



Ms Michele O'Neil
State Secretary
Textile, Clothing and Footwear Union of Australia
Victorian Branch
359 Exhibition Street
MELBOURNE VIC 3000

By e-mail: moneil@tcfvic.org.au

Dear Ms O'Neil

Re: Financial Reports for year ended 31 December 2005 – Textile, Clothing and Footwear Union of Australia – Victorian Branch – FR2005/640

I acknowledge receipt of the financial reports of the Textile, Clothing and Footwear Union of Australia – Victorian Branch for the year ended 31 December 2005 and the amended Designated Officer's Certificate dated 12 July 2006. The documents were lodged in the Industrial Registry on 30 June and 12 July 2006 respectively.

The documents have been filed.

Although the documents have been filed, I would like to comment on some issues arising out of the reports. I make these comments to assist you when you next prepare the financial reports. You *do not* need to take any further action in respect of the financial reports already lodged.

1. Committee of Management Statement – Resolution to Provide Concise Report

Thank you for the amended Designated Officer's Certificate that included references to the resolution passed by the Committee of Management for the provision of the concise report. However, it is preferable that in future years, if the Textile, Clothing and Footwear Union of Australia – Victorian Branch wish to provide a concise report, the resolution required by s.265(2) be contained in a clause in the Committee of Management Statement.

2. Auditor's Report

In future financial years the Auditor's Report should provide *details of the Auditor's qualifications* to confirm he or she is an approved auditor under s.256 of RAO Schedule and Regulation 4 of the RAO Regulations.

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, the Institute of Chartered Accountants in Australia or the National Institute of Accountants *and* holds a current Public Practice Certificate. The individual auditor signing off on the report should provide details of which professional body he or she is a member of and whether he or she holds a current Public Practice Certificate.

A copy of this letter has been forwarded to the reporting unit's auditor.

3. Operating Report

With respect to the right to resign, the Operating Report should refer to s.174 of the RAO Schedule not s.194. The correction section must be quoted in order to satisfy the requirement of subsection 254(2)(c).

If you have any queries regarding the above matters please do not hesitate to contact me on (03) 8661 7989 (Wednesday and Thursday).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth
Statutory Services Branch

19 July 2006

Cc MSI Ragg Weir
Chartered Accountants
PO Box 325
HAWTHORN VIC 3122

Designated Officer's Certificate
s268 of Schedule 1B Workplace Relations Act 1996

I, Michele O'Neil being the State Secretary of the Textile Clothing and Footwear Union of Australia (TCFUA) Victorian Branch certify:

- that the documents lodged herewith are copies of the full report and the concise report referred to in s268 of the RAO Schedule; and
- that the committee of management of the reporting union on 13 April 2006 passed a resolution to provide members with a concise report; in accordance with section 265(2) of the RAO Schedule; and
- that the concise report was provided to members on 1 May 2006 and;
- that the full report was presented to a meeting of the committee of management of the reporting union on 22 June 2006; in accordance with section 266 of the RAO Schedule.

Signature



Date:

12 July 2006



Australian Government
Australian Industrial Registry

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Ms Michele O'Neil
State Secretary
Textile, Clothing and Footwear Union of Australia
Victorian Branch
359 Exhibition Street
MELBOURNE VIC 3000

By e-mail: moneil@tcfvic.org.au

Dear Ms O'Neil

Re: Financial Reports for year ended 31 December 2005 – Textile, Clothing and Footwear Union of Australia – Victorian Branch – FR2005/640

I refer to our telephone conversation earlier today.

I have received the full and concise financial reports of the Textile, Clothing and Footwear Union of Australia – Victorian Branch for the year ended 31 December 2005. The documents were lodged in the Industrial Registry on 30 June 2006.

The documents have not yet been filed.

Section 265(2) of the RAO Schedule provides that:

“A concise report may only be provided if, under the rules of the reporting unit, the committee of management of the reporting unit resolves that a concise report is to be provided.”

I confirm that you advised the Committee of Management did pass a resolution as required by section 265(2) and an amended Committee of Management Certificate signed contemporaneously to this effect will be forwarded to our office as soon as practicable.

If you have any queries you please do not hesitate to contact me on (03) 8661 7989 (Wednesday and Thursday).

Yours faithfully,

A handwritten signature in cursive script, appearing to read 'Cynthia Lo-Booth'.

Cynthia Lo-Booth
Statutory Services Branch

6 July 2006

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY**

ABN 45 839 589 441

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**



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MSI RAGG WEIR IS A MEMBER OF MSI, A NETWORK OF INDEPENDENT PROFESSIONAL FIRMS

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY**

ABN 45 839 589 441

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

OPERATING REPORT

In accordance with Section 254 of the Workplace Relations Act 1996 the Committee of Management report on the Textile Clothing Footwear Union of Australia (Vic. Branch) and Controlled Entity (Reporting Unit) for the financial year ended 31 December 2005.

Principal Activities

The principal activities of the reporting unit during the financial year were to represent the industrial, professional and political interests of textile, clothing and footwear workers in the State of Victoria.

Operating Result

The operating loss of the reporting unit for the financial year was \$24,905. No provision for tax was necessary as the reporting unit is exempt from income tax.

Significant Changes

No significant changes in the reporting unit's state of affairs occurred during the financial year.

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

Rights of Members

Subject to the rules of the reporting unit and Section 194 of the Workplace Relations Act 1996, members have the right to resign from membership of the reporting unit by written notice addressed to and delivered to the Secretary of the reporting unit.

Superannuation Officeholders

No officer or member of the reporting unit:

- (a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (b) is a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations:

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the RAO Schedule and who are taken to be members of the reporting unit under section 244 of the RAO Schedule was 3,878;
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the reporting unit, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 14;

OPERATING REPORT continued

Other Prescribed Information continued

- (c) the names of each person who have been a member of the committee of management of the Reporting Unit at any time during the reporting period, and the period for which he or she held such a position were;

Name

Brett Anderson
Jenny Kruschel
Elizabeth Macpherson
Michele O'Neil
Dorothy Peterson
Mare Petreska
Dianne Simpson (resigned 1 April 2005)
Steven Stewart
Thuy-Khanh Vu
Betita Zarins
Behiye Onat
Warren Smith (appointed 1 April 2005)

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

Adoption of Australian Equivalents to IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the Reporting Unit's financial report has been prepared in accordance with those standards. No adjustments arise on the transition to AIFRS.

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

For Committee of Management: Michele O'Neil
Title of Office held: Branch Secretary

Signature



Melbourne: 13 April 2006

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Revenue	3	1,899,736	2,702,065	1,800,974	2,462,446
Administration and general expense		(176,844)	(268,976)	(176,844)	(268,976)
Affiliation, capitation and commission expense		(173,168)	(289,460)	(173,168)	(289,460)
Communication expense		(75,603)	(77,794)	(75,603)	(77,794)
Depreciation and amortisation expenses	4	(50,054)	(107,582)	(33,534)	(63,972)
Dispute expense		(5,669)	(10,320)	(5,669)	(10,320)
Employee benefits expense		(1,089,267)	(1,236,646)	(1,089,267)	(1,236,646)
Grant expense		(12,582)	(84,858)	(12,582)	(84,858)
Loss on sale of fixed assets		(28,023)	-	(28,023)	-
Occupancy expense		(179,531)	(256,624)	(60,753)	(62,580)
Other expenses		(133,900)	(126,718)	(128,294)	(124,753)
Profit / (loss) before income tax expense	4	(24,905)	243,087	17,237	243,087
Income tax expense	1(a)	-	-	-	-
Profit / (loss) attributable to members of the parent entity		(24,905)	243,087	17,237	243,087

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY
ABN 45 839 589 441**

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	5	2,951,613	3,675,595	1,334,970	1,361,750
Trade and other receivables	6	356,125	290,515	371,165	296,021
Other current assets	7	119,969	83,526	117,725	73,502
TOTAL CURRENT ASSETS		3,427,707	4,049,636	1,823,860	1,731,273
NON-CURRENT ASSETS					
Trade and other receivables	6	-	-	2,138,062	2,138,062
Property, plant and equipment	9	1,960,483	1,439,521	89,104	143,130
Financial assets	10	2,500	2,500	503,596	503,596
TOTAL NON-CURRENT ASSETS		1,962,983	1,442,021	2,730,762	2,784,788
TOTAL ASSETS		5,390,690	5,491,657	4,554,622	4,516,061
CURRENT LIABILITIES					
Trade and other payables	11	338,696	497,539	321,831	383,288
Short-term provisions	12	510,087	427,306	510,087	427,306
TOTAL CURRENT LIABILITIES		848,783	924,845	831,918	810,594
TOTAL LIABILITIES		848,783	924,845	831,918	810,594
NET ASSETS		4,541,907	4,566,812	3,722,704	3,705,467
EQUITY					
Reserves		1,362,321	1,362,321	-	-
Retained profits		3,179,586	3,204,491	3,722,704	3,705,467
TOTAL EQUITY		4,541,907	4,566,812	3,722,704	3,705,467

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Retained earnings \$	Asset realisation reserve	Asset revaluation reserve \$	Total \$
ECONOMIC ENTITY				
Balance at 1 January 2004	1,970,437	-	2,353,288	4,323,725
Retrospective adjustment upon change in accounting policy	-	-	-	-
Transfers to and from reserves	990,967	1,362,321	(2,353,288)	-
Profit /(loss) attributable to members of parent entity	243,087	-	-	243,087
Balance at 31 December 2004	3,204,491	1,362,321	-	4,566,812
Retrospective adjustment upon change in accounting policy	-	-	-	-
Profit /(loss) attributable to members of parent entity	(24,905)	-	-	(24,905)
Revaluation increment (decrement)	-	-	-	-
Balance at 31 December 2005	3,179,586	1,362,321	-	4,541,907
PARENT ENTITY				
Balance at 1 January 2004	3,462,380	-	-	3,462,380
Retrospective adjustment upon change in accounting policy	-	-	-	-
Profit attributable to members of parent entity	243,087	-	-	243,087
Transfers to and from reserves	-	-	-	-
Balance at 31 December 2004	3,705,467	-	-	3,705,467
Retrospective adjustment upon change in accounting policy	-	-	-	-
Profit attributable to members of parent entity	17,237	-	-	17,237
Revaluation increment (decrement)	-	-	-	-
Balance at 31 December 2005	3,722,704	-	-	3,722,704

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES					
Grant income		373,836	453,168	373,836	453,168
Grant expenses		(12,582)	(84,858)	(12,582)	(84,858)
Membership contributions		1,082,934	1,269,202	1,082,934	1,269,202
Other revenue		271,612	60,663	271,612	60,663
Interest received		172,094	142,461	72,308	79,522
Tax file number withholding tax		1,011	(1,011)	-	-
Payments to suppliers & employees		(2,009,827)	(2,063,268)	(1,803,336)	(1,982,555)
Net cash provided by (used in) operating activities	18b	(120,922)	(223,643)	(15,228)	(204,858)
CASH FLOW FROM INVESTING ACTIVITIES					
Increase in Union Members' Trust account		(6,021)	6,313	(6,021)	6,313
Loans to members		-	(2,000)	-	(2,000)
Proceeds loans to members		2,000	2,000	2,000	2,000
Proceeds from sale of property, plant and equipment		354	3,630,000	354	-
Purchase of property, plant & equipment		(599,393)	(1,297,752)	(7,885)	(382)
Net cash provided by (used in) investing activities		(603,060)	2,338,561	(11,552)	5,931
Net increase / (decrease) in cash held		(723,982)	2,114,918	(26,780)	(198,927)
Cash at beginning of year		3,675,595	1,560,677	1,361,750	1,560,677
Cash at end of year	18a	2,951,613	3,675,595	1,334,970	1,361,750

The accompanying notes form part of these financial statements.

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Cash assets in respect of recovered money at beginning of year		6,063	-	6,063	-
Receipts					
Amounts recovered from employers in respect of wages etc		-	6,063	-	6,063
Interest received on recovered money		-	-	-	-
Total receipts		-	6,063	-	6,063
Payments					
Deductions of amounts due in respect of membership for:-					
- 12 months or less		-	-	-	-
- greater than 12 months		-	-	-	-
Deductions of donations or other contributions to accounts or funds of:-					
- the reporting unit		-	-	-	-
- other entity		-	-	-	-
Deductions of fees or reimbursements of expenses		-	-	-	-
Payments to workers in respect of recovered money		6,063	-	6,063	-
Total payments		6,063	-	6,063	-
Cash assets in respect of recovered money at end of year		-	6,063	-	6,063

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report of Textile Clothing & Footwear Union of Australia (Vic. Branch) and controlled entity and Textile Clothing & Footwear Union of Australia (Vic. Branch) as an individual parent entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Textile Clothing & Footwear Union of Australia (Vic. Branch) and the controlled entity, and Textile Clothing & Footwear Union of Australia (Vic. Branch) as an individual parent entity have prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of AIFRS have been applied retrospectively to 2004 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These consolidated accounts are the first financial statements of Textile Clothing & Footwear Union of Australia (Vic. Branch) and controlled entity to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The parent and consolidated entity have however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity controlled by Textile Clothing & Footwear Union of Australia (Vic. Branch). Control exists where Textile Clothing & Footwear Union of Australia (Vic. Branch) has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Textile Clothing & Footwear Union of Australia (Vic. Branch) to achieve the objectives of Textile Clothing & Footwear Union of Australia (Vic. Branch). Details of the controlled entity are contained in Note 8 to the financial statements.

All inter-entity balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

(b) **Income Tax**

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

(c) **Property, Plant and Equipment**

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

Property

Freehold land and buildings are measured on the cost basis.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the committee of management to ensure it is not in excess of the recoverable amount from these 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 their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on either a straight line basis or a diminishing value over their useful lives to the economic entity 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 Asset	Depreciation Rate
Buildings	2.5%
Building improvements	2.5%
Furniture and fittings	7.5 – 40%
Motor Vehicles	22.5%

(d) **Leases**

Lease payments for 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.

(e) **Employee Benefits**

Provision is made for the economic entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(f) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

(g) Revenue

Revenue from membership is recognised on an accrual basis.

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

Revenue from the rental property is recognised when the entity has a right to receive the rent in accordance with the lease agreement.

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

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

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

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 272 of Schedule 1B which read as follows: -

1. A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and specify the period within which, and the manner in which, the information is to be made available. The period must not be less than fourteen days after the application is given to the reporting unit.
3. A reporting unit must comply with an application under subsection (1).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
NOTE 3: REVENUE				
Membership subscriptions	1,058,230	1,227,842	1,058,230	1,227,842
Interest received	170,148	141,367	71,386	71,861
Grant funds received	367,694	451,066	367,694	451,066
Rent received	-	9,561	-	-
Others	303,664	113,327	303,664	113,327
	<u>1,899,736</u>	<u>1,943,163</u>	<u>1,800,974</u>	<u>1,864,096</u>
Non-operating activities				
Distribution from Apparel Trades of Australia Unit Trust	-	-	-	598,350
Profit on disposal of property, plant and equipment	-	758,902	-	-
	<u>-</u>	<u>758,902</u>	<u>-</u>	<u>598,350</u>
Total revenue	<u>1,899,736</u>	<u>2,702,065</u>	<u>1,800,974</u>	<u>2,462,446</u>

NOTE 4: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax expense has been determined after:

EXPENSES

Affiliation, capitation fees, compulsory levies and commissions

Affiliation fees:

- Australian Asian Workers Link	200	-	200	-
- Australian Labour Party	24,764	25,466	24,764	25,466
- Trades and Labour Councils				
- Ballarat	315	315	315	315
- Bendigo	462	370	462	370
- Geelong	1,702	1,843	1,702	1,843
- Gippsland	364	45	364	45
- Goulburn Valley	365	(228)	365	(228)
- North East and Border	1,795	-	1,795	-
- South West	30	22	30	22
- Victorian Trades Hall	13,960	31,587	13,960	31,587

Capitation fees:

-Textile Clothing and Footwear Union of Australia National Council	80,259	175,752	80,259	175,752
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Compulsory Levies:

- ACTU Industrial campaign	14,700	-	14,700	-
- Textile Clothing and Footwear Union of Australia National Council				
- mortality fund levy	4,945	5,818	4,945	5,818

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
NOTE 4: PROFIT FROM ORDINARY ACTIVITIES continued				
Compulsory Levies continued:				
- Victorian Trades Hall Council				
- campaign levy	1,804	3,344	1,804	3,344
- women's levy	997	1,841	997	1,841
- juniors levy	-	204	-	204
- young unionists levy	1,202	909	1,202	909
Commissions:				
- payroll deductions	16,721	26,902	16,721	26,902
- Shop Stewards	8,583	15,270	8,583	15,270
	<u>173,168</u>	<u>289,460</u>	<u>173,168</u>	<u>289,460</u>
Depreciation expense				
Plant and equipment	50,054	107,582	33,534	63,972
Employee benefits expense				
Salaries and allowances				
- elected officials	256,766	284,233	256,766	284,233
- employees	557,996	608,909	557,996	608,909
Superannuation contributions				
- elected officials	46,859	48,873	46,859	48,873
- employees	101,693	106,715	101,693	106,715
Provision for annual leave				
- elected officials	15,588	22,224	15,588	22,224
- employees	23,303	(16,554)	23,303	(16,554)
Provision for long service leave				
- elected officials	9,342	15,742	9,342	15,742
- employees	25,148	22,725	25,148	22,725
Provision for sick leave				
- elected officials	418	3,346	418	3,346
- employees	8,982	(2,213)	8,982	(2,213)
Termination payments				
- employees	-	87,184	-	87,184
Other				
- fringe benefit tax	6,252	3,596	6,252	3,596
- payroll tax	23,651	38,398	23,651	38,398
- Workcover levy	13,269	13,468	13,269	13,468
	<u>1,089,267</u>	<u>1,236,646</u>	<u>1,089,267</u>	<u>1,236,646</u>
Included in administration / other expenses				
Conferences and meetings:				
- Committee of Management	1,510	2,779	1,510	2,779
- National Council	1,245	45	1,245	45
- Delegates' Meetings	1,546	488	1,546	488
- Other Meetings	948	3,639	948	3,639
- Annual Delegates' Conference	3,960	5,951	3,960	5,951
Donations:				
- APHEDA	20	-	20	-
- Aloia Foundation	157	-	157	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
NOTE 4: PROFIT FROM ORDINARY ACTIVITIES continued				
- 3CR Community Radio	-	200	-	200
- Chemtex dispute	100	-	100	-
- Child Labour Fundraiser	65	-	65	-
- CEPU Fundraiser	409	-	409	-
- Member at Barwon Spinners	50	-	50	-
Remuneration of auditor				
- audit	13,140	11,945	11,150	10,950
- other services	6,905	7,690	3,404	6,720
Other expenses	280,689	362,957	280,574	362,957
	<u>310,744</u>	<u>395,694</u>	<u>305,138</u>	<u>393,729</u>

Revenue and Net Gains:

- Profit on disposal of property, plant and equipment	-	758,902	-	-
-------------------------------------------------------	---	---------	---	---

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	1,075	3,045	1,075	3,045
Cash at bank				
- Direct debit account	3,077	2,170	3,077	2,170
- Helen Robertson fund	11,227	11,246	11,227	11,246
- General account	122,394	135,199	55,751	71,354
- Union Members Trust account	21,927	21,883	21,927	21,883
- Worksafe grant	26	1,710	26	1,710
Cash on deposit				
- Employee entitlements	348,300	406,101	348,300	406,101
- General account	2,443,587	3,094,241	893,587	844,241
	<u>2,951,613</u>	<u>3,675,595</u>	<u>1,334,970</u>	<u>1,361,750</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT

Loans to members	-	2,000	-	2,000
Members contributions	131,666	155,664	131,666	155,664
Trade debtors	145,561	80,892	145,561	80,892
Sundry debtors	107,416	76,106	107,416	75,095
Apparel Trades of Australia Unit Trust	-	-	18,158	13,084
Accrued income	8,227	12,598	5,109	6,031
	<u>392,870</u>	<u>327,260</u>	<u>407,910</u>	<u>332,766</u>
Less provision for doubtful debts				
- members contributions	(36,745)	(36,745)	(36,745)	(36,745)
	<u>356,125</u>	<u>290,515</u>	<u>371,165</u>	<u>296,021</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
NOTE 6: TRADE AND OTHER RECEIVABLES continued				
NON CURRENT				
Loan: Apparel Trades of Australia Unit Trust	-	-	2,138,062	2,138,062

NOTE 7: OTHER

CURRENT				
Prepayments	119,969	83,526	117,725	73,502

NOTE 8: CONTROLLED ENTITY

	Country of Incorporation	Percentage owned 2005	Percentage owned 2004
Apparel Trades of Australia Unit Trust	Australia	100%	100%

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT				
Freehold land at cost	1,110,000	1,110,000	-	-
Buildings at cost	152,569	152,569	-	-
Less accumulated depreciation	(4,598)	(784)	-	-
	147,971	151,785	-	-
Building improvements at cost	574,911	34,801	-	-
Less accumulated depreciation	(9,132)	(195)	-	-
	565,779	34,606	-	-
Motor vehicles at cost	160,204	160,203	160,204	160,203
Less accumulated depreciation	(116,682)	(104,094)	(116,682)	(104,094)
	43,522	56,109	43,522	56,109
Office furniture and equipment at cost	265,574	485,854	214,176	485,854
Less accumulated depreciation	(172,363)	(398,833)	(168,594)	(398,833)
	93,211	87,021	45,582	87,021
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,960,483	1,439,521	89,104	143,130

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$

NOTE 9: PROPERTY, PLANT AND EQUIPMENT continued

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Freehold land \$	Building & Building Improvements \$	Motor Vehicles \$	Furniture and fittings \$	Total \$
Economic Entity					
Balance at the beginning of the year	1,110,000	186,391	56,109	87,021	1,439,521
Additions	-	540,110	-	59,283	599,393
Disposals	-	-	46	(28,423)	(28,377)
Depreciation / Amortisation expense	-	(12,751)	(12,633)	(24,670)	(50,054)
Carrying amount at the end of the year	<u>1,110,000</u>	<u>713,750</u>	<u>43,522</u>	<u>93,211</u>	<u>1,960,483</u>
Parent Entity					
Balance at the beginning of the year	-	-	56,109	87,021	143,130
Additions	-	-	-	7,885	7,885
Disposals / Adjustments	-	-	46	(28,423)	(28,377)
Depreciation / Amortisation expense	-	-	(12,633)	(20,901)	(33,534)
Carrying amount at the end of the year	<u>-</u>	<u>-</u>	<u>43,522</u>	<u>45,582</u>	<u>89,104</u>

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
NOTE 10: FINANCIAL ASSETS				
Shares in unlisted company at cost				
- Apparel Trades of Australia Pty Ltd	-	-	8	8
- South West Trades and Units in Unit Trust at cost	2,500	2,500	2,500	2,500
- Apparel Trades of Australia Unit Trust	-	-	501,088	501,088
	<u>2,500</u>	<u>2,500</u>	<u>503,596</u>	<u>503,596</u>

NOTE 11: TRADE AND OTHER PAYABLES

CURRENT

Legal costs payable	671	7,834	671	7,834
Sundry creditors	316,098	461,757	299,233	347,506
Union Members' Trust account	<u>21,927</u>	<u>27,948</u>	<u>21,927</u>	<u>27,948</u>
	<u>338,696</u>	<u>497,539</u>	<u>321,831</u>	<u>383,288</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
NOTE 12: PROVISIONS				
Employee entitlements				
Provision for annual leave				
- elected officials	141,263	125,674	141,263	125,674
- employees	75,314	52,012	75,314	52,012
	<u>216,577</u>	<u>177,686</u>	<u>216,577</u>	<u>177,686</u>
Provision for long service leave				
- elected officials	85,052	75,709	85,052	75,709
- employees	123,072	97,925	123,072	97,925
	<u>208,124</u>	<u>173,634</u>	<u>208,124</u>	<u>173,634</u>
Provision for sick leave				
- elected officials	26,399	25,981	26,399	25,981
- employees	58,987	50,005	58,987	50,005
	<u>85,386</u>	<u>75,986</u>	<u>85,386</u>	<u>75,986</u>
Total employee entitlements	<u>510,087</u>	<u>427,306</u>	<u>510,087</u>	<u>427,306</u>
Number of employees at year end	14	14	14	14

NOTE 13: CONTINGENT LIABILITIES

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

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the reporting date of this report which will have a material effect on the financial report for the year ended 31 December 2005.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 15: RELATED PARTY TRANSACTIONS

The names of committee of management of the Reporting Unit who have held office during the financial year are:

Brett Anderson
Jenny Kruschel
Elizabeth Macpherson
Michele O'Neil
Dorothy Peterson
Mare Petreska
Dianne Simpson (resigned 1 April 2005)
Steven Stewart
Thuy-Khanh Vu
Betita Zarins
Behiye Onat
Warren Smith (appointed 1 April 2005)

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$256,766.

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$46,859.

- (b) The aggregate amount of remuneration paid to other persons on the committee of management was as follows: -
- salaries and allowances \$57,615
- superannuation \$10,343
- loss of wages \$647
- (c) Apart from the above, there were no other transactions between the officers of the Reporting Unit other than those relating to their membership of the Reporting Unit and reimbursement by the Reporting Unit in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

NOTE 16: ECONOMIC DEPENDENCE

The principle source of income for the Reporting Unit is from membership fees. The Reporting Unit is economically dependent upon the membership levels and fees.

NOTE 17: SEGMENT REPORTING

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

Economic Entity		Parent Entity	
2005	2004	2005	2004
\$	\$	\$	\$

NOTE 18: CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	1,075	3,045	1,075	3,045
Cash at bank	158,651	172,208	92,008	108,363
Cash in special purpose fund assets	348,300	406,101	348,300	406,101
Deposits at call	2,443,587	3,094,241	893,587	844,241
	<u>2,951,613</u>	<u>3,675,595</u>	<u>1,334,970</u>	<u>1,361,750</u>

(b) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

Profit / (loss) from ordinary activities after income tax	(24,905)	243,087	17,237	243,087
Depreciation	50,054	107,582	33,534	63,972
Members loan written off	-	14,240	-	14,240
(Profit)/Loss on sale of fixed assets	28,023	(749,535)	28,023	9,367
Changes in assets and liabilities:				
(Increase)/decrease in receivables	(67,610)	3,757	(77,144)	(4,261)
(Increase)/decrease in prepayments	(36,443)	6,280	(44,223)	(1,352)
(Increase)/decrease in loan Apparel Trades of Australia Unit Trust	-	-	-	(598,350)
Increase/(decrease) payables	(152,822)	99,522	(55,436)	17,015
Increase/(decrease) in provision for annual leave	38,891	5,670	38,891	5,670
Increase/(decrease) in provision for long service leave	34,490	38,466	34,490	38,466
Increase/(decrease) in provision for sick leave	9,400	1,133	9,400	1,133
- loans to members	-	(14,240)	-	(14,240)
- members contributions	-	20,395	-	20,395
Cash flows from operations	<u>(120,922)</u>	<u>(223,643)</u>	<u>(15,228)</u>	<u>(204,858)</u>

(c) The economic entity has no Credit Stand-by Arrangement and Loan Facilities in place.

(d) There were no non-cash financing or investing activities during the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 19: FINANCIAL INSTRUMENTS

The economic entity's accounting policies, including the terms and conditions of each class of financial assets, financial liability and equity, both recognised and unrecognised at the balance date, are as follows:-

(a) Interest rate risk

The economic entity's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:-

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing	
	2005 %	2004 %	2005 \$	2004 \$	2005 \$	2004 \$
Financial Assets						
Cash	5.50	5.35	2,950,538	3,672,550	1,075	3,045
Receivables	N/A	N/A	-	-	356,125	290,515
Other financial assets	N/A	N/A	-	-	2,500	2,500
Total Financial Assets			<u>2,950,538</u>	<u>3,672,550</u>	<u>359,700</u>	<u>296,060</u>
Financial Liabilities						
Payables	N/A	N/A	-	-	338,696	497,539
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>338,696</u>	<u>497,539</u>
Net Financial Assets/(Liabilities)			<u>2,950,538</u>	<u>3,672,550</u>	<u>21,004</u>	<u>(201,479)</u>

(b) Credit Risk

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 of those assets, as disclosed in the balance sheet position and notes to the financial statements.

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

(c) Net Fair Values

For assets and liabilities the net fair value approximates their carrying value. The net fair values of listed investments have been valued at committee of managements' valuation. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 20: FIRST-TIME ADOPTION OF AIFRS

**Reconciliation of equity reported under Australian Generally Accepted Accounting Principles
"AGAAP" to equity under AIFRS**

There are no adjustments to report for reconciliation of equity position reported under AGAAP to equity under AIFRS at the following dates:

- (a) At the date of transition to AIFRS – 1 January 2004
- (b) At the end of the last annual reporting period under AGAAP – 31 December 2004

Reconciliation of profit reported under AGAAP to profit under AIFRS

There are no adjustments to report for reconciliation of profit reported under AGAAP to profit reported under AIFRS for the year ended 31 December 2004

**Reconciliation of cash flow statement for the year ended 31 December 2004 as reported under
AGAAP to cash flows under AIFRS**

The adoption of AIFRS has not resulted in any adjustments to the cash flow statement

Explanation of changes in accounting policy arising on first-time adoption of AIFRS

First time adoption of AIFRS has not resulted in any changes to financial reports requiring explanation of changes. Accounting policies adopted by the company are explained in Note 1.

NOTE 21: ENTITY DETAILS

The registered office and principal place of business is:

Textile Clothing and Footwear Union
of Australia (Vic. Branch)

From 1 January 2005 to 23 June 2005

132 – 138 Leicester Street

Carlton South Vic. 3053

From 24 June 2005

359 Exhibition Street

Melbourne Vic. 3000

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY
ABN 45 839 589 441**

COMMITTEE OF MANAGEMENT CERTIFICATE

On 13 April 2006 the Committee of Management of the Textile Clothing & Footwear Union of Australia (Vic. Branch) and Controlled Entity passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2005:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the 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;
- (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) the financial records for each of the other reporting units within the organisation are, as far as practicable kept in a manner consistent with this reporting unit; and
 - (v) no information has been 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) no orders have been requested for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For the Committee of Management: Michele O'Neil
Title of Office held: Branch Secretary

Signature:



Melbourne: 13 April 2006

**INDEPENDENT AUDIT REPORT
TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY**

Scope

The financial report and committee's responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of receipts and payments for recovery of wages activity, accompanying notes to the financial statements, and committee of management certificate of the Textile Clothing & Footwear Union of Australia (Vic. Branch) and Controlled Entity ("Reporting Unit") for the year ended 31 December 2005.

The reporting unit's committee of management is responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the reporting unit. Our audit was conducted in accordance with Australian Auditing Standards and Workplace Relations Act 1996, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and whether it properly and fairly report all information in relation to recovery of wages activity. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the reporting unit's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

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

**INDEPENDENT AUDIT REPORT
TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY continued**

Audit Opinion

In our opinion, the financial report of the Reporting Unit:

- (a) presents a true and fair view in accordance with the provisions of the Workplace Relations Act 1996, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RAO Schedule, Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Reporting Unit as at 31 December 2005 and the results of its operations and its cash flows for the year then ended.
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of the Industrial Registrar, including;
 - (i) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - (ii) any donations or other contributions deducted from recovered money.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L S Wong

L S WONG
Partner

Melbourne: 18 April 2006

FR 2005/640

**TEXTILE CLOTHING & FOOTWEAR UNION
OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY**

ABN 45 839 589 441

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

OPERATING REPORT

In accordance with Section 254 of the Workplace Relations Act 1996 the Committee of Management report on the Textile Clothing Footwear Union of Australia (Vic. Branch) and Controlled Entity (Reporting Unit) for the financial year ended 31 December 2005.

Principal Activities

The principal activities of the reporting unit during the financial year were to represent the industrial, professional and political interests of textile, clothing and footwear workers in the State of Victoria.

Operating Result

The operating loss of the reporting unit for the financial year was \$24,905. No provision for tax was necessary as the reporting unit is exempt from income tax.

Significant Changes

No significant changes in the reporting unit's state of affairs occurred during the financial year.

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

Rights of Members

Subject to the rules of the reporting unit and Section 194 of the Workplace Relations Act 1996, members have the right to resign from membership of the reporting unit by written notice addressed to and delivered to the Secretary of the reporting unit.

Superannuation Officeholders

No officer or member of the reporting unit:

- (a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (b) is a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations:

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the RAO Schedule and who are taken to be members of the reporting unit under section 244 of the RAO Schedule was 3,878;
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the reporting unit, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 14;

OPERATING REPORT continued

Other Prescribed Information continued

(c) the names of each person who have been a member of the committee of management of the Reporting Unit at any time during the reporting period, and the period for which he or she held such a position were;

Name

Brett Anderson
Jenny Kruschel
Elizabeth Macpherson
Michele O'Neil
Dorothy Peterson
Mare Petreska
Dianne Simpson (resigned 1 April 2005)
Steven Stewart
Thuy-Khanh Vu
Betita Zarins
Behiye Onat
Warren Smith (appointed 1 April 2005)

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

Adoption of Australian Equivalents to IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the Reporting Unit's financial report has been prepared in accordance with those standards. No adjustments arise on the transition to AIFRS.

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

For Committee of Management: Michele O'Neil
Title of Office held: Branch Secretary

Signature



Melbourne: 18 April 2006

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Revenue	1,899,736	2,702,065	1,800,974	2,462,446
Administration and general expense	(176,844)	(268,976)	(176,844)	(268,976)
Affiliation, capitation and commission expense	(173,168)	(289,460)	(173,168)	(289,460)
Communication expense	(75,603)	(77,794)	(75,603)	(77,794)
Depreciation and amortisation expenses	(50,054)	(107,582)	(33,534)	(63,972)
Dispute expense	(5,669)	(10,320)	(5,669)	(10,320)
Employee benefits expense	(1,089,267)	(1,236,646)	(1,089,267)	(1,236,646)
Grant expense	(12,582)	(84,858)	(12,582)	(84,858)
Loss on sale of fixed assets	(28,023)	-	(28,023)	-
Occupancy expense	(179,531)	(256,624)	(60,753)	(62,580)
Other expenses	<u>(133,900)</u>	<u>(126,718)</u>	<u>(128,294)</u>	<u>(124,753)</u>
Profit / (loss) before income tax expense	(24,905)	243,087	17,237	243,087
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit / (loss) attributable to members of the parent entity	<u>(24,905)</u>	<u>243,087</u>	<u>17,237</u>	<u>243,087</u>

Discussion and Analysis of Income Statement

The operating result of the Union (parent entity) for the year is a net profit of \$17,237. The decrease in revenue is due to a fall membership income and no distribution from Apparel Trades of Australia Unit Trust this year.

The operating result of the economic entity which is the combined result of the Union and Apparel Trades of Australia Unit Trust shows a small loss of \$24,905. The difference with last years results is due to one off expenditure this year due to the cost of the Union and Apparel Trades of Australia Unit Trust relocating to new premises of \$72,321 and last year a profit on sale of the property.

The accompanying notes form part of these financial statements.

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	2,951,613	3,675,595	1,334,970	1,361,750
Trade and other receivables	356,125	290,515	371,165	296,021
Other current assets	119,969	83,526	117,725	73,502
TOTAL CURRENT ASSETS	3,427,707	4,049,636	1,823,860	1,731,273
NON-CURRENT ASSETS				
Trade and other receivables	-	-	2,138,062	2,138,062
Property, plant and equipment	1,960,483	1,439,521	89,104	143,130
Financial assets	2,500	2,500	503,596	503,596
TOTAL NON-CURRENT ASSETS	1,962,983	1,442,021	2,730,762	2,784,788
TOTAL ASSETS	5,390,690	5,491,657	4,554,622	4,516,061
CURRENT LIABILITIES				
Trade and other payables	338,696	497,539	321,831	383,288
Short-term provisions	510,087	427,306	510,087	427,306
TOTAL CURRENT LIABILITIES	848,783	924,845	831,918	810,594
TOTAL LIABILITIES	848,783	924,845	831,918	810,594
NET ASSETS	4,541,907	4,566,812	3,722,704	3,705,467
EQUITY				
Reserves	1,362,321	1,362,321	-	-
Retained profits	3,179,586	3,204,491	3,722,704	3,705,467
TOTAL EQUITY	4,541,907	4,566,812	3,722,704	3,705,467

Discussion and Analysis of Balance Sheet

The total assets of the Union have increased due to an increase in receivables. This increase has been off set by a decrease in cash and cash equivalents and a write off plant and equipment not brought from previous premises.

Current liabilities of the Union have increased due to an increase in employee entitlements.

Total assets of the economic entity have decreased due to payments to trade and other payables and the loss for year. The decrease in cash and cash equivalents is also attributed to the purchase of property, plant and equipment.

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY
ABN 45 839 589 441**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Retained earnings	Asset realisation reserve	Asset revaluation reserve	Total
	\$		\$	\$
ECONOMIC ENTITY				
Balance at 1 January 2004	1,970,437	-	2,353,288	4,323,725
Retrospective adjustment upon change in accounting policy	-	-	-	-
Transfers to and from reserves	990,967	1,362,321	(2,353,288)	-
Profit /(loss) attributable to members of parent entity	243,087	-	-	243,087
Balance at 31 December 2004	3,204,491	1,362,321	-	4,566,812
Retrospective adjustment upon change in accounting policy	-	-	-	-
Profit /(loss) attributable to members of parent entity	(24,905)	-	-	(24,905)
Revaluation increment (decrement)	-	-	-	-
Balance at 31 December 2005	3,179,586	1,362,321	-	4,541,907
PARENT ENTITY				
Balance at 1 January 2004	3,462,380	-	-	3,462,380
Retrospective adjustment upon change in accounting policy	-	-	-	-
Profit attributable to members of parent entity	243,087	-	-	243,087
Transfers to and from reserves	-	-	-	-
Balance at 31 December 2004	3,705,467	-	-	3,705,467
Retrospective adjustment upon change in accounting policy	-	-	-	-
Profit attributable to members of parent entity	17,237	-	-	17,237
Revaluation increment (decrement)	-	-	-	-
Balance at 31 December 2005	3,722,704	-	-	3,722,704

Discussion and Analysis of Changes in Equity

As explained in the Income Statement on page 3 the Union made a profit for the year ended 31 December 2005 of \$17,237 compared with a loss of \$24,905 by the economic entity.

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY
ABN 45 839 589 441**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES				
Grant income	373,836	453,168	373,836	453,168
Grant expenses	(12,582)	(84,858)	(12,582)	(84,858)
Membership contributions	1,082,934	1,269,202	1,082,934	1,269,202
Other revenue	271,612	60,663	271,612	60,663
Interest received	172,094	142,461	72,308	79,522
Tax file number withholding tax	1,011	(1,011)	-	-
Payments to suppliers & employees	(2,009,827)	(2,063,268)	(1,803,336)	(1,982,555)
Net cash provided by (used in) operating activities	<u>(120,922)</u>	<u>(223,643)</u>	<u>(15,228)</u>	<u>(204,858)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Increase in Union Members' Trust account	(6,021)	6,313	(6,021)	6,313
Loans to members	-	(2,000)	-	(2,000)
Proceeds loans to members	2,000	2,000	2,000	2,000
Proceeds from sale of property, plant and equipment	354	3,630,000	354	-
Purchase of property, plant & equipment	(599,393)	(1,297,752)	(7,885)	(382)
Net cash provided by (used in) investing activities	<u>(603,060)</u>	<u>2,338,561</u>	<u>(11,552)</u>	<u>5,931</u>
Net increase / (decrease) in cash held	(723,982)	2,114,918	(26,780)	(198,927)
Cash at beginning of year	<u>3675,595</u>	<u>1,560,677</u>	<u>1,361,750</u>	<u>1,560,677</u>
Cash at end of year	<u>2,951,613</u>	<u>3,675,595</u>	<u>1,334,970</u>	<u>1,361,750</u>

Discussion and Analysis of Statement of Cash Flows

There was a decrease in cash held at the end by the Union. This was mainly attributed to a reduction in membership revenue received and distribution from the controlled entity.

The economic entity cash reserves decreased for the year due to one off payments for the new premises fit out and furnishing.

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY
ABN 45 839 589 441**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2005**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Cash assets in respect of recovered money at beginning of year	6,063	-	6,063	-
Receipts				
Amounts recovered from employers in respect of wages etc	-	6,063	-	6,063
Interest received on recovered money	-	-	-	-
Total receipts	-	6,063	-	6,063
Payments				
Deductions of amounts due in respect of membership for:-				
- 12 months or less	-	-	-	-
- greater than 12 months	-	-	-	-
Deductions of donations or other contributions to accounts or funds of:-				
- the reporting unit	-	-	-	-
- other entity	-	-	-	-
Deductions of fees or reimbursements of expenses	-	-	-	-
Payments to workers in respect of recovered money	6,063	-	6,063	-
Total payments	6,063	-	6,063	-
Cash assets in respect of recovered money at end of year	-	6,063	-	6,063

Discussion and Analysis of Recovery of Wages Activity

Funds received in late 2004 on behalf of members for recovery of wages was paid to those members in 2005.

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1: BASIS OF PREPARATION

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Report and the Workplace Relations Act 1996.

The Concise Financial Report, including the financial statements and specific disclosures included in the Concise Financial Report, has been derived from the full financial report of Textile Clothing and Footwear Union of Australia (Vic. Branch) and Controlled Entity.

Financial Reporting Framework

A full description of the accounting policies adopted by Textile Clothing and Footwear Union of Australia (Vic. Branch) is provided in the 2005 Financial Report. These policies have been consistently applied to all the periods presented, unless otherwise stated.

This is the first Concise Financial Report prepared in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS). AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" has been applied in preparing this financial report. Compliance with AIFRS ensures that the consolidated financial statements and notes comply with International Financial Reporting Standards (IFRS).

In accordance with the requirements of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of AIFRS have been applied retrospectively to 2004 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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 272 of Schedule 1B which read as follows: -

1. A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and specify the period within which, and the manner in which, the information is to be made available. The period must not be less than fourteen days after the application is given to the reporting unit.
3. A reporting unit must comply with an application under subsection (1).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 3: FIRST-TIME ADOPTION OF AIFRS

Reconciliation of equity reported under Australian Generally Accepted Accounting Principles "AGAAP" to equity under AIFRS

There are no adjustments to report for reconciliation of equity position reported under AGAAP to equity under AIFRS at the following dates:

- (a) At the date of transition to AIFRS – 1 January 2004
- (b) At the end of the last annual reporting period under AGAAP – 31 December 2004

Reconciliation of profit reported under AGAAP to profit under AIFRS

There are no adjustments to report for reconciliation of profit reported under AGAAP to profit reported under AIFRS for the year ended 31 December 2004

Reconciliation of cash flow statement for the year ended 31 December 2004 as reported under AGAAP to cash flows under AIFRS

The adoption of AIFRS has not resulted in any adjustments to the cash flow statement

Explanation of changes in accounting policy arising on first-time adoption of AIFRS

First time adoption of AIFRS has not resulted in any changes to financial reports requiring explanation of changes.

NOTE 4: FINANCIAL STATEMENTS

The Union will provide a copy of the full financial report for the year ended 31 December 2005, free of charge by any member who requests it.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY
ABN 45 839 589 441**

COMMITTEE OF MANAGEMENT CERTIFICATE

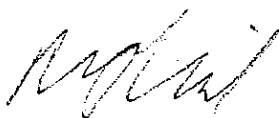
On 13 April 2006 the Committee of Management of the Textile Clothing & Footwear Union of Australia (Vic. Branch) and Controlled Entity passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2005:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the 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;
- (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) the financial records for each of the other reporting units within the organisation are, as far as practicable kept in a manner consistent with this reporting unit; and
 - (v) no information has been 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) no orders have been requested for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For the Committee of Management: Michele O'Neil
Title of Office held: Branch Secretary

Signature:



Melbourne: 18 April 2006

**INDEPENDENT AUDIT REPORT
TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY**

Scope

We have audited the concise financial report of Textile Clothing and Footwear Union of Australia (Vic. Branch) and Controlled Entity for the financial year ended 31 December 2005 as set out on pages 3 to 10, in order to express an opinion on it to the members of the Union. The Union's Committee of Management is responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Textile Clothing and Footwear Union of Australia (Vic. Branch) for the year ended 31 December 2005. Our audit report on the full financial report was signed on 18 April 2006, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standards AASB 1039 "Concise Financial Reports".

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

Audit Opinion

In our opinion, the concise financial report of Textile Clothing and Footwear Union of Australia (Vic. Branch) complies with Accounting Standard AASB 1039 "Concise Financial Reports".



MSI RAGG WEIR
Chartered Accountants



L S WONG
Partner

Melbourne: 18 April 2006

Designated Officer's Certificate
s268 of Schedule 1B Workplace Relations Act 1996

I, Michele O'Neil being the State Secretary of the Textile Clothing and Footwear Union of Australia (TCFUA) Victorian Branch certify:

- that the documents lodged herewith are copies of the full report and the concise report referred to in s268 of the RAO Schedule; and
- that the concise report was provided to members on 1 May 2006 and;
- that the full report was presented to a meeting of the committee of management of the reporting union on 22 June 2006; in accordance with section 266 of the RAO Schedule.

Signature



Date:

30 June 2006