | 1,539,712 |
| Property, plant & equipment | 10 | 257,100 | 297,613 |
| Other financial assets | 11 | 503,596 | 503,596 |
| TOTAL NON CURRENT ASSETS | | <u>2,300,408</u> | <u>2,340,921</u> |
| TOTAL ASSETS | | <u>4,260,169</u> | <u>5,375,775</u> |
| CURRENT LIABILITIES | | | |
| Payables | 12 | 238,891 | 426,820 |
| Provisions | 13 | 360,676 | 585,733 |
| TOTAL CURRENT LIABILITIES | | <u>599,567</u> | <u>1,012,553</u> |
| TOTAL LIABILITIES | | <u>599,567</u> | <u>1,012,553</u> |
| NET ASSETS | | <u>\$3,660,602</u> | <u>\$4,363,222</u> |
| EQUITY | | | |
| Retained profits | 14 | 3,660,602 | 4,363,222 |
| TOTAL EQUITY | | <u>\$3,660,602</u> | <u>\$4,363,222</u> |

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2002**

| | NOTE | INFLOW (OUTFLOW) 2002 \$ | INFLOW (OUTFLOW) 2001 \$ |
|---|---------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Grant income | | 477,958 | 228,520 |
| Grant expenses | | (354,362) | (142,904) |
| Membership contributions | | 1,465,065 | 1,769,573 |
| Other revenue | | 59,844 | 38,104 |
| Interest received | | 92,417 | 152,317 |
| Payments to suppliers & employees | | <u>(2,692,846)</u> | <u>(2,663,163)</u> |
| CASH FLOWS PROVIDED/(USED) BY OPERATING ACTIVITIES | 17 (b) | <u>(951,924)</u> | <u>(617,553)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Increase in Union Members' Trust account | | 112 | (1,776) |
| Loans to members | | (2,000) | - |
| Proceeds from loans to members | | - | 1,170 |
| Proceeds on sale of fixed assets | | 63,000 | 33,901 |
| Proceeds on sale of investments | | - | 11,000 |
| Purchase of property, plant & equipment | | <u>(107,663)</u> | <u>-</u> |
| CASH FLOWS PROVIDED/(USED) BY INVESTING ACTIVITIES | | <u>(46,551)</u> | <u>44,295</u> |
| NET INCREASE/(DECREASE) IN CASH HELD | | (998,475) | (573,258) |
| Cash at beginning of reporting period | | <u>2,672,523</u> | <u>3,245,781</u> |
| CASH AT END OF REPORTING PERIOD | 17(a) | <u>\$1,674,048</u> | <u>\$2,672,523</u> |

The accompanying notes form part of this financial report.

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002**

Note 1 – Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirement of the Workplace Relations Act 1996.

The financial report has been prepared on an accruals basis and is based on historical cost and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) *Income Tax*

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(b) *Property, Plant and Equipment*

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment are measured on the cost basis.

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

Depreciation

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

| Class of Fixed Assets | Depreciation Rate |
|------------------------------|--------------------------|
| Furniture and fittings | 7.5% - 40% |
| Motor vehicles | 22.5% |

(c) *Leases*

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002**

Note 1 – Statement of Significant Accounting Policies (cont.)

(d) *Employee Entitlements*

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave which will be settled after one year, have been measured at their nominal amount.

Annual leave has been calculated for all employees and officials on the basis of their terms of employment.

(e) *Cash*

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(f) *Revenue*

Revenue from membership subscriptions is recognised on a cash basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Note 2 – Information To Be Provided To Members Or Registrar

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274, which read as follows:-

(1) *Application for Information*

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

(2) *Provision of Information*

An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

(3) *Function of Registrar*

A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

Penalty : \$1,000

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

| | 2002 \$ | 2001 \$ |
|---|--------------------|--------------------|
| Note 3 – Revenue | | |
| Revenues from operating activities | | |
| Membership subscriptions | 1,453,351 | 1,850,853 |
| Interest received | 90,499 | 147,314 |
| Donations strike funds | 8,208 | 19,161 |
| Grant funds received | 477,958 | 228,520 |
| Prosecutions | 45,058 | 16,117 |
| Others | <u>8,328</u> | <u>2,826</u> |
| Revenue from ordinary activities | <u>\$2,083,402</u> | <u>\$2,264,791</u> |

Note 4 – Loss from ordinary activities

Net gain and expenses

Loss from ordinary activities before income tax expense includes the following specific net gains and expenses:

| | | |
|---|--------|--------|
| Expenses | | |
| Depreciation of property, plant and equipment | 78,953 | 91,473 |
| Remuneration of auditor: | | |
| – audit services | 10,950 | 11,255 |
| – other services | 4,195 | 4,190 |
| Rental expense on operating lease | 11,143 | 9,519 |

Note 5 - Donations

| | | |
|--|---------------|---------------|
| 3CR Radiothon | - | 50 |
| Fairwear campaign | - | 860 |
| Godfrey Hirst – raffle for sick member | 200 | - |
| Refugee campaign | <u>400</u> | <u>-</u> |
| | <u>\$ 600</u> | <u>\$ 910</u> |

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

| | 2002 \$ | 2001 \$ |
|--|--------------------|--------------------|
| Note 6 – Current Assets - Cash Assets | | |
| Cash on hand | 700 | 700 |
| Cash at bank | | |
| - Cash management account | - | 155 |
| - Direct debit account | 24,414 | 167,650 |
| - Feltex strike fund | 252 | 20,108 |
| - Helen Robertson fund | 11,056 | 10,771 |
| - General account | 94,673 | 192,233 |
| - Prosecution account | 100,463 | 58,588 |
| - Union Members Trust account | 21,534 | 21,422 |
| Cash on deposit | | |
| - Employee entitlements | 506,708 | 481,011 |
| - General account | <u>914,248</u> | <u>1,719,885</u> |
| | <u>\$1,674,048</u> | <u>\$2,672,523</u> |

Note 7 – Current Assets - Receivables

| | | |
|----------------|-------------------|-------------------|
| Sundry debtors | 216,782 | 272,047 |
| Accrued income | <u>7,706</u> | <u>9,624</u> |
| | <u>\$ 224,488</u> | <u>\$ 281,671</u> |

Note 8 – Current Assets – Other

| | | |
|-------------|------------------|------------------|
| Prepayments | <u>\$ 61,225</u> | <u>\$ 80,660</u> |
|-------------|------------------|------------------|

Note 9 – Non Current Assets – Receivables

| | | |
|--|--------------------|--------------------|
| Loan: Apparel Trades of Australia Unit Trust | <u>\$1,539,712</u> | <u>\$1,539,712</u> |
|--|--------------------|--------------------|

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002**

| | 2002 \$ | 2001 \$ |
|---|--------------------------|--------------------------|
| Note 10 – Non-current Assets – Property, Plant and Equipment | | |
| Plant and Equipment: | | |
| Motor vehicles at cost | 160,203 | 265,863 |
| Less accumulated depreciation | <u>(66,711)</u> | <u>(65,662)</u> |
| | <u>93,492</u> | <u>200,201</u> |
| Furniture and fittings at cost | 682,749 | 575,086 |
| Less accumulated depreciation | <u>(519,141)</u> | <u>(477,674)</u> |
| | <u>163,608</u> | <u>97,412</u> |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | <u>\$ 257,100</u> | <u>\$ 297,613</u> |

Movements in carrying amounts

| | Motor vehicles \$ | Furniture and fittings \$ | Total \$ |
|---|-------------------------|---------------------------------|-----------------------|
| Balance at the beginning of year | 200,201 | 97,412 | 297,613 |
| Additions | - | 107,663 | 107,663 |
| Disposal | (69,223) | - | (69,223) |
| Depreciation expense | <u>(37,486)</u> | <u>(41,467)</u> | <u>(78,953)</u> |
| Carrying amount at the end of financial year | <u>93,492</u> | <u>163,608</u> | <u>257,100</u> |

**Note 11 – Non-Current Assets –
Other Financial Assets**

| | | |
|--|--------------------------|--------------------------|
| Shares in unlisted companies | | |
| - Apparel Trades of Australia Pty Ltd | 8 | 8 |
| - South West Trades and Labour Council | 2,500 | 2,500 |
| Units in Unit Trust | | |
| - Apparel Trades of Australia | <u>501,088</u> | <u>501,088</u> |
| | <u>\$ 503,596</u> | <u>\$ 503,596</u> |
| Amounts realisable within one year | 2,508 | 2,508 |
| Amounts not realisable within one year | <u>501,088</u> | <u>501,088</u> |
| | <u>\$ 503,596</u> | <u>\$ 503,596</u> |

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

| | 2002 \$ | 2001 \$ |
|--|--------------------|--------------------|
| Note 12 – Current Liabilities – Payables | | |
| Sundry creditors | 217,357 | 405,398 |
| Union Members' Trust account | <u>21,534</u> | <u>21,422</u> |
| | <u>\$ 238,891</u> | <u>\$ 426,820</u> |
| Note 13 – Current Liabilities – Provisions | | |
| Employee entitlements | | |
| - Provision for annual leave | 146,481 | 246,468 |
| - Provision for long service leave | 136,618 | 251,117 |
| - Provision for sick leave | <u>77,577</u> | <u>88,148</u> |
| | <u>\$ 360,676</u> | <u>\$ 585,733</u> |
| Note 14 – Equity | | |
| Total equity at the beginning of the financial year | 4,363,222 | 4,952,031 |
| Total changes in equity recognised in the statement of financial performance | <u>(702,620)</u> | <u>(588,809)</u> |
| Total equity at the end of the financial year | <u>\$3,660,602</u> | <u>\$4,363,222</u> |
| Note 15 – Operating Lease Commitments | | |
| Being for rent of photocopier | | |
| Payable: | | |
| - not later than 1 year | 6,990 | 8,388 |
| - later than 1 year but not later than 5 years | <u>-</u> | <u>6,990</u> |
| | <u>\$ 6,990</u> | <u>\$ 15,378</u> |

Note 16 – Segment Reporting

The Union operates predominantly in one industry, being the textile, clothing and footwear sector. The business operates predominantly in one geographical area being Victoria, Australia.

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

| | 2002 \$ | 2001 \$ |
|---|---------------------|---------------------|
| Note 17 – Cash Flow Information | | |
| <i>(a) Reconciliation of Cash</i> | | |
| Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:- | | |
| Cash on hand | 700 | 700 |
| Cash at bank | 252,392 | 470,927 |
| Cash in special purpose fund assets | 506,708 | 481,011 |
| Deposits at call | <u>914,248</u> | <u>1,719,885</u> |
| | <u>\$1,674,048</u> | <u>\$2,672,523</u> |
| <i>(b) Reconciliation of Net Cash Provided by Operating Activities to Net Deficit</i> | | |
| Net deficit | (702,620) | (588,809) |
| Depreciation | 78,953 | 91,473 |
| (Profit)/loss on sale of fixed assets | 6,223 | 7,407 |
| Movement in assets and liabilities: | | |
| - (Increase)/decrease in accrued income | 1,918 | 5,003 |
| - (Increase)/decrease in prepayments | 19,435 | 6,997 |
| - (Increase)/decrease in sundry debtors | 57,265 | (4,064) |
| - Increase/(decrease) in creditors | (188,041) | (65,231) |
| - Increase/(decrease) in provision for annual leave | (99,987) | (29,258) |
| - Increase/(decrease) in provision for long service leave | (114,499) | (26,190) |
| - Increase/(decrease) in provision for sick leave | (10,571) | 249 |
| - Increase/(decrease) in provision for wage campaign | <u>-</u> | <u>(15,130)</u> |
| Cash Flows Provided/(Used) by Operations | <u>\$ (951,924)</u> | <u>\$ (617,553)</u> |
| <i>(c) The Union has no credit stand-by or financing facilities in place.</i> | | |
| <i>(d) There were no non-cash financing or investing activities during the period</i> | | |

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

Note 18 – Financial Instruments

(a) Interest Rate Risk Exposures

The Union'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 classes of financial assets and financial liabilities, is as follows:

| 2002 | Note | Weighted Average Effective Interest Rate | Floating Interest Rate | Fixed Interest Rate | | Maturing Non-interest bearing | TOTAL |
|---|------|--|------------------------------|---------------------|------------------------|-------------------------------------|------------|
| | | | | Within 1 Year | Within 1 to 5 Years | | |
| | | 2002 % | 2002 \$ | 2002 \$ | 2002 \$ | 2002 \$ | 2002 \$ |
| Financial Assets | | | | | | | |
| Cash | 6 | 4.90 | 1,673,348 | - | - | 700 | 1,674,048 |
| Receivables | 7 | - | - | - | - | 224,488 | 224,488 |
| Receivables | 9 | - | - | - | - | 1,539,712 | 1,539,712 |
| Other financial assets | 11 | - | - | - | - | 503,596 | 503,596 |
| Total Financial Assets | | | 1,673,348 | - | - | 2,268,496 | 3,941,844 |
| Financial Liabilities | | | | | | | |
| Payables | 12 | - | - | - | - | 238,891 | 238,891 |
| Total Financial Liabilities | | - | - | - | - | 238,891 | 238,891 |
| Net Financial Assets/(Liabilities) | | | 1,673,348 | - | - | 2,029,605 | 3,702,953 |

| 2001 | Note | Weighted Average Effective Interest Rate | Floating Interest Rate | Fixed Interest Rate | | Maturing Non-interest bearing | TOTAL |
|---|------|--|------------------------------|---------------------|------------------------|-------------------------------------|------------|
| | | | | Within 1 Year | Within 1 to 5 Years | | |
| | | 2001 % | 2001 \$ | 2001 \$ | 2001 \$ | 2001 \$ | 2001 \$ |
| Financial Assets | | | | | | | |
| Cash | 6 | 4.35 | 2,671,823 | - | - | 700 | 2,672,523 |
| Receivables | 7 | - | - | - | - | 281,671 | 281,671 |
| Receivables | 9 | - | - | - | - | 1,539,712 | 1,539,712 |
| Other financial assets | 11 | - | - | - | - | 503,596 | 503,596 |
| Total Financial Assets | | | 2,671,823 | - | - | 2,325,679 | 4,997,502 |
| Financial Liabilities | | | | | | | |
| Payables | 12 | - | - | - | - | 426,820 | 426,820 |
| Total Financial Liabilities | | - | - | - | - | 426,820 | 426,820 |
| Net Financial Assets/(Liabilities) | | | 2,671,823 | - | - | 1,898,859 | 4,570,682 |

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

| | | 2002 \$ | 2001 \$ |
|---|----|--------------------|--------------------|
| Note 18 – Financial Instruments (cont.) | | | |
| (a) Interest Rate Risk Exposures (cont.) | | | |
| Reconciliation of Net Financial Assets to Net Assets | | | |
| Net Financial assets as above | | 3,702,953 | 4,570,682 |
| Non-Financial assets and liabilities: | | | |
| Prepayments | 8 | 61,225 | 80,660 |
| Plant and equipment | 10 | 257,100 | 297,613 |
| Employee entitlements | 13 | <u>(360,676)</u> | <u>(585,733)</u> |
| Net assets per statement of financial position | | <u>\$3,660,602</u> | <u>\$4,363,222</u> |

(b) Credit Risk Exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

(c) Net Fair Values of Financial Assets and Liabilities

For all financial assets and liabilities listed in Note 18(a) above, the net fair value approximates their carrying amounts. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
ACCOUNTING OFFICER'S CERTIFICATE**

I, Michele O'Neil, being the officer responsible for keeping the accounting records of the Textile Clothing & Footwear Union of Australia (Vic. Branch) certify that as at 31st December, 2002, the number of members of the organisation was 6,456.

In my opinion:-

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st December, 2002;
- (ii) a record has been kept of all monies paid by, or collected from members, and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the organisation;
- (iii) before any expenditure was incurred, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- (iv) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the general fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (v) no loans or other financial benefits, other than remuneration in respect of their full time employment with the organisation, were made to persons holding office in the organisation; and
- (vi) the register of members of the organisation was maintained in accordance with the Act.



.....
MICHELE O'NEIL - SECRETARY

Melbourne: 4th April, 2003

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
COMMITTEE OF MANAGEMENT CERTIFICATE**

We, Michele O'Neil and Beth Macpherson being two members of the Committee of Management of the Textile Clothing & Footwear Union of Australia (Vic. Branch), do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:-

- (i) in the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st December, 2002;
- (ii) in the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31st December, 2002, in accordance with the rules of the organisation;
- (iii) to the knowledge of any member of the Committee, there have been, during the financial year to which the accounts relate, no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under sub section 274 (2) of the Workplace Relations Act 1996), or copies of those records or documents, or copies of the rules of the organisation, have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the organisation; and
- (iv) the organisation has complied with sub sections 279 (1) and (6) of the Act in relation to the financial accounts in respect of the year ended 31st December, 2001, and the Auditor's Report thereon.


.....
MICHELE O'NEIL


.....
BETH MACPHERSON

Melbourne: 4th April, 2003

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
INDEPENDENT AUDITOR'S REPORT**

To the Members of the Textile Clothing & Footwear Union of Australia (Vic. Branch):

Scope

We have audited the financial report of the Textile Clothing & Footwear Union of Australia (Vic. Branch) for the year ended 31st December, 2002, as set out on pages 1 to 14. The Union's Committee of Management and Accounting Officer is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly, in accordance with Accounting Standards, Workplace Relations Act 1996, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), and statutory requirements, so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations and its cash flows.

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

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
INDEPENDENT AUDITOR'S REPORT (cont.)**

Audit Opinion

In our opinion:-

- (a) There were kept by the Textile Clothing & Footwear Union of Australia (Vic. Branch), in respect of the year ended 31st December, 2002, satisfactory accounting records, including:
 - (i) record of the sources and nature of the income of the organisation (including income from members); and
 - (ii) records of the nature and purpose of the expenditure of the organisation.
- (b) The attached accounts and statements are prepared in accordance with Section 273 of the Workplace Relations Act 1996, and are properly drawn up so as to give a true and fair view of:
 - (i) the financial position of the Textile Clothing & Footwear Union of Australia (Vic. Branch) as at 31st December, 2002; and
 - (ii) the financial performance and deficit of the Textile Clothing & Footwear Union of Australia (Vic. Branch) for the year ended on that date.
- (c) We have received all the information and explanation we requested for the purposes of our audit.
- (d) The financial report is drawn up in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.



MSI RAGG WEIR
CHARTERED ACCOUNTANTS



TREVOR M. WEIR
PARTNER

Melbourne: 4th April, 2003

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
ABN 45 839 589 441
COMPILATION REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2002**

To Textile Clothing & Footwear Union of Australia (Vic. Branch)

Scope

On the basis of the information provided by the Committee of Management of Textile Clothing & Footwear Union of Australia (Vic. Branch) we have complied, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report of Textile Clothing & Footwear Union of Australia (Vic. Branch) for the period ended 31 December 2002 comprising the attached Income and Expenditure Statement.


The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the members. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the Union's Constitution and are appropriate to meet the needs of the Committee of Management for the purpose of complying with the Union's Constitution.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification of validation of procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Union, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the Union and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.



MSI RAGG WEIR
CHARTERED ACCOUNTANTS

Melbourne: 4th April, 2003

**TEXTILE CLOTHING & FOOTWEAR
UNION OF AUSTRALIA (VIC. BRANCH)
STATEMENT OF INCOME AND EXPENDITURE FOR
THE YEAR ENDED 31ST DECEMBER, 2002**

| | 2002 | 2001 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| OPERATING INCOME | | |
| Donations strike fund | 8,208 | 19,161 |
| Grant reimbursements | 477,958 | 228,520 |
| Interest received | 90,499 | 147,314 |
| Members' contributions | 1,453,351 | 1,850,853 |
| Prosecution income | 45,058 | 16,117 |
| Sundry income | <u>8,328</u> | <u>2,826</u> |
| TOTAL OPERATING INCOME | <u>2,083,402</u> | <u>2,264,791</u> |
| LESS OPERATING EXPENDITURE | | |
| Advertising | 1,205 | - |
| Affiliation fees: | | |
| - Australian Asia Workers Link | 182 | - |
| - Australian Labour Party | 32,980 | 38,364 |
| - Progressive Union | - | 45 |
| - Trades and Labour Council | | |
| - Ballarat | 1,200 | - |
| - Bendigo | 642 | 481 |
| - Geelong | 2,573 | 4,263 |
| - Goulburn Valley | 224 | 446 |
| - North East and Border | 734 | 244 |
| - South West | 86 | 245 |
| - Victorian Trades Hall Council | 23,640 | 25,130 |
| Bank charges | 3,507 | 4,094 |
| Books, journals & publications | 5,426 | 2,876 |
| Capitation fee - National Council | 305,580 | 360,474 |
| Commissions | 63,599 | 64,369 |
| Committee expenses | 3,168 | 7,745 |
| Company searches | 1,882 | 1,350 |
| Computer expenses | 22,885 | 4,130 |
| Couriers | 784 | 784 |
| Dispute expenses | 28,385 | 28,373 |
| Donations | 600 | 910 |
| Depreciation | 78,953 | 91,473 |
| Delegate functions, etc. | 14,717 | 7,729 |
| Fringe benefits tax | 11,591 | 22,846 |
| Grant expenses | 354,362 | 142,904 |
| Insurances: | | |
| - contents | 537 | 872 |
| - officials and delegates | 2,053 | 2,045 |
| Interpreting and translation | 2,648 | 14,566 |
| Levies | 3,868 | 4,190 |
| Long service leave taken | 6,222 | - |
| Members' mortality fund | 21,185 | 25,435 |
| Motor vehicle expenses & travel expenses | 49,073 | 83,830 |

This statement should be read in conjunction with the attached compilation report on page 17.

**TEXTILE CLOTHING & FOOTWEAR
UNION OF AUSTRALIA (VIC. BRANCH)
STATEMENT OF INCOME AND EXPENDITURE FOR
THE YEAR ENDED 31ST DECEMBER, 2002 (cont.)**

| | 2002 | 2001 |
|---|----------------------------|----------------------------|
| | \$ | \$ |
| OPERATING EXPENDITURE (cont.) | | |
| National Council/Executive meetings | 1,233 | 789 |
| Occupancy expenses | 5,877 | 573 |
| Other meetings | 14,025 | 3,195 |
| Payroll tax | 76,920 | 66,125 |
| Photographs | 707 | 379 |
| Postage | 15,105 | 38,206 |
| Presentations | 1,252 | 517 |
| Printing & stationery | 32,354 | 39,321 |
| Professional services | | |
| - Accountancy and audit fees | 15,145 | 15,445 |
| - Consultancy fees | (4,134) | 18,078 |
| - Legal fees | 154,265 | 42,635 |
| Provision for annual leave | (99,987) | (29,258) |
| Provision for long service leave | (114,499) | (26,190) |
| Provision for sick leave | (10,571) | 249 |
| Refund - union dues | 2,901 | 1,634 |
| Rent | 39,457 | 42,035 |
| Rental of office equipment | 11,143 | 9,519 |
| Repairs & maintenance | 2,785 | 1,344 |
| Salaries & allowances: | | |
| - employees | 593,034 | 687,881 |
| - officials | 371,485 | 360,723 |
| Staff amenities | 1,877 | 1,264 |
| Sundry expenses | 782 | 2,982 |
| Superannuation contributions | 166,494 | 183,261 |
| TCF courses | 15,441 | 35,368 |
| Telephone | 50,006 | 59,824 |
| Temporary staff | 120 | 8,588 |
| Termination payments | | |
| - annual leave | 96,240 | 68,181 |
| - long service leave | 177,790 | 66,535 |
| - notice | 16,216 | - |
| - redundancy | 54,984 | 171,920 |
| - rdo's | 4,888 | 4,909 |
| - sick leave | 26,206 | 7,110 |
| Training | 1,930 | 2,824 |
| Unfair dismissals | (882) | 2,436 |
| WorkCover | <u>14,719</u> | <u>17,578</u> |
| TOTAL OPERATING EXPENDITURE | <u>2,779,799</u> | <u>2,846,193</u> |
| OPERATING DEFICIT | (696,397) | (581,402) |
| ADD NON OPERATING INCOME/(EXPENDITURE) | | |
| Profit/(loss) on sale - fixed assets | <u>(6,223)</u> | <u>(7,407)</u> |
| DEFICIT FOR YEAR | <u>\$ (702,620)</u> | <u>\$ (588,809)</u> |

This statement should be read in conjunction with the attached compilation report on page 17.