



Australian Government

Australian Industrial Registry

Level 4, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7777
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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

Email: moneil@tcfvic.org.au

Dear Ms O'Neil

**Re: Financial Reports for year ended 31 December 2006 – Textile, Clothing and
Footwear Union of Australia – Victorian Branch – FR2006/650**

I refer to a conversation between Lina Starling of this office, and Barry Disken from MSI Ragg Weir on 16 August 2007, regarding the above financial report.

In reference to the first point in the correspondence sent to you dated 24 July 2007, it is noted that the resolution required by s265(2) of the RAO Schedule was in fact contained in the Committee of Management Statement. We apologise for our oversight.

If you wish to discuss the above matters please contact Ms Lina Starling of this office on (03) 8661 7921 or by e-mail at lina.starling@air.gov.au

Yours sincerely,

A handwritten signature in black ink that reads "Iain Stewart".

Iain Stewart
Manager, Team 3
Statutory Services Branch

23 August 2007

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



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

Email: moneil@tcfvic.org.au

Dear Ms O'Neil

Re: Financial Reports for year ended 31 December 2006 – Textile, Clothing and Footwear Union of Australia – Victorian Branch – FR2006/650

I acknowledge receipt of the financial report of the Textile, Clothing and Footwear Union of Australia – Victorian Branch for the year ended 31 December 2006. The designated officer's certificate was received on the 11 July 2007 and has been placed with the documents previously lodged in the Industrial Registry on 29 June 2007.

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

If a concise report is to be provided to members, the resolution required by s265(2) of the RAO Schedule should be contained in a clause in the Committee of Management Statement (rather than in the Designated Officer's Certificate).

2. Auditor's Report

(a) Auditor's Qualifications

In the previous financial year, we requested specific details regarding the auditor's qualifications.

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.

(b) Auditor's Opinion

The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable

Australian Accounting Standards and other requirements of the RAO Schedule. The following wording in the auditor's opinion would satisfy the requirements:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996".

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

3. Designated Officer's Certificate

Please note that in the designated officer's certificate, references to the 'reporting union' should actually be 'reporting unit'.

If you wish to discuss the above matters please contact Ms Lina Starling of this office on (03) 8661 7921 or by e-mail at lina.starling@air.gov.au

Yours sincerely,



Iain Stewart
Manager, Team 3
Statutory Services Branch

24 July 2007

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



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

State Secretary
Michele O'Neil

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Melbourne Victoria 3000

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29 June 2007

Industrial Registrar
Australian Industry Registry
GPO Box 19945
Victoria 3001

Attention: Andrew Schultz

Dear Sir

In accordance with the Workplace Relations Act 1996 please find attached a copy of the full report and the concise report provided to members of the Textile Clothing and Footwear Union of Australia, Victorian Branch, Financial Report for the year ended 31 December 2006.

I certify that these documents are copies of the concise report which was provided to the members on 28 May 2007 and of the full and concise reports which were presented to a meeting of the TCFUA Victorian Branch Committee of Management held on 27 June 2007.

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 in a cursive style.

Michele O'Neil
State Secretary

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

ABN 45 839 589 441

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY
ABN 45 839 589 441
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, the relevant Reporting Unit for the financial year ended 31 December 2006.

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 \$230,306. No provision for tax was necessary as the Reporting Unit is exempt from income tax.

Significant Changes

There were no significant changes in the nature of activities of the Reporting Unit 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 Reporting Unit rules and Section 174 of the Workplace Relations Act 1996, members have the right to resign from membership by providing 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 3,497;
- (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 13;

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY
ABN 45 839 589 441
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 Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	
Elizabeth Macpherson	Branch President
Warren Smith	Branch Vice President
Michele O'Neil	Branch Secretary
Jenny Kruschel	Branch Assistant Secretary
Brett Anderson	Branch Trustee
Dorothy Peterson	Branch Trustee
Mare Petreska	Committee of Management term finished 30 May 2006
Steven Stewart	Committee of Management term finished 30 May 2006
Thuy-Khanh Vu	Committee of Management term finished 30 May 2006
Betita Zarins	Committee of Management term finished 30 May 2006
Behiye Onat	Committee of Management term finished 30 May 2006
Youseff Batal	Committee of Management term started 30 May 2006
Timo Jarvinen	Committee of Management term started 30 May 2006
Thi Ngoc Hanh Nguyen	Committee of Management term started 30 May 2006
Mark O'Brien	Committee of Management term started 30 May 2006
Emma Frazzetto	Committee of Management term started 30 May 2006

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

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: 9 May 2007

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
Revenue	3	1,869,850	1,899,736	1,783,666	1,800,974
Administration and general expense	4	(290,381)	(176,844)	(286,730)	(176,844)
Affiliation, capitation and commission expense	4	(209,033)	(173,168)	(209,033)	(173,168)
Communication expense		(50,488)	(75,603)	(50,488)	(75,603)
Depreciation and amortisation expenses	4	(51,807)	(50,054)	(27,496)	(33,534)
Dispute expense		(8,665)	(5,669)	(8,665)	(5,669)
Employee benefits expense	4	(1,277,598)	(1,089,267)	(1,277,598)	(1,089,267)
Grant expense		(63,048)	(12,582)	(63,048)	(12,582)
Loss on sale of fixed assets		-	(28,023)	-	(28,023)
Occupancy expense		(37,398)	(179,531)	-	(60,753)
Other expenses	4	<u>(111,738)</u>	<u>(133,900)</u>	<u>(111,738)</u>	<u>(128,294)</u>
Profit / (loss) before income tax expense	4	(230,306)	(24,905)	(251,130)	17,237
Income tax expense	1(b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit / (loss) attributable to members of the parent entity		<u>(230,306)</u>	<u>(24,905)</u>	<u>(251,130)</u>	<u>17,237</u>

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 2006**

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	5	2,884,378	2,951,613	1,290,755	1,334,970
Trade and other receivables	6	229,768	356,125	226,366	371,165
Other current assets	7	80,865	119,969	74,361	117,725
TOTAL CURRENT ASSETS		<u>3,195,011</u>	<u>3,427,707</u>	<u>1,591,482</u>	<u>1,823,860</u>
NON-CURRENT ASSETS					
Trade and other receivables	6	-	-	2,138,062	2,138,062
Property, plant and equipment	9	1,931,174	1,960,483	83,036	89,104
Financial assets	10	2,500	2,500	503,596	503,596
TOTAL NON-CURRENT ASSETS		<u>1,933,674</u>	<u>1,962,983</u>	<u>2,724,694</u>	<u>2,730,762</u>
TOTAL ASSETS		<u>5,128,685</u>	<u>5,390,690</u>	<u>4,316,176</u>	<u>4,554,622</u>
CURRENT LIABILITIES					
Trade and other payables	11	303,708	338,696	331,226	321,831
Short-term provisions	12	513,376	510,087	513,376	510,087
TOTAL CURRENT LIABILITIES		<u>817,084</u>	<u>848,783</u>	<u>844,602</u>	<u>831,918</u>
TOTAL LIABILITIES		<u>817,084</u>	<u>848,783</u>	<u>844,602</u>	<u>831,918</u>
NET ASSETS		<u>4,311,601</u>	<u>4,541,907</u>	<u>3,471,574</u>	<u>3,722,704</u>
EQUITY					
Reserves		1,362,321	1,362,321	-	-
Retained earnings		2,949,280	3,179,586	3,471,574	3,722,704
TOTAL EQUITY		<u>4,311,601</u>	<u>4,541,907</u>	<u>3,471,574</u>	<u>3,722,704</u>

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 2006**

	Retained earnings	Asset realisation reserve	Total
	\$		\$
ECONOMIC ENTITY			
Balance at 1 January 2006	3,179,586	1,362,321	4,541,907
Profit /(loss) attributable to members of parent entity	<u>(230,306)</u>	<u>-</u>	<u>(230,306)</u>
Balance at 31 December 2006	<u>2,949,280</u>	<u>1,362,321</u>	<u>4,311,601</u>
PARENT ENTITY			
Balance at 1 January 2006	3,722,704	-	3,722,704
Profit/(loss) attributable to members of parent entity	<u>(251,130)</u>	<u>-</u>	<u>(251,130)</u>
Balance at 31 December 2006	<u>3,471,574</u>	<u>-</u>	<u>3,471,574</u>

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 2006**

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES					
Grant income		548,643	373,836	548,643	373,836
Grant expenses		(63,048)	(12,582)	(63,048)	(12,582)
Membership contributions		1,002,955	1,082,934	1,002,955	1,082,934
Other revenue		294,540	271,612	294,540	271,612
Interest received		138,160	172,094	56,895	72,308
Tax file number withholding tax		-	1,011	-	-
Payments to suppliers & employees		(1,966,042)	(2,009,827)	(1,862,827)	(1,803,336)
Net cash provided by (used in) operating activities	18b	(44,792)	(120,922)	(22,842)	(15,228)
CASH FLOW FROM INVESTING ACTIVITIES					
Increase in Union Members' Trust account		55	(6,021)	55	(6,021)
Proceeds loans to members		-	2,000	-	2,000
Proceeds from sale of property, plant and equipment		-	354	-	354
Purchase of property, plant & equipment		(22,498)	(599,393)	(21,428)	(7,885)
Net cash provided by (used in) investing activities		(22,443)	(603,060)	(21,373)	(11,552)
Net increase / (decrease) in cash held		(67,235)	(723,982)	(44,215)	(26,780)
Cash at beginning of year		2,951,613	3,675,595	1,334,970	1,361,750
Cash at end of year	18a	2,884,378	2,951,613	1,290,755	1,334,970

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 2006**

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
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		-	-	-	-
Interest received on recovered money		-	-	-	-
Total receipts		-	-	-	-
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		-	-	-	-

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**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

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 Interpretations, 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

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

f. **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Financial Assets

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at nominal value.

Held-to-maturity investments

These investments have fixed maturities, and it is the Reporting Unit's intention to hold these investments to maturity. Any held-to-maturity investments held by the Reporting Unit are stated at a current value based on either amortising or revaluing the investment on a straight line basis to its face value at maturity. Any adjustment is debited or credited to interest.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Reporting Unit assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

g. **Impairment of Assets**

At each reporting date, the Reporting Unit review the carrying value of the tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

h. **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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

i. Revenue

Revenue from membership is recognised on an receipt 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).

j. 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.

k. Comparative Figures

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

l. Critical Accounting Estimates and Judgements

The Committee of Management members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

Key Estimates

The Committee of Management members assesses impairment at each reporting date by evaluating conditions specific to the Reporting Unit that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculation performed in assessing recoverable amounts incorporates a number of key estimates.

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 1 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).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
NOTE 3: REVENUE				
Membership subscriptions	974,811	1,058,230	974,811	1,058,230
Interest received	161,898	170,148	75,714	71,386
Grant funds received	476,972	367,694	476,972	367,694
Others	256,169	303,664	256,169	303,664
Total revenue	<u>1,869,850</u>	<u>1,899,736</u>	<u>1,783,666</u>	<u>1,800,974</u>

NOTE 4: PROFIT FOR YEAR

Profit income tax expense has been determined after:

EXPENSES

Affiliation, capitation fees, compulsory levies and commissions

Affiliation fees:

- Australian Asian Workers Link	182	200	182	200
- Australian Labour Party	22,675	24,764	22,675	24,764
- Trades and Labour Councils				
- Ballarat	-	315	-	315
- Bendigo	-	462	-	462
- Geelong	1,817	1,702	1,817	1,702
- Gippsland	100	364	100	364
- Goulburn Valley	122	365	122	365
- North East and Border	473	1,795	473	1,795
- South West	30	30	30	30
- Victorian Trades Hall	18,263	13,960	18,263	13,960

Capitation fees:

- Textile Clothing and Footwear Union of Australia National Council	121,841	80,259	121,841	80,259
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Compulsory Levies:

- ACTU Industrial campaign	20,000	14,700	20,000	14,700
- Textile Clothing and Footwear Union of Australia National Council				
- mortality fund levy	3,983	4,945	3,983	4,945

Compulsory Levies continued:

- Victorian Trades Hall Council				
- campaign levy	1,909	1,804	1,909	1,804
- women's levy	1,062	997	1,062	997
- young unionists levy	897	1,202	897	1,202
- country IR Calalcade	909	-	909	-

Commissions:

- payroll deductions	10,946	16,721	10,946	16,721
- Shop Stewards	3,824	8,583	3,824	8,583
	<u>209,033</u>	<u>173,168</u>	<u>209,033</u>	<u>173,168</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
NOTE 4: PROFIT FOR YEAR continued				
Depreciation expense				
Plant and equipment	51,807	50,054	27,496	33,534
Employee benefits expense				
Salaries and allowances				
- elected officials	255,642	256,766	255,642	256,766
- employees	653,958	557,996	653,958	557,996
Superannuation contributions				
- elected officials	48,249	46,859	48,249	46,859
- employees	118,898	101,693	118,898	101,693
Provision for annual leave				
- elected officials	12,417	15,588	12,417	15,588
- employees	3,986	23,303	3,986	23,303
Provision for long service leave				
- elected officials	8,084	9,342	8,084	9,342
- employees	(14,221)	25,148	(14,221)	25,148
Provision for sick leave				
- elected officials	(5,918)	418	(5,918)	418
- employees	(1,059)	8,982	(1,059)	8,982
Termination payments				
- elected officials	18,512	-	18,512	-
- employees	128,330	-	128,330	-
Other				
- fringe benefit tax	5,804	6,252	5,804	6,252
- payroll tax	30,026	23,651	30,026	23,651
- Workcover levy	14,890	13,269	14,890	13,269
	<u>1,277,598</u>	<u>1,089,267</u>	<u>1,277,598</u>	<u>1,089,267</u>
Included in administration / other expenses				
Conferences and meetings:				
- Committee of Management	1,881	1,510	1,881	1,510
- National Council	1,755	1,245	1,755	1,245
- Delegates' Meetings	947	1,546	947	1,546
- Other Meetings	384	948	384	948
- Annual Delegates' Conference	3,498	3,960	3,498	3,960
Donations:				
- APHEDA	-	20	-	20
- Alola Foundation	-	157	-	157
- 3CR Community Radio	200	-	200	-
- Chemtex dispute	-	100	-	100
- Child Labour Fundraiser	-	65	-	65

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
NOTE 4: PROFIT FOR YEAR continued				
- CEPU Fundraiser	-	409	-	409
- Picket line donation	200	-	200	-
- National Breast Cancer Foundation	100	-	100	-
- Member at Barwon Spinners	-	50	-	50
Remuneration of auditor				
- audit	13,850	13,140	11,350	11,150
- other services	10,525	6,905	10,525	3,404
Other expenses	368,779	280,689	367,628	280,574
	<u>402,119</u>	<u>310,744</u>	<u>398,468</u>	<u>305,138</u>

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	1,000	1,075	1,000	1,075
Cash at bank				
- Direct debit account	9,799	3,077	9,799	3,077
- Helen Robertson fund	11,227	11,227	11,227	11,227
- General account	155,261	122,394	129,284	55,751
- Union Members Trust account	21,982	21,927	21,982	21,927
- Worksafe grant	-	26	-	26
Cash on deposit				
- Employee entitlements	183,887	348,300	183,887	348,300
- General account	2,501,222	2,443,587	933,576	893,587
	<u>2,884,378</u>	<u>2,951,613</u>	<u>1,290,755</u>	<u>1,334,970</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT

Members contributions	122,018	131,666	122,018	131,666
Trade debtors	45,685	145,561	45,685	145,561
Sundry debtors	70,049	107,416	70,049	100,554
Apparel Trades of Australia Unit Trust	-	-	4,635	18,158
Owing from TCFUA National Office	1,218	-	1,218	6,862
Accrued income	31,966	8,227	23,929	5,109
	<u>270,936</u>	<u>392,870</u>	<u>267,534</u>	<u>407,910</u>
Less provision for impairment of debts				
- members contributions	(41,168)	(36,745)	(41,168)	(36,745)
	<u>229,768</u>	<u>356,125</u>	<u>226,366</u>	<u>371,165</u>

NON CURRENT

Loan: Apparel Trades of Australia Unit Trust	-	-	2,138,062	2,138,062
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**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
AND CONTROLLED ENTITY
ABN 45 839 589 441**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
NOTE 7: OTHER				
CURRENT				
Prepayments	80,865	119,969	74,361	117,725

NOTE 8: CONTROLLED ENTITY

	Country of Incorporation	Percentage owned	
		2006	2005
Apparel Trades of Australia Unit Trust	Australia	100%	100%

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
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	(8,412)	(4,598)	-	-
	144,157	147,971	-	-
Building improvements at cost	574,911	574,911	-	-
Less accumulated depreciation	(23,507)	(9,132)	-	-
	551,404	565,779	-	-
Motor vehicles at cost	160,204	160,204	160,204	160,204
Less accumulated depreciation	(126,476)	(116,682)	(126,476)	(116,682)
	33,728	43,522	33,728	43,522
Office furniture and equipment at cost	288,072	265,574	235,604	214,176
Less accumulated depreciation	(196,187)	(172,363)	(186,296)	(168,594)
	91,885	93,211	49,308	45,582
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,931,174	1,960,483	83,036	89,104

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

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	713,750	43,522	93,211	1,960,483
Additions	-	-	-	22,498	22,498
Disposals	-	-	-	-	-
Depreciation / Amortisation expense	-	(18,189)	(9,794)	(23,824)	(51,807)
Carrying amount at the end of the year	<u>1,110,000</u>	<u>695,561</u>	<u>33,728</u>	<u>91,885</u>	<u>1,931,174</u>
Parent Entity					
Balance at the beginning of the year	-	-	43,522	45,582	89,104
Additions	-	-	-	21,428	21,428
Disposals / Adjustments	-	-	-	-	-
Depreciation / Amortisation expense	-	-	(9,794)	(17,702)	(27,496)
Carrying amount at the end of the year	<u>-</u>	<u>-</u>	<u>33,728</u>	<u>49,308</u>	<u>83,036</u>

Economic Entity		Parent Entity	
2006	2005	2006	2005
\$	\$	\$	\$

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	77,341	671	77,341	671
Sundry creditors	156,403	284,482	181,915	267,617
Owing to Apparel Trades Unit Trust	-	-	2,006	-
Owing to TCFUA National Office	47,982	31,616	47,982	31,616
Union Members' Trust account	<u>21,982</u>	<u>21,927</u>	<u>21,982</u>	<u>21,927</u>
	<u>303,708</u>	<u>338,696</u>	<u>331,226</u>	<u>321,831</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
NOTE 12: PROVISIONS				
Employee entitlements				
Provision for annual leave				
- elected officials	153,680	141,263	153,680	141,263
- employees	79,300	75,314	79,300	75,314
	<u>232,980</u>	<u>216,577</u>	<u>232,980</u>	<u>216,577</u>
Provision for long service leave				
- elected officials	93,136	85,052	93,136	85,052
- employees	108,851	123,072	108,851	123,072
	<u>201,987</u>	<u>208,124</u>	<u>201,987</u>	<u>208,124</u>
Provision for sick leave				
- elected officials	20,481	26,399	20,481	26,399
- employees	57,928	58,987	57,928	58,987
	<u>78,409</u>	<u>85,386</u>	<u>78,409</u>	<u>85,386</u>
Total employee entitlements	<u>513,376</u>	<u>510,087</u>	<u>513,376</u>	<u>510,087</u>
Number of employees at year end based on full-time equivalent basis	13	14	13	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 2006.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 15: RELATED PARTY TRANSACTIONS

The names of Committee of Management of the Union who have held office during the financial year are:

Name	
Elizabeth Macpherson	Branch President
Warren Smith	Branch Vice President
Michele O'Neil	Branch State Secretary
Jenny Kruschel	Branch Assistant Secretary
Brett Anderson	Branch Trustee
Dorothy Peterson	Branch Trustee
Mare Petreska	Committee of Management term finished 30 May 2006
Steven Stewart	Committee of Management term finished 30 May 2006
Thuy-Khanh Vu	Committee of Management term finished 30 May 2006
Betita Zarins	Committee of Management term finished 30 May 2006
Behiye Onat	Committee of Management term finished 30 May 2006
Youseff Batal	Committee of Management term started 30 May 2006
Timo Jarvinen	Committee of Management term started 30 May 2006
Thi Ngoc Hanh Nguyen	Committee of Management term started 30 May 2006
Mark O'Brien	Committee of Management term started 30 May 2006
Emma Frazzetto	Committee of Management term started 30 May 2006

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$255,642.

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$48,249.

- (b) The aggregate amount of remuneration paid to other persons on the Committee of Management was as follows: -
- salaries and allowances \$62,028
 - superannuation \$11,556
 - loss of wages \$994
- (c) Apart from the above, there were no other transactions between the officers of the Union 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 Reporting Unit 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)
AND CONTROLLED ENTITY
ABN 45 839 589 441**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
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 balance sheet as follows:				
Cash on hand	1,000	1,075	1,000	1,075
Cash at bank	198,269	158,651	172,292	92,008
Cash in special purpose fund assets	183,887	348,300	183,887	348,300
Deposits at call	2,501,222	2,443,587	933,576	893,587
	<u>2,884,378</u>	<u>2,951,613</u>	<u>1,290,755</u>	<u>1,334,970</u>
(b) Reconciliation of Cash Flow from Operations with Profit after Income Tax				
Profit / (loss) after income tax	(230,306)	(24,905)	(251,130)	17,237
Non cash items				
- Depreciation	51,807	50,054	27,496	33,534
- (Profit)/Loss on sale of fixed assets	-	28,023	-	28,023
- Provision for employee entitlements	3,289	82,781	3,289	82,781
- Provision for impairment of debt	4,423	-	4,423	-
Changes in assets and liabilities:				
- (Increase)/decrease in receivables	121,934	(67,610)	140,376	(77,144)
- (Increase)/decrease in prepayments	39,104	(36,443)	43,364	(44,223)
- Increase/(decrease) payables	(35,043)	(152,822)	9,340	(55,436)
Cash flows from/(used by) operations	<u>(44,792)</u>	<u>(120,922)</u>	<u>(22,842)</u>	<u>(15,228)</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.				
(e) Net cash flows relating to another reporting unit of the organisation are as follows:				
TCFUA – National Office			<u>145,179</u>	<u>132,065</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

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	
	2006 %	2005 %	2006 \$	2005 \$	2006 \$	2005 \$
Financial Assets						
Cash at bank	0.95	0.95	187,043	147,425	12,226	12,301
Cash on deposit	6.3	5.5	2,685,109	2,791,887	-	-
Receivables	N/A	N/A	-	-	229,768	356,125
Other financial assets	N/A	N/A	-	-	2,500	2,500
Total Financial Assets			<u>2,872,152</u>	<u>2,939,312</u>	<u>244,494</u>	<u>370,926</u>
Financial Liabilities						
Payables	N/A	N/A	-	-	303,708	338,696
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>303,708</u>	<u>338,696</u>
Net Financial Assets/(Liabilities)			<u>2,872,152</u>	<u>2,939,312</u>	<u>(59,214)</u>	<u>32,230</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.

NOTE 20: ENTITY DETAILS

The registered office and principal place of business is:
Textile Clothing and Footwear Union of Australia (Vic. Branch)
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 9 May 2007 the Committee of Management of the Textile Clothing & Footwear Union of Australia (Vic. Branch) and Controlled Entity ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2006:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the 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 organization 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 organization 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 organization 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 organization; 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 of Registrar; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Commission under section 273 of the RAO Schedule.

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

**COMMITTEE OF MANAGEMENT CERTIFICATE
continued**

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers unit distributions of recovered money were made to the workers.
- (g) that the members receive a copy of the concise financial report.

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

Signature:



Melbourne: 9 May 2007

**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 2006.

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 2006 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 CA
Partner

Melbourne: 10 May 2007

**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 2006**

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

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, the relevant Reporting Unit for the financial year ended 31 December 2006.

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 \$230,306. No provision for tax was necessary as the Reporting Unit is exempt from income tax.

Significant Changes

There were no significant changes in the nature of activities of the Reporting Unit 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 Reporting Unit rules and Section 174 of the Workplace Relations Act 1996, members have the right to resign from membership by providing 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 3,497;
- (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 13;

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

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 Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	
Elizabeth Macpherson	Branch President
Warren Smith	Branch Vice President
Michele O'Neil	Branch Secretary
Jenny Kruschel	Branch Assistant Secretary
Brett Anderson	Branch Trustee
Dorothy Peterson	Branch Trustee
Mare Petreska	Committee of Management term finished 30 May 2006
Steven Stewart	Committee of Management term finished 30 May 2006
Thuy-Khanh Vu	Committee of Management term finished 30 May 2006
Betita Zarins	Committee of Management term finished 30 May 2006
Behiye Onat	Committee of Management term finished 30 May 2006
Youseff Batal	Committee of Management term started 30 May 2006
Timo Jarvinen	Committee of Management term started 30 May 2006
Thi Ngoc Hanh Nguyen	Committee of Management term started 30 May 2006
Mark O'Brien	Committee of Management term started 30 May 2006
Emma Frazzetto	Committee of Management term started 30 May 2006

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

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: 11 May 2007

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Revenue	1,869,850	1,899,736	1,783,666	1,800,974
Administration and general expense	(290,381)	(176,844)	(286,730)	(176,844)
Affiliation, capitation and commission expense	(209,033)	(173,168)	(209,033)	(173,168)
Communication expense	(50,488)	(75,603)	(50,488)	(75,603)
Depreciation and amortisation expenses	(51,807)	(50,054)	(27,496)	(33,534)
Dispute expense	(8,665)	(5,669)	(8,665)	(5,669)
Employee benefits expense	(1,277,598)	(1,089,267)	(1,277,598)	(1,089,267)
Grant expense	(63,048)	(12,582)	(63,048)	(12,582)
Loss on sale of fixed assets	-	(28,023)	-	(28,023)
Occupancy expense	(37,398)	(179,531)	-	(60,753)
Other expenses	(111,738)	(133,900)	(111,738)	(128,294)
Profit / (loss) before income tax expense	(230,306)	(24,905)	(251,130)	17,237
Income tax expense	-	-	-	-
Profit / (loss) attributable to members of the parent entity	(230,306)	(24,905)	(251,130)	17,237

Discussion and Analysis of Income Statement

The operating result of the Union (parent entity) for the year is a net loss of \$251,130. The result is due to a fall in membership income, additional legal costs and one off termination payments.

The operating result of the economic entity which is the combined result of the Union and Apparel Trades of Australia Unit Trust shows a loss of \$230,306. The economic entity result reflects a profit made by Apparel Trades of Australia Unit Trust which was offset against the loss of the parent entity.

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
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**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	2,884,378	2,951,613	1,290,755	1,334,970
Trade and other receivables	229,768	356,125	226,366	371,165
Other current assets	80,865	119,969	74,361	117,725
TOTAL CURRENT ASSETS	3,195,011	3,427,707	1,591,482	1,823,860
NON-CURRENT ASSETS				
Trade and other receivables	-	-	2,138,062	2,138,062
Property, plant and equipment	1,931,174	1,960,483	83,036	89,104
Financial assets	2,500	2,500	503,596	503,596
TOTAL NON-CURRENT ASSETS	1,933,674	1,962,983	2,724,694	2,730,762
TOTAL ASSETS	5,128,685	5,390,690	4,316,176	4,554,622
CURRENT LIABILITIES				
Trade and other payables	303,708	338,696	331,226	321,831
Short-term provisions	513,376	510,087	513,376	510,087
TOTAL CURRENT LIABILITIES	817,084	848,783	844,602	831,918
TOTAL LIABILITIES	817,084	848,783	844,602	831,918
NET ASSETS	4,311,601	4,541,907	3,471,574	3,722,704
EQUITY				
Reserves	1,362,321	1,362,321	-	-
Retained earnings	2,949,280	3,179,586	3,471,574	3,722,704
TOTAL EQUITY	4,311,601	4,541,907	3,471,574	3,722,704

Discussion and Analysis of Balance Sheet

The balance sheet shows no major material movements in the balance sheet items and it reflects the net result for the year of the economic entity.

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Retained earnings	Asset realisation reserve	Total
	\$		\$
ECONOMIC ENTITY			
Balance at 1 January 2006	3,179,586	1,362,321	4,541,907
Profit /(loss) attributable to members of parent entity	<u>(230,306)</u>	<u>-</u>	<u>(230,306)</u>
Balance at 31 December 2006	<u>2,949,280</u>	<u>1,362,321</u>	<u>4,311,601</u>
PARENT ENTITY			
Balance at 1 January 2006	3,722,704	-	3,722,704
Profit/(loss) attributable to members of parent entity	<u>(251,130)</u>	<u>-</u>	<u>(251,130)</u>
Balance at 31 December 2006	<u>3,471,574</u>	<u>-</u>	<u>3,471,574</u>

Discussion and Analysis of Changes in Equity

As explained in the Income Statement on page 3 the economic entity made a loss for the year ended 31 December 2006 of \$230,306.

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES				
Grant income	548,643	373,836	548,643	373,836
Grant expenses	(63,048)	(12,582)	(63,048)	(12,582)
Membership contributions	1,002,955	1,082,934	1,002,955	1,082,934
Other revenue	294,540	271,612	294,540	271,612
Interest received	138,160	172,094	56,895	72,308
Tax file number withholding tax	-	1,011	-	-
Payments to suppliers & employees	(1,966,042)	(2,009,827)	(1,862,827)	(1,803,336)
Net cash provided by (used in) operating activities	<u>(44,792)</u>	<u>(120,922)</u>	<u>(22,842)</u>	<u>(15,228)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Increase in Union Members' Trust account	55	(6,021)	55	(6,021)
Proceeds loans to members	-	2,000	-	2,000
Proceeds from sale of property, plant and equipment	-	354	-	354
Purchase of property, plant & equipment	(22,498)	(599,393)	(21,428)	(7,885)
Net cash provided by (used in) investing activities	<u>(22,443)</u>	<u>(603,060)</u>	<u>(21,373)</u>	<u>(11,552)</u>
Net increase / (decrease) in cash held	(67,235)	(723,982)	(44,215)	(26,780)
Cash at beginning of year	<u>2,951,613</u>	<u>3,675,595</u>	<u>1,334,970</u>	<u>1,361,750</u>
Cash at end of year	<u>2,884,378</u>	<u>2,951,613</u>	<u>1,290,755</u>	<u>1,334,970</u>

Discussion and Analysis of Statement of Cash Flows

There was a decrease in cash held at the end by the economic entity. This was mainly attributed to a reduction in membership revenue.

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
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**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2006**

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
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	-	-	-	-
Interest received on recovered money	-	-	-	-
Total receipts	-	-	-	-
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	-	-	-	-

Discussion and Analysis of Recovery of Wages Activity

There was no recovery of wages on behalf of members paid via the Reporting Unit for the year ended 31 December 2006.

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

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 2006 Financial Report. These policies have been consistently applied to all the periods presented, unless otherwise stated.

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 1 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).

NOTE 3: FINANCIAL STATEMENTS

The Union will provide a copy of the full financial report for the year ended 31 December 2006, free of charge by any member who requests it.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC. BRANCH)
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COMMITTEE OF MANAGEMENT CERTIFICATE

On 9 May 2007 the Committee of Management of the Textile Clothing & Footwear Union of Australia (Vic. Branch) and Controlled Entity ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2006:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the 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 organization 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 organization 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 organization 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 organization; 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 of Registrar; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Commission under section 273 of the RAO Schedule.

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

**COMMITTEE OF MANAGEMENT CERTIFICATE
continued**

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers unit distributions of recovered money were made to the workers.
- (g) that the members receive a copy of the concise financial report.

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



Signature: 11 May 2007

**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 2006 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 2006. Our audit report on the full financial report was signed on 10 May 2007, 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 CA
Partner

Melbourne: 11 May 2007

Designated Officer's Certificate
s268 of Schedule 1 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 9 May 2007 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 28 May 2007 and;
- that the full report was presented to a meeting of the committee of management of the reporting union on 27 June 2007; in accordance with section 266 of the RAO Schedule.

Signature



Date:

11 July 2007