



TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VIC/QLD BRANCH)

State Secretary
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8 June 2012

Fair Work Australia
General Manager
11 Exhibition Street
Melbourne VIC 3000

Dear Sir/Madam

RE: Lodgement of Financial Documents for year ended 31 December 2011

In accordance with the Fair Work (Registered Organisations) Act 2009 please find attached a copy of the Designated Officer's Certificate. Also attached is the full report of the Textile Clothing and Footwear Union of Australia, Victorian/Queensland Branch, Financial Report for the year ended 31 December 2011 and the concise report provided to members.

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

Yours sincerely

Michele O'Neil
Victorian/Queensland Secretary

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

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

- that the documents lodged herewith are copies of the full report and the concise report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the committee of management of the reporting unit on 9 March 2012 passed a resolution to provide members with a concise report; and
- that the concise report was provided to members on 18 May 2012 and;
- that the full report was presented to a meeting of the committee of management of the reporting unit on 31 May 2012; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature



Date:

8 June 2012

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on the Textile Clothing Footwear Union of Australia (Victorian Queensland Branch) (the "Union") and controlled entity, the relevant Reporting Unit for the financial year ended 31 December 2011.

Principal Activities

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

Operating Result

The operating loss of the Union for the financial year was \$514,371 (2010: \$142,235). No provision for tax was necessary as the Union is exempt from income tax.

Significant change

The Queensland Branch amalgamated with the Victoria Union on 21 November 2011 to become the Textile Clothing Footwear Union of Australia (Victorian Queensland Branch).

There were no other significant changes in the Union'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 Union, the results of those operations, or the state of affairs of the Union in future financial years.

Rights of Members

Pursuant to the Union rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the later, or
- (b) in any other case:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the noticewhichever is the later.

Superannuation Officeholders

Michele O'Neil is an officer of the Union and also holds Alternate Directorship of Australian Super.

No officer or member of the Union:

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

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
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ABN 45 839 589 441**

OPERATING REPORT continued

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 ("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 Act and who are taken to be members of the Union under section 244 of the Act was 2,449 (2010: 2,617).
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 13.
- (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 *
Maurie Mahoney	Branch Vice President *
Warren Smith	Branch Trustee *
Michele O'Neil	Branch Secretary
Jenny Kruschel	Branch Assistant Secretary
Dorothy Peterson	Branch Trustee *
Androulla Demetriou	Committee of Management *
Nguyet Thi Nguyen	Committee of Management *
Zarko Spasovsk	Committee of Management *
Allen Spencer	Committee of Management *
Yu Wang	Committee of Management *

*honorary

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:



Dated: 9 March 2012

Melbourne:

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	Consolidated Group	Parent Entity
		2011	2010
		\$	\$
Revenue	3	1,499,461	1,883,955
Administration expense		(196,779)	(97,294)
Affiliation, capitation and commission expense	4	(127,144)	(135,318)
Communication expense		(46,261)	(43,032)
Depreciation and amortisation expense	4	(79,179)	(69,467)
Employee benefits expense	4	(1,377,872)	(1,408,169)
Grant expense		(14,477)	(123,700)
Occupancy expense		(49,769)	(67,084)
Other expenses		(122,351)	(82,126)
Profit/(loss) before income tax expense		(514,371)	(142,235)
Income tax expense	1(a)	-	-
Net profit/(loss) attributable to members		(514,371)	(142,235)
Other comprehensive income		-	-
Total comprehensive income		(514,371)	(142,235)

The accompanying notes form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	5	1,888,565	2,241,707	381,743	590,300
Trade and other receivables	6	183,069	417,214	205,603	440,582
Other current assets	7	83,040	101,042	77,866	96,363
TOTAL CURRENT ASSETS		2,154,674	2,759,963	665,212	1,127,245
NON-CURRENT ASSETS					
Trade and other receivables	6	-	-	2,140,599	2,140,599
Financial Assets	10	2,500	2,500	503,596	503,596
Property, plant and equipment	8	1,928,887	1,972,545	181,221	203,790
TOTAL NON-CURRENT ASSETS		1,931,387	1,975,045	2,825,416	2,847,985
TOTAL ASSETS		4,086,061	4,735,008	3,490,628	3,975,230
CURRENT LIABILITIES					
Trade and other payables	9	206,244	196,671	198,592	196,237
Short term provisions	12	459,323	471,397	459,323	471,397
TOTAL CURRENT LIABILITIES		665,567	668,068	657,915	667,634
NON-CURRENT LIABILITIES					
Trade and other payables	9	-	-	273,562	102,000
TOTAL NON-CURRENT LIABILITIES		-	-	273,562	102,000
TOTAL LIABILITIES		665,567	668,068	931,477	769,634
NET ASSETS		3,420,494	4,066,940	2,559,151	3,205,596
EQUITY					
Reserves		1,362,321	-	-	-
Retained earnings		2,058,173	4,066,940	2,559,151	3,205,596
TOTAL EQUITY		3,420,494	4,066,940	2,559,151	3,205,596

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Reserves \$	Retained earnings \$	Total \$
CONSOLIDATED GROUP			
Balance at 1 January 2010	1,362,321	2,846,853	4,209,174
(Loss) attributable to members of consolidated group	<u>-</u>	<u>(142,235)</u>	<u>(142,235)</u>
Balance at 31 December 2010	1,362,321	2,704,618	4,066,939
Transfer from TCFUA (Queensland Branch)	-	(132,074)	(132,074)
(Loss) attributable to members of consolidated group	<u>-</u>	<u>(514,371)</u>	<u>(514,371)</u>
Balance at 31 December 2011	<u>1,362,321</u>	<u>2,058,173</u>	<u>3,420,494</u>
PARENT ENTITY			
Balance at 1 January 2010	-	3,347,831	3,347,831
(Loss) attributable to members of parent entity	<u>-</u>	<u>(142,235)</u>	<u>(142,235)</u>
Balance at 31 December 2010	-	3,205,596	3,205,596
Transfer from TCFUA (Queensland Branch)	-	(132,074)	(132,074)
(Loss) attributable to members of parent entity	<u>-</u>	<u>(514,371)</u>	<u>(514,371)</u>
Balance at 31 December 2011	<u>-</u>	<u>2,559,151</u>	<u>2,559,151</u>

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
AND CONTROLLED ENTITY
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Grant and other income		1,002,929	1,153,009	1,018,332	1,153,006
Membership contributions		593,673	619,061	596,817	619,062
Interest received		103,606	105,490	28,174	27,127
Payments to suppliers & employees		(1,885,755)	(1,921,112)	(1,855,785)	(1,864,131)
Net cash provided by (used in) operating activities	18(b)	(185,547)	(43,552)	(212,462)	(64,936)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant & equipment		(35,521)	(105,359)	(34,021)	(105,359)
Cost of amalgamation		(132,074)	-	(132,074)	-
Proceeds on sale of property, plant & equipment		-	3,500	-	3,500
Net cash provided by (used in) investing activities		(167,595)	(101,859)	(166,095)	(101,859)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan from Apparel Trades Unit Trust		-	-	170,000	102,000
Net cash provided by (used in) financing activities		-	-	170,000	102,000
Net increase/(decrease) in cash held		(353,142)	(145,411)	(208,557)	(64,795)
Cash at beginning of year		2,241,707	2,387,118	590,300	655,095
Cash at end of year	18(a)	1,888,565	2,241,707	381,743	590,300

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
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**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
Cash assets in respect of recovered money at beginning of year					-
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		-	-	-	-
Total payments		-	-	-	-
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 (VICTORIAN QUEENSLAND BRANCH)
AND CONTROLLED ENTITY
ABN 45 839 589 441**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements include the consolidated financial statements and notes of Textile Clothing & Footwear Union of Australia (Vic. Qld Branch) and controlled entity and the separate financial statements and notes of Textile Clothing & Footwear Union of Australia (Vic. Qld Branch) as an individual parent entity ('Parent Entity').

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

- a. **Income Tax**
No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50 -15 of the Income Tax Assessment Act 1997.
- b. **Property, Plant and Equipment**
Each class of property, plant and equipment is carried at cost or fair value less, where applicable any accumulated depreciation.

Property, leasehold improvements and plant and equipment are measured on the cost basis.

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

Depreciation

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets to the consolidated group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

b. **Property, Plant and Equipment continued**

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

Class of Fixed Assets	Depreciation Rate
Buildings	2.5%
Building Improvements	2.5%
Furniture and fittings	7.5 - 40%
Motor Vehicles	22.5%

c. **Leases**

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

d. **Employee Benefits**

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and RDO which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other 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.

Contributions are made by the consolidated group to an employee superannuation fund and are charged as expenses when incurred.

e. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the consolidated group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, or amortised cost using the effective method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. **Financial Instruments continued**

Amortised cost is calculated as:

- i) the amount at which the financial asset or financial liability is measured at initial recognition
- ii) less principal repayments
- iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The consolidated group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i) **Financial assets at fair value through profit or loss**

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii) **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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

iii) **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the consolidated group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. **Financial Instruments continued**

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the consolidated group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

iv) **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

v) **Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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 consolidated group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the consolidated group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

f. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions.

g. **Revenue**

Grant revenue is recognised on a proportional basis over the period in which the grant relates to where the grant monies are controlled or conditions for recognition have been met. Where there are conditions attached to grant revenue received in advance relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services are provided.

Revenue from membership subscriptions is recognised on a cash basis.

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

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

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.

i. **Comparative Figures**

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

j. **Impairment of Assets**

At each reporting date, the consolidated group reviews 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.

k. **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 consolidated group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

k. **Critical Accounting Estimates and Judgements continued**

Key Estimates

The Committee of Management assesses impairment at each reporting date by evaluating conditions specific to the Union 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.

Key Judgments

No key judgments have been used in the preparation of this financial report.

l. **New Accounting Standards for Application in Future Periods**

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the consolidated group is as follows:

AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The consolidated group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. **New Accounting Standards for Application in Future Periods continued**

- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the consolidated group is a not-for-profit private sector entity, the consolidated group may qualify for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the consolidated group may take advantage of Tier 2 reporting at a later date.

AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard will affect certain disclosures only relating to financial instruments and is therefore not expected to significantly impact the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121 into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to significantly impact the Group.

AASB 1054: Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113] (applicable for annual reporting periods commencing on or after 1 July 2011).

AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements.

The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

These Standards are not expected to significantly impact the Group.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either “joint operations” (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Group.

AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Group.

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.

- (i) for an offer that may be withdrawn – when the employee accepts;
- (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of the Act which read as follows: -

1. A member of a reporting unit, or Fair Work Australia, 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 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 3: REVENUE				
Membership Subscriptions Vic	602,027	606,514	602,027	606,514
Membership Subscriptions Qld	12,685	-	12,685	-
Interest Received	117,781	110,602	27,852	28,202
Sundry Income	1,187	30,848	1,187	30,848
Grant funds and other income	<u>765,781</u>	<u>1,135,991</u>	<u>765,781</u>	<u>1,135,991</u>
Total revenue	<u>1,499,461</u>	<u>1,883,955</u>	<u>1,409,532</u>	<u>1,801,555</u>

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 4: PROFIT FOR YEAR				
Profit for year before income tax expense				
has been determined after:				
Expenses:				
Affiliation, capitation fees, Compulsory levies and commissions				
Affiliation fees:				
-Australian Labour Party	11,362	10,627	11,362	10,627
-Australian Asian Workers Link	-	200	-	200
-Trades and Labour Councils				
-Ballarat	1,164	773	1,164	773
- Bendigo	335	520	335	520
-Geelong	4,004	4,101	4,004	4,101
-Gippsland	142	98	142	98
-North East and Border	1,400	1,455	1,400	1,455
-South West	56	45	56	45
-Victorian Trades Hall	10,863	13,885	10,863	13,885
Capitation fees:				
-Textile Clothing and Footwear Union of Australia National Council	89,724	89,829	89,724	89,829
Compulsory Levies:				
-Textile Clothing and Footwear Union of Australia National Council	-	4,433	-	4,433
-Mortality fund Levy	2,344	2,787	2,344	2,787
-Victorian trades Hall Council Levies				
Commissions:				
- Payroll deductions	2,230	1,550	2,230	1,550
- Shop Stewards	3,520	5,015	3,520	5,015
	<u>127,144</u>	<u>135,318</u>	<u>127,144</u>	<u>135,318</u>
 Depreciation expense				
Property, plant and equipment	<u>79,179</u>	<u>69,467</u>	<u>56,590</u>	<u>46,232</u>

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE4: PROFIT FOR YEAR continued				
Employee benefits expense				
Salaries and allowances				
- elected officials	169,726	161,782	169,726	161,782
- employees	952,550	882,182	952,550	882,182
Superannuation contributions				
- elected officials	31,259	30,007	31,259	30,007
- employees	162,814	169,257	162,814	169,257
Provision for annual leave				
- elected officials	10,141	(4,011)	10,141	(4,011)
- employees	2,793	34,013	2,793	34,013
Provision for long service leave				
- elected officials	10,765	(14,477)	10,765	(14,477)
- employees	(30,911)	65,622	(30,911)	65,622
Provision for RDO				
- elected officials	-	73	-	73
- employees	(4,864)	(840)	(4,864)	(840)
Other				
- Fringe benefit tax	19,309	26,988	19,309	26,988
- Payroll tax	38,174	40,385	38,174	40,385
- Workcover levy	16,116	17,188	16,116	17,188
	<u>1,377,872</u>	<u>1,408,169</u>	<u>1,377,872</u>	<u>1,408,169</u>

Included in administration and other expenses

Conference and meetings:				
-Committee of Management	-	3,444	-	3,444
- National Council	528	409	528	409
- Delegates' training and expense	13,267	941	13,267	941
- Annual Delegates' Conference	-	-	-	-
Donations:				
- Other	482	720	482	720
Remuneration of auditor				
- audit	15,500	14,700	13,125	12,500
- other services	14,250	5,850	12,775	4,300
Legal Fees	107,157	-	107,157	-

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 5: CASH AND CASH EQUIVALENTS				
Cash on hand	1,000	964	1,000	964
Cash at bank				
-Direct debit account	7,414	29,085	7,414	29,085
-Helen Robertson fund	33,380	33,380	33,380	33,380
-General account	23,473	168,211	16,654	126,804
Cash on deposit				
-General account	1,823,298	2,010,067	323,295	400,067
	<u>1,888,565</u>	<u>2,241,707</u>	<u>381,743</u>	<u>590,300</u>
NOTE 6: TRADE AND OTHER RECEIVABLES				
CURRENT				
Members contributions	68,878	50,983	68,878	50,983
Trade Debtors	13,078	307,945	13,078	307,945
Sundry Debtors	4,125	4,125	4,125	4,125
Accrued Grant income	84,483	55,366	84,483	55,366
Apparel Trades of Australia Unit Trust	-	-	41,067	27,404
Owing from TCFUA National Office	3,116	3,580	3,116	3,580
Accrued Income	19,286	5,112	753	1,076
	<u>192,966</u>	<u>427,111</u>	<u>215,500</u>	<u>450,479</u>
Less provision for impairment of debts				
-members contributions	(9,897)	(9,897)	(9,897)	(9,897)
	<u>183,069</u>	<u>417,214</u>	<u>205,603</u>	<u>440,582</u>
NON CURRENT				
Loan: Apparel Trades of Australia Unit Trust	-	-	2,140,599	2,140,599

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 6: TRADE AND OTHER RECEIVABLES CONTINUED

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 1 January 2010	9,897
- Charge for the year	-
- Written off	-
Provision for impairment as at 31 December 2010	9,897
- Charge for the year	-
- Written off	-
Provision for impairment as at 31 December 2011	9,897

(ii) Credit Risk – Trade and Other Receivables

The Union does not have any material credit risk exposure to any single receivable or group of receivables.

The Union's trade and other receivables are within initial trade terms and are considered to be of high credit quality.

Consolidated Group		Parent Entity	
2011	2010	2011	2010
\$	\$	\$	\$

NOTE 7: OTHER CURRENT ASSETS

CURRENT

Prepayments	83,040	101,042	77,866	96,363
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**NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT				
Freehold land at cost	1,110,000	1,110,000	-	-
Buildings at cost	152,569	152,569	-	-
Less: accumulated depreciation	(27,482)	(23,668)	-	-
	125,087	128,901	-	-
Building improvements at cost	580,661	580,661	-	-
Less: accumulated depreciation	(98,154)	(83,253)	-	-
	482,507	497,408	-	-
Motor vehicles at cost	291,036	262,270	291,036	262,270
Less: accumulated depreciation	(141,629)	(101,749)	(141,629)	(101,749)
	149,407	160,521	149,407	160,521
Furniture and fittings at cost	302,513	295,757	240,470	235,214
Less: accumulated depreciation	(240,627)	(220,042)	(208,656)	(191,945)
	61,886	75,715	31,814	43,269
	1,928,887	1,972,545	181,221	203,790

a. 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 and Building Improvements \$	Motor Vehicles \$	Furniture & Fittings \$	Total \$
Consolidated Group					
Balance at the beginning of year	1,110,000	626,309	160,521	75,715	1,972,545
Additions	-	-	28,766	6,755	35,521
Disposals	-	-	-	-	-
Depreciation expense	-	(18,715)	(39,880)	(20,584)	(79,179)
Carrying amount at the end of year	1,110,000	607,594	149,407	61,886	1,928,887
Parent Entity					
Balance at the beginning of year	-	-	160,521	43,269	203,790
Additions	-	-	28,766	5,256	34,021
Disposals	-	-	-	-	-
Depreciation expense	-	-	(39,880)	(16,711)	(56,590)
Carrying amount at the end of year	-	-	149,407	31,814	181,221

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
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**NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 9: TRADE AND OTHER PAYABLES				
CURRENT				
Sundry Creditors	206,244	196,671	198,592	194,675
Owing to Apparel Trades Unit Trust	-	-	-	1,562
	<u>206,244</u>	<u>196,671</u>	<u>198,592</u>	<u>196,237</u>
NON-CURRENT				
Owing to Apparel Trades Unit Trust	-	-	273,562	102,000

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: CONTROLLED ENTITY

	Country of Incorporation	Percentage owned	
		2011	2010
Apparel Trades of Australia Unit Trust	Australia	100%	100%

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**NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 12: PROVISIONS				
Analysis of Total Provisions				
Employee entitlements				
Provision for annual leave				
- elected officials	168,304	158,164	168,304	158,164
- employees	55,125	52,331	55,125	52,331
	<u>223,429</u>	<u>210,495</u>	<u>223,429</u>	<u>210,495</u>
Provision for long service leave				
- elected officials	125,744	114,977	125,744	114,977
- employees	99,092	130,003	99,092	130,003
	<u>224,836</u>	<u>244,980</u>	<u>224,836</u>	<u>244,980</u>
Provision for RDO				
- elected officials	-	1,981	-	1,981
- employees	11,058	13,941	11,058	13,941
	<u>11,058</u>	<u>15,922</u>	<u>11,058</u>	<u>15,922</u>
Total employee entitlements	<u>459,323</u>	<u>471,397</u>	<u>459,323</u>	<u>471,397</u>
Number of employees at year end	<u>13</u>	<u>15</u>	<u>13</u>	<u>15</u>
	RDO	Annual	Long Service	Total
	\$	Leave \$	Leave \$	\$
Current Provisions				
Balance at 1 January 2011	15,922	210,495	244,982	471,399
Net movement in provisions for the year	<u>(4,864)</u>	<u>12,934</u>	<u>(20,146)</u>	<u>(12,076)</u>
Balance at 31 December 2011	<u>11,058</u>	<u>223,429</u>	<u>224,836</u>	<u>459,323</u>

NOTE 13: CONTINGENT LIABILITIES

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 14: KEY MANAGEMENT PERSONNEL

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

Name

Elizabeth Macpherson	Branch President *
Maurie Mahoney	Branch Vice President *
Warren Smith	Branch Trustee *
Michele O'Neil	Branch Secretary
Jenny Kruschel	Branch Assistant Secretary
Dorothy Peterson	Branch Trustee *
Androulla Demetriou	Committee of Management *
Nguyet Thi Nguyen	Committee of Management *
Zarko Spasovsk	Committee of Management *
Allen Spencer	Committee of Management *
Yu Wang	Committee of Management *

*honorary

- a. The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$169,726 (2010 \$161,782)

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$31,259. (2010: \$30,007)

- b. The aggregate amount of remuneration paid as salaries to other persons on the committee of management in their capacity as professional officer of the union was as follows:
- salaries \$145,013 and superannuation \$26,511 (2010: salaries \$139,851 and superannuation \$25,634).

Remuneration paid to other persons on the committee of management in the form of honorariums was \$Nil (2010: \$Nil)

- c. There were no transactions between the officers of the Union other than those relating to their membership of the Union and reimbursement by the Union 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 15: SEGMENT REPORTING

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

NOTE 16: ECONOMIC DEPENDENCE

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

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

There were no significant events subsequent to reporting date.

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Consolidated Group		Parent Entity	
2011	2010	2011	2010
\$	\$	\$	\$

NOTE 18: CASH FLOW INFORMATION

a. Reconciliation of Cash

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

Cash on hand	1,000	964	1,000	964
Cash at bank	64,267	230,676	57,448	189,269
Deposits at call	1,823,298	2,010,067	323,295	400,067
	<u>1,888,565</u>	<u>2,241,707</u>	<u>381,743</u>	<u>590,300</u>

b. Reconciliation of Cash Flow from Operations with Net Profit attributable to members

Profit/ (Loss) after income tax	(514,371)	(142,235)	(514,371)	(142,235)
Non cash items				
-Depreciation	79,179	69,467	56,590	46,232
- Loss on fixed asset disposal	-	1,677	-	1,677
Changes in assets and liabilities:				
-(Increase)/decrease in receivables	234,144	(36,523)	234,979	(34,117)
-(Increase)/decrease in prepayments	18,002	15,558	18,497	15,161
-Increase/(decrease) in payables	9,573	(31,875)	3,917	(32,033)
-Provision for employee entitlements	(12,074)	80,379	(12,074)	80,379
Cash flows used by operations	<u>(185,547)</u>	<u>(43,552)</u>	<u>(212,462)</u>	<u>(64,936)</u>

c. The consolidated group has no credit stand-by or financing facilities in place other than disclosed in the financial report.

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

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NOTE 19: FINANCIAL RISK MANAGEMENT

The consolidated group's financial instruments consist of mainly deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	1,888,565	2,241,707	381,743	590,300
Loans and receivables	183,069	417,214	2,346,202	2,581,181
Available for sale financial assets:				
- Equity investments	<u>2,500</u>	<u>2,500</u>	<u>503,596</u>	<u>503,596</u>
Total financial assets	<u>2,074,134</u>	<u>2,661,421</u>	<u>3,231,541</u>	<u>3,675,077</u>
Financial liabilities				
Financial liabilities at amortised cost:				
- Trade and other payables	<u>206,244</u>	<u>196,671</u>	<u>472,154</u>	<u>298,237</u>
Total financial liabilities	<u>206,244</u>	<u>196,671</u>	<u>472,154</u>	<u>298,237</u>

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for union operations. The company does not have any derivative instruments at 31 December 2011.

The finance committee, consisting of senior executives of the Group, meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The finance committee's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the Committee of Management. Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the consolidated group is exposed through its financial instruments are credit risk, liquidity risk and market risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 19: FINANCIAL RISK MANAGEMENT continued

a. Credit risk continued

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated group.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the consolidated group securing trade and other receivables.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The consolidated group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 6.

b. Liquidity risk

Liquidity risk arises from the possibility that the consolidated group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

The table that follows reflects an undiscounted contractual maturity analysis for financial assets and liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 19: FINANCIAL RISK MANAGEMENT continued

b. Liquidity risk continued

	Within 1 Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
Consolidated				
2011				
Financial Assets				
Cash and cash equivalents	1,888,565	-	-	1,888,565
Receivables	183,069	-	-	183,069
Total anticipated inflows	<u>2,071,634</u>	<u>-</u>	<u>-</u>	<u>2,071,634</u>
Financial Liabilities				
Trade and other payables	206,244	-	-	206,244
Total expected outflows	<u>206,244</u>	<u>-</u>	<u>-</u>	<u>206,244</u>
Net inflow/(outflow) on financial instruments	<u>1,865,390</u>	<u>-</u>	<u>-</u>	<u>1,865,390</u>
2010				
Financial Assets				
Cash and cash equivalents	2,241,707	-	-	2,241,707
Receivables	417,214	-	-	417,214
Total anticipated inflows	<u>2,658,921</u>	<u>-</u>	<u>-</u>	<u>2,658,921</u>
Financial Liabilities				
Trade and other payables	196,671	-	-	196,671
Total expected outflows	<u>196,671</u>	<u>-</u>	<u>-</u>	<u>196,671</u>
Net inflow/(outflow) on financial instruments	<u>2,462,250</u>	<u>-</u>	<u>-</u>	<u>2,462,250</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 19: FINANCIAL RISK MANAGEMENT continued

b. Liquidity risk continued

	Within 1 Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
Parent Entity				
2011				
Financial Assets				
Cash and cash equivalents	381,743	-	-	381,743
Receivables	205,603	2,140,599	-	2,346,202
Total anticipated inflows	<u>587,346</u>	<u>2,140,599</u>	<u>-</u>	<u>2,727,945</u>
Financial Liabilities				
Trade and other payables	198,592	273,562	-	472,154
Total expected outflows	<u>198,592</u>	<u>273,562</u>	<u>-</u>	<u>472,154</u>
Net inflow/(outflow) on financial instruments	<u>388,754</u>	<u>1,867,037</u>	<u>-</u>	<u>2,255,791</u>
2010				
Financial Assets				
Cash and cash equivalents	590,300	-	-	590,300
Receivables	440,582	2,140,599	-	2,581,181
Total anticipated inflows	<u>1,030,882</u>	<u>2,140,599</u>	<u>-</u>	<u>3,171,481</u>
Financial Liabilities				
Trade and other payables	196,237	102,000	-	298,237
Total expected outflows	<u>196,237</u>	<u>102,000</u>	<u>-</u>	<u>298,237</u>
Net inflow/(outflow) on financial instruments	<u>834,645</u>	<u>2,038,599</u>	<u>-</u>	<u>2,873,244</u>

c. Market risk

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

(ii) *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The Union is not exposed to securities price risk on available-for-sale investments.

The Union's investments are held in diversified management fund portfolios.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 19: FINANCIAL RISK MANAGEMENT continued

c. Market risk continued

Sensitivity analysis

The following table illustrates sensitivities to the consolidated group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Consolidated:		
Year ended 31 December 2011		
+/- 1% in interest rates basis points – cash and cash equivalents	<u>18,886</u>	<u>18,886</u>
Year ended 31 December 2010		
+/- 1% in interest rates basis points – cash and cash equivalents	<u>22,417</u>	<u>22,417</u>
Parent Entity:		
Year ended 31 December 2011		
+/- 1% in interest rates basis points – cash and cash equivalents	<u>3,817</u>	<u>3,817</u>
Year ended 31 December 2010		
+/- 1% in interest rates basis points – cash and cash equivalents	<u>5,903</u>	<u>5,903</u>

NOTE 20: ENTITY DETAILS

The registered office and principal place of business is:
Textile Clothing and Footwear Union of Australia (Vic. Qld Branch)
359 Exhibition Street
Melbourne Vic. 3000

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

COMMITTEE OF MANAGEMENT CERTIFICATE

On 9 March 2012 the Committee of Management of the Textile Clothing and Footwear Union of Australia (Vic. Qld 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 2011:

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 Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Act and the Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or Fair Work Australia duly made under section 272 of the Act has been furnished to the member or Fair Work Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Fair Work Australia under section 273 of the Act.

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 Fair Work Australia; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Act 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 union 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 until distributions of recovered money were made to the workers.
- (g) that the members receive a copy of the concise financial report.

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:



Dated: 9 March 2012

Melbourne

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
AND CONTROLLED ENTITY**

Report on the financial report

We have audited the accompanying financial report of Textile Clothing and Footwear Union of Australia (Victorian Queensland Branch) and controlled entity, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the Union during the financial year.

Committee of management's responsibility for the financial report

The Union's committee of management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1 the Committee of Management also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND BRANCH)
AND CONTROLLED ENTITY**

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditor's opinion

In our opinion the financial report of the reporting unit:

- (a) is in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Act, including:
 - (i) presenting fairly the reporting unit's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of Fair Work Australia, 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,
Member of the Institute of Chartered Accountants in Australia and
holder of a current public practice certificate

Melbourne *9 March 2012*

**COMPILATION REPORT
TO TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND
BRANCH) AND CONTROLLED ENTITY**

Scope

We have compiled the accompanying special purpose financial statements of the Textile Clothing and Footwear Union of Australia (Victorian Queensland Branch) and controlled entity which comprises the attached detailed income and expenditure statement for the year ended 31 December 2011. The specific purposes for which the special purpose financial statements have been prepared is to provide information relating to the performance of the entity that satisfies the information needs of the committee of management.

The Responsibility of the Committee of Management

The committee of management is solely responsible for the information contained in the special purpose financial statement and has determined that the basis of accounting adopted is appropriate to meet its needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the committee of management we have compiled the accompanying special purpose financial statement in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the committee members provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statement was compiled exclusively for the benefit of the committee of management. We do not accept responsibility to any other person for the contents of the special purpose financial report.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

Melbourne: 9 March 2012

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
REVENUE				
Grant income & reimbursements	765,781	1,135,991	765,781	1,135,991
Interest received	117,781	110,602	27,852	28,202
Members' contributions	614,712	606,514	614,712	606,514
Sundry income	1,187	30,848	1,187	30,848
TOTAL INCOME	1,499,461	1,883,955	1,409,532	1,801,555
EXPENDITURE				
<u>Administration:</u>				
Bank Charges	2,772	2,808	2,772	2,793
Advertising	3,831	1,539	3,831	1,539
Commissions	1,836	1,773	1,836	1,773
Insurance	13,002	11,480	5,204	2,633
Books, journals & publications	10,785	10,251	10,785	10,251
Printing & Stationery	19,633	26,368	19,633	26,368
Sundry	5,723	3,284	4,960	16,181
Legal & other fees	108,669	18,236	108,669	18,236
Accounting fees	29,750	20,550	25,900	16,800
Annual fees	296	285	-	-
Donations	482	720	482	720
	196,779	97,294	184,072	97,294
<u>Affiliation, capitation & commission expense:</u>				
Australian Labor Party	11,362	10,627	11,362	10,627
Australian Asian Workers Link	-	200	-	200
Ballarat	1,164	772	1,164	772
Bendigo	335	520	335	520
Geelong	4,004	4,101	4,004	4,101
Gippsland	142	98	142	98
North East and Border	1,400	1,455	1,400	1,455
South West	56	45	56	45
Victorian Trades Hall Council	10,863	13,885	10,863	13,885
Capitation fee – National Council	89,724	89,829	89,724	89,829
Members mortality fund	2,344	4,433	2,344	4,433
Levies	2,320	2,787	2,320	2,787
Commission	3,430	6,566	3,430	6,566
	127,144	135,318	127,144	135,318
<u>Communication expense:</u>				
Postage	8,062	7,943	8,062	7,943
Computer expenses	12,724	13,420	12,724	13,420
Telephone	23,247	21,517	23,247	21,517
Couriers	2,228	152	2,228	152
	46,261	43,032	46,261	43,032
Depreciation	79,179	69,467	56,590	46,232

This statement should be read in conjunction with the attached compilation report on page 38

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
<u>Employee Benefits:</u>				
Provision for annual leave	12,934	51,145	12,934	51,145
Provision for long service leave	(20,146)	30,002	(20,146)	30,002
Provision for RDO	(4,864)	(767)	(4,864)	(767)
Salaries & allowances				
- elected officials	169,726	161,782	169,726	161,782
- employees	952,550	882,182	952,550	882,182
Workcover	16,117	17,188	16,117	17,188
Fringe benefits tax	19,309	26,988	19,309	26,988
Superannuation contributions				
- elected officials	31,259	30,007	31,259	30,007
- employees	162,814	169,257	162,814	169,257
Payroll tax	38,173	40,385	38,173	40,385
	<u>1,377,872</u>	<u>1,408,169</u>	<u>1,377,872</u>	<u>1,408,169</u>
 Grant Expense	 <u>14,477</u>	 <u>123,700</u>	 <u>14,477</u>	 <u>123,700</u>
 <u>Other expense:</u>				
Staff Amenities	5,500	5,540	5,500	5,540
Sundry	7,067	1,881	2,203	9,800
Company searches	955	319	955	319
Books, journals & publications	7,655	5,917	7,655	5,917
Motor vehicle expenses & travel expenses	70,463	43,146	70,463	43,146
Interpreting and translation	792	383	792	383
Training	4,373	3,663	4,373	3,663
Campaign & dispute expenses	2,633	13,265	2,633	13,265
Committee expenses	5,874	3,444	5,874	3,444
Delegates' training & expense	13,267	941	13,267	941
National council meetings	528	409	528	409
Loss on sale of fixed assets	-	1,677	-	1,677
Refund – union dues	1,592	31	1,592	31
Commission	1,652	1,510	1,652	1,510
	<u>122,351</u>	<u>82,126</u>	<u>117,487</u>	<u>90,045</u>
 <u>Occupancy expense</u>				
Air Conditioning	415	278	-	-
Alarm	458	329	-	-
Cleaning	13,385	13,303	-	-
Light and power	10,099	10,077	-	-
Rates and taxes	13,269	13,191	-	-
Repairs & maintenance	587	20,942	-	-
Rubbish and recycling collection	4,146	2,249	-	-
Storage charges	5,842	5,264	-	-
Water	1,568	1,451	-	-
	<u>49,769</u>	<u>67,084</u>	<u>-</u>	<u>-</u>
 Total Operating Expenditure	 <u>2,013,832</u>	 <u>2,026,190</u>	 <u>1,923,903</u>	 <u>1,943,790</u>
 NET PROFIT/(LOSS) FOR THE YEAR	 <u>(514,371)</u>	 <u>(142,235)</u>	 <u>(514,371)</u>	 <u>(142,235)</u>

This statement should be read in conjunction with the attached compilation report on page 38

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
(VICTORIAN QUEENSLAND BRANCH) AND CONTROLLED ENTITY
ABN 48 505 905 580**

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

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

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on the Textile Clothing Footwear Union of Australia (Victorian Queensland Branch) (the "Union") and controlled entity, the relevant Reporting Unit for the financial year ended 31 December 2011.

Principal Activities

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

Operating Result

The operating loss of the Union for the financial year was \$514,371 (2010: \$142,235). No provision for tax was necessary as the Union is exempt from income tax.

Significant change

The Queensland Branch amalgamated with the Victoria Union on 21 November 2011 to become the Textile Clothing Footwear Union of Australia (Victorian Queensland Branch).

There were no other significant changes in the Union'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 Union, the results of those operations, or the state of affairs of the Union in future financial years.

Rights of Members

Pursuant to the Union rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the later, or
- (b) in any other case:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the noticewhichever is the later.

Superannuation Officeholders

Michele O'Neil is an officer of the Union and also holds Alternate Directorship of Australian Super.

No officer or member of the Union:

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

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

OPERATING REPORT continued

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 ("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 Act and who are taken to be members of the Union under section 244 of the Act was 2,449 (2010: 2,617).
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 13.
- (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 *
Maurie Mahoney	Branch Vice President *
Warren Smith	Branch Trustee *
Michele O'Neil	Branch Secretary
Jenny Kruschel	Branch Assistant Secretary
Dorothy Peterson	Branch Trustee *
Androulla Demetriou	Committee of Management *
Nguyet Thi Nguyen	Committee of Management *
Zarko Spasovsk	Committee of Management *
Allen Spencer	Committee of Management *
Yu Wang	Committee of Management *

*honorary

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:



Dated: 9 March 2012

Melbourne:

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND
BRANCH) AND CONTROLLED ENTITY**

ABN 45 839 589 441

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Revenue	1,499,461	1,883,955	1,409,532	1,801,555
Administration expense	(196,779)	(97,294)	(184,072)	(97,294)
Affiliation, capitation and commission expense	(127,144)	(135,318)	(127,144)	(135,318)
Communication expense	(46,261)	(43,032)	(46,261)	(43,032)
Depreciation and amortisation expense	(79,179)	(69,467)	(56,590)	(46,232)
Employee benefits expense	(1,377,872)	(1,408,169)	(1,377,872)	(1,408,169)
Grant expense	(14,477)	(123,700)	(14,477)	(123,700)
Occupancy expense	(49,769)	(67,084)	-	-
Other expenses	(122,351)	(82,126)	(117,487)	(90,045)
Profit/(loss) before income tax expense	<u>(514,371)</u>	<u>(142,235)</u>	<u>(514,371)</u>	<u>(142,235)</u>
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net profit/(loss) attributable to members	<u>(514,371)</u>	<u>(142,235)</u>	<u>(514,371)</u>	<u>(142,235)</u>
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>(514,371)</u>	<u>(142,235)</u>	<u>(514,371)</u>	<u>(142,235)</u>

Discussion and Analysis of Statement of Comprehensive Income:

The operating result of the Union for the year was a net loss of \$514,371. The increased loss can be attributed to the reduction of grants received during the year.

The accompanying notes form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 2011**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	1,888,565	2,241,707	381,743	590,300
Trade and other receivables	183,069	417,214	205,603	440,582
Other current assets	83,040	101,042	77,866	96,363
TOTAL CURRENT ASSETS	2,154,674	2,759,963	665,212	1,127,245
NON-CURRENT ASSETS				
Trade and other receivables	-	-	2,140,599	2,140,599
Financial Assets	2,500	2,500	503,596	503,596
Property, plant and equipment	1,928,887	1,972,545	181,221	203,790
TOTAL NON-CURRENT ASSETS	1,931,387	1,975,045	2,825,416	2,847,985
TOTAL ASSETS	4,086,061	4,735,008	3,490,628	3,975,230
CURRENT LIABILITIES				
Trade and other payables	206,244	196,671	198,592	196,237
Short term provisions	459,323	471,397	459,323	471,397
TOTAL CURRENT LIABILITIES	665,567	668,068	657,915	667,634
NON-CURRENT LIABILITIES				
Trade and other payables	-	-	273,562	102,000
TOTAL NON-CURRENT LIABILITIES	-	-	273,562	102,000
TOTAL LIABILITIES	665,567	668,068	931,477	769,634
NET ASSETS	3,420,494	4,066,940	2,559,151	3,205,596
EQUITY				
Reserves	1,362,321	-	-	-
Retained earnings	2,058,173	4,066,940	2,559,151	3,205,596
TOTAL EQUITY	3,420,494	4,066,940	2,559,151	3,205,596

Discussion and Analysis of Statement of Financial Position

The major change in the Statement of Financial Position is the reduction of funds held in the bank at the year end.

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Reserves	Retained Profits \$	Total \$
CONSOLIDATED GROUP			
Balance at 1 January 2010	1,362,321	2,846,853	4,209,174
(Loss) attributable to members of consolidated group	-	(142,235)	(142,235)
Balance at 31 December 2010	1,362,321	2,704,618	4,066,939
Transfer from TCFUA (Queensland Branch)	-	132,074	132,074
(Loss) attributable to members of consolidated group	-	(514,371)	(514,371)
Balance at 31 December 2011	<u>1,362,321</u>	<u>2,058,173</u>	<u>3,420,494</u>
PARENT ENTITY			
Balance at 1 January 2010	-	3,347,831	3,347,831
(Loss) attributable to members of parent entity	-	(142,235)	(142,235)
Balance at 31 December 2010	-	3,205,596	3,205,596
Transfer from TCFUA (Queensland Branch)	-	132,074	132,074
(Loss) attributable to members of parent entity	-	(514,371)	(514,371)
Balance at 31 December 2011	<u>-</u>	<u>2,559,151</u>	<u>2,559,151</u>

Discussion and Analysis of Statement of Changes in Equity

Equity decreased due to loss incurred during the year.

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Note	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Grant and other income	1,002,929	1,153,009	1,018,332	1,153,006
Membership contributions	593,673	619,061	596,817	619,062
Interest received	103,606	105,490	28,174	27,127
Payments to suppliers & employees	(1,885,755)	(1,921,112)	(1,855,785)	(1,864,131)
Net cash provided by (used in) operating activities	(185,547)	(43,552)	(212,462)	(64,936)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment	(35,521)	(105,359)	(34,022)	(105,359)
Cost of amalgamation	(132,074)	-	(132,074)	-
Proceeds on sale of property, plant & equipment	-	3,500	-	3,500
Net cash provided by (used in) investing activities	(167,595)	(101,859)	(166,095)	(101,859)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan from Apparel Trades Unit Trust	-	-	170,000	102,000
Net cash provided by (used in) financing activities	-	-	170,000	102,000
Net increase/(decrease) in cash held	(353,142)	(145,411)	(208,557)	(64,795)
Cash at beginning of year	2,241,707	2,387,118	590,300	655,095
Cash at end of year	1,888,565	2,241,707	381,743	590,300

Discussion and Analysis of Statement of Cash Flows

Cashflow has decreased primarily as a result of a decrease in grants and increase in expenses associated with the Queensland Branch.

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND
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 2011**

Note	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Cash assets in respect of recovered money at beginning of year				
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	-	-	-	-
	-	-	-	-
Total payments	-	-	-	-
Cash assets in respect of recovered money at end of year	-	-	-	-

Discussion and Analysis of Statement of Receipts and Payments for Recovery of Wages Activity

The union did not collect any wages on behalf of members throughout the year ended 31 December 2011.

The accompanying notes form part of these financial statements.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND
BRANCH) AND CONTROLLED ENTITY**

ABN 45 839 589 441

**NOTES TO THE CONCISE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: Statement of Significant Accounting Policies

The concise financial report is an extract of the full financial report for the year ended 31 December 2011. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Fair Work (Registered Organisations) Act 2009.

The financial statements, specific disclosure and other information included in the concise financial report are derived from and are consistent with the full financial report of the Textile Clothing & Footwear Union of Australia (Victorian Queensland Branch) and Controlled Entity. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financial and investing activities of Textile Clothing & Footwear Union of Australia (Victorian Queensland Branch) and Controlled Entity as the full financial report.

The financial report of Textile Clothing & Footwear Union of Australia (Victorian Queensland Branch) and Controlled Entity comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

NOTE 2: Information to Be Provided To Members Of Fair Work Australia

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of the Act, which read as follows:-

- (1) A member of a reporting unit, or Fair Work Australia, 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 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

NOTE 3: Financial Statements

The Union will provide a copy of the full financial report for the year ended 31 December 2011, free of charge to any member who requests it.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND
BRANCH) AND CONTROLLED ENTITY**
ABN 48 505 905 580

COMMITTEE OF MANAGEMENT CERTIFICATE

On 9 March 2012 the Committee of Management of the Textile Clothing & Footwear Union of Australia (Victorian Queensland 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 2011:

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 Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Act and the Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or Fair Work Australia duly made under section 272 of the Act has been furnished to the member or Fair Work Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Fair Work Australia under section 273 of the Act.

**TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN QUEENSLAND
BRANCH) AND CONTROLLED ENTITY**

ABN 48 505 905 580

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 Fair Work Australia; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Act 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 until distributions of recovered money were made to the workers.
- (g) that the members receive a copy of the concise financial report.

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:



Dated: 9 March 2012

Melbourne

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA (VICTORIAN
QUEENSLAND BRANCH) AND CONTROLLED ENTITY**

Scope

We have audited the concise financial report of the Textile Clothing & Footwear Union of Australia (Victorian Queensland Branch) and Controlled Entity (the reporting unit), for the year ended 31 December 2011, 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 as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of the Textile Clothing & Footwear Union of Australia (Victorian Queensland Branch) and Controlled Entity for the year ended 31 December 2011. Our audit report on the full financial report was signed on 9 March 2012 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 and the Fair Work (Registered Organisations) Act 2009.

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

Independence

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

Audit Opinion

In our opinion, the concise financial report of the Textile Clothing & Footwear Union of Australia (Victorian Queensland Branch) and Controlled Entity complies with Accounting Standard AASB 1039: Concise Financial Reports and the Fair Work (Registered Organisations) Act 2009.



MSI RAGG WEIR
Chartered Accountants



L S WONG CA
Partner,
Member of the Institute of Chartered Accountants in Australia and
holder of a current public practice certificate

Melbourne: 29 March 2012