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

State Secretary
Michele O'Neil

Email info@tcfvic.org.au
Website www.tcfua.org.au

Victoria
359 Exhibition Street
Melbourne Vic 3000
Phone (03) 9639 2955
Fax (03) 9639 2944

Queensland
11 Alexandra Place
Murarrie Qld 4172
Phone (07) 3390 7422
Fax (07) 3390 6259

Country Members
1800 800 135

5 June 2013

Fair Work Commission
General Manager
11 Exhibition Street
Melbourne VIC 3000

Dear Sir/Madam

RE: Lodgement of Financial Documents for year ended 31 December 2012

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 2012 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 1 March 2013 passed a resolution to provide members with a concise report; and
- that the concise report was provided to members on 15 May 2013 and;
- that the full report was presented to a meeting of the committee of management of the reporting unit on 23 May 2013; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature

Date: 5 June 2013

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 2012

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 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 2012.

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 results of the principal activities of the Union during the financial year was to further the interests of TCF workers through improvements in wages and conditions, health and safety, legal rights and company compliance with Australian labour standards.

The operating loss of the Union for the financial year was $405,262 (2011: $514,371). No provision for tax was necessary as the Union is exempt from income tax.

Significant change

There were no significant changes in the principal activities or financial affairs of the Union during the financial year.

Rights of Members

Pursuant to the Reporting Unit Rule 21 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 Reporting Unit.

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 notice

   whichever is the later.

Superannuation Officeholders

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

No other officer or member of the Union is:

(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.

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 2,425.(2011: 2,449)

(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 14.

(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 (resigned 17 May 2012)*
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 *
Aliette Corbutt	Committee of Management * (appointed 30 May 2012)
Scott Martin	Committee of Management * (appointed 30 May 2012)
Yu Wang	Committee of Management * (resigned 1 January 2012)

*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: (MARCH 2013

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 2012

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		$	$	$	$
Revenue	3	1,387,259	1,499,461	1,312,101	1,409,532
Administration expense		(88,218)	(196,779)	(75,361)	(184,072)
Affiliation, capitation and commission expense	4	(150,009)	(127,144)	(150,009)	(127,144)
Communication expense		(51,568)	(46,261)	(51,568)	(46,261)
Depreciation and amortisation expense	4	(78,482)	(79,179)	(56,452)	(56,590)
Employee benefits expense	4	(1,230,189)	(1,377,872)	(1,230,189)	(1,377,872)
Grant expense		(7,907)	(14,477)	(7,907)	(14,477)
Occupancy expense		(56,480)	(49,769)	(7,080)	-
Other expenses		(129,668)	(122,351)	(138,797)	(117,487)
Profit/(loss) before income tax		(405,262)	(514,371)	(405,262)	(514,371)
Income tax expense	1(a)	-	-	-	-
Net profit/(loss) attributable to union		(405,262)	(514,371)	(405,262)	(514,371)
Other comprehensive income - revaluation of land and building		851,042	-	-	-
Total comprehensive income		445,780	(514,371)	(405,262)	(514,371)

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 2012

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	5	1,552,292	1,888,565	83,593	381,743
Trade and other receivables	6	376,246	183,069	709,862	205,603
Inventory	9	9,010	-	9,010	-
Other current assets	7	47,409	83,040	42,933	77,866
TOTAL CURRENT ASSETS		1,984,957	2,154,674	845,398	665,212
NON-CURRENT ASSETS					
Trade and other receivables	6	-	-	1,840,599	2,140,599
Financial Assets	8	2,500	2,500	503,596	503,596
Property, plant and equipment	10	2,706,233	1,928,887	129,555	181,221
TOTAL NON-CURRENT ASSETS		2,708,733	1,931,387	2,473,750	2,825,416
TOTAL ASSETS		4,693,690	4,086,061	3,319,148	3,490,628
CURRENT LIABILITIES					
Trade and other payables	11	290,233	206,244	285,769	198,592
Short term provisions	12	537,183	459,323	537,183	459,323
TOTAL CURRENT LIABILITIES		827,416	665,567	822,952	657,915
NON-CURRENT LIABILITIES					
Trade and other payables	11	-	-	342,307	273,562
TOTAL NON-CURRENT LIABILITIES		-	-	342,307	273,562
TOTAL LIABILITIES		827,416	665,567	1,165,259	931,477
NET ASSETS		3,866,274	3,420,494	2,153,889	2,559,151
EQUITY					
Asset Realisation Reserve		1,362,321	1,362,321	-	-
Asset Revaluation Reserve		851,042	-	-	-
Retained earnings		1,652,911	2,058,173	2,153,889	2,559,151
TOTAL EQUITY		3,866,274	3,420,494	2,153,889	2,559,151

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 2012

	Asset Realisation Reserve $	Asset Revaluation Reserve $	Retained earnings $	Total $
CONSOLIDATED GROUP				
Balance at 1 January 2011	1,362,321	-	2,704,618	4,066,939
(Loss) attributable to the union of the consolidated group	-	-	(514,371)	(514,371)
Transfer from TCFUA (Queensland Branch)	-	-	(132,074)	(132,074)
Balance at 31 December 2011	1,362,321	-	2,058,173	3,420,494
Revaluation of Land and Buildings	-	851,042	-	851,042
(Loss) attributable to the union of the consolidated group	-	-	(405,262)	(405,262)
Balance at 31 December 2012	1,362,321	851,042	1,652,911	3,866,274
PARENT ENTITY				
Balance at 1 January 2011	-	-	3,205,596	3,205,596
(Loss) attributable to the union of the parent entity	-	-	(514,371)	(514,371)
Transfer from TCFUA (Queensland Branch)	-	-	(132,074)	(132,074)
Balance at 31 December 2011	-	-	2,559,151	2,559,151
(Loss) attributable to the union of the parent entity	-	-	(405,262)	(405,262)
Balance at 31 December 2012	-	-	2,153,889	2,153,889

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 2012

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Grant and other income		505,445	1,002,929	505,445	1,018,332
Membership contributions		705,207	593,673	705,207	596,817
Interest received		98,676	103,606	9,598	28,174
Payments to suppliers & employees		(1,658,315)	(1,885,755)	(1,599,859)	(1,855,785)
Net cash provided by (used in) operating activities	13	(348,987)	(185,547)	(379,609)	(212,462)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant & equipment		(4,786)	(35,521)	(4,786)	(34,021)
Cost of amalgamation		-	(132,074)	-	(132,074)
Net cash provided by (used in) investing activities		(4,786)	(167,595)	(4,786)	(166,095)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan to TCFUA - National		(2,500)	-	(2,500)	-
Loan from TCFUA – National/WA		20,000	-	20,000	-
Loan from Apparel Trades Unit Trust		-	-	68,745	170,000
Net cash provided by (used in) financing activities		17,500	-	86,245	170,000
Net increase/(decrease) in cash held		(336,273)	(353,142)	(298,150)	(208,557)
Cash at beginning of year		1,888,565	2,241,707	381,743	590,300
Cash at end of year	5	1,552,292	1,888,565	83,593	381,743

The accompanying notes form part of these financial statements.

STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Consolidated Group		Parent Entity	
		2012	2011	2012	2011
		$	$	$	$
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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those 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 (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Fair Work (Registered Organisations) Act 2009. The consolidated group is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. **Principles of Consolidation**
The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Textile Clothing & Footwear Union of Australia – Victorian Queensland Branch at the end of the reporting period. A controlled entity is any entity over which Textile Clothing & Footwear Union of Australia – Victorian Queensland Branch has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 8 to the financial statements.

In preparing the consolidated financial statements, all inter-entity balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlled interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

b. **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.

c. **Property, Plant and Equipment**
Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

c. Property, Plant and Equipment continued

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Buildings Improvements	2.5%
Furniture and Fittings	7.5-40%
Motor Vehicles	22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

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 of the instrument. For financial assets, this is equivalent to the date that the consolidated group 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, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

e. **Financial Instruments continued**

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 amount with a consequential recognition of an income or expense item in profit or loss.

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.

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, 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 amount 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

e. **Financial Instruments continued**

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the consolidated group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the consolidated group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

e. Financial Instruments continued

Financial guarantees
Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using the probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the consolidated group gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

Derecognition
Financial assets are derecognised when the contractual rights to receipt of cash flows expire 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 when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount 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.

f. Impairment of Assets

At the end of each reporting period, the consolidated group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

f. **Impairment of Assets continued**
Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. **Employee Benefits**
Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

h. **Provisions**
Provisions are recognised when the consolidated group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

j. **Revenue and Other Income**
Grant revenue is recognised on a proportional basis over the period that 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 statement of financial position 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).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

k. **Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

l. **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the consolidated group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. **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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

n. **Comparative Figures**

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

Where the consolidated group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

o. **Critical Accounting Estimates and Judgments**
The committee of management evaluate estimates and judgments incorporated into the financial statements 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the consolidated group. The consolidated group has decided not to early adopt any of the new and amended pronouncements. The consolidated group's assessment of the new and amended pronouncements that are relevant to the consolidated group but applicable in future reporting periods is set out below:

– AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

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 consolidated group's business model as they are initially classified based on: (a) the objective of the consolidated group's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an consolidated group 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 consolidated group's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the consolidated group 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

p. New Accounting Standards for Application in Future Periods continued

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. This amendment is a consequence of the deferral of IFRS 9 to allow the IASB to complete its revision of that Standard. In light of this change of mandatory effective date, the consolidated group is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 31 December 2015. Although the members of the committee anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact on the consolidated group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact particularly considering the changes that are expected to be made to IFRS 9 in future.

– 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, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the consolidated group will take advantage of Tier 2 reporting at a later date.

– 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 (applicable for annual reporting periods commencing on or after 1 January 2013).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

AASB 10 replaces parts of AASB 127 (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. This Standard is not expected to significantly impact the consolidated group.

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" (where 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). This Standard is not expected to impact the consolidated group.

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 consolidated 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 consolidated group.

– AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 (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 measurement.

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 consolidated group.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

- AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (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 consolidated group.

- AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (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 consolidated group does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:

(a) require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and

(b) the accounting for termination benefits that require an consolidated group to recognise an obligation for such benefits at the earlier of:

  (i) where for an offer that may be withdrawn – when the employee accepts;

  (ii) where 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.

- AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 2012-2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the consolidated group's recognised financial assets and recognised financial liabilities, on the consolidated group's financial position.
  This Standard is not expected to significantly impact the consolidated group's financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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

- AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

  This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

  This Standard is not expected to significantly impact the consolidated group's financial statements.

- AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle (applicable for annual reporting periods commencing on or after 1 January 2013).

  This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009-2011 Cycle by the International Accounting Standards Board, including:

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;

- AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;

- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;

- AASB 132 and Interpretation 2: Members' shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and

- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the consolidated group's financial statements.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK COMMISSION (FORMERLY KNOWN AS 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 an entity, or Fair Work Commission (formerly known as Fair Work Australia), may apply to the entity for specified prescribed information in relation to the entity 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 entity.

3. An entity must comply with an application made under subsection (1).

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	$	$	$	$
NOTE 3: REVENUE				
Membership Subscriptions Vic	633,687	602,027	633,687	602,027
Membership Subscriptions Qld	77,539	12,685	77,539	12,685
Interest Received	84,094	117,781	8,936	27,852
Sundry Income	1,857	1,187	1,857	1,187
Grant funds and other income	590,082	765,781	590,082	765,781
Total revenue	1,387,259	1,499,461	1,312,101	1,409,532

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	$	$	$	$
NOTE 4: LOSS FOR YEAR				
Loss for year before income tax expense has been determined after:				
Expenses:				
Affiliation, capitation fees, Compulsory levies and commissions				
Affiliation fees:				
-Australian Labour Party	11,966	11,362	11,966	11,362
Trades and Labour Councils:				
-Ballarat	748	1,164	748	1,164
- Bendigo	359	335	359	335
-Geelong	4,441	4,004	4,441	4,004
-Gippsland	150	142	150	142
-North East and Border	1,400	1,400	1,400	1,400
-South West	34	56	34	56
-Victorian Trades Hall	15,196	10,863	15,196	10,863
Capitation fees:				
-Textile Clothing and Footwear Union of Australia National Council	98,107	89,724	98,107	89,724
Compulsory Levies:				
-Mortality fund Levy	2,208	2,344	2,208	2,344
-Victorian trades Hall Council Levies				
Commissions:				
- ACTU Levy	8,079	-	8,079	-
- Payroll deductions	3,296	2,230	3,296	2,230
- Shop Stewards	4,025	3,520	4,025	3,520
	150,009	127,144	150,009	127,144
Depreciation expense				
Property, plant and equipment	78,482	79,179	56,452	56,590

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 4: LOSS FOR YEAR continued

	Consolidated Group 2012 $	Consolidated Group 2011 $	Parent Entity 2012 $	Parent Entity 2011 $
Employee benefits expense:				
Salaries and allowances				
- elected officials	175,434	169,726	175,434	169,726
- employees	802,574	952,550	802,574	952,550
Superannuation contributions				
- elected officials	32,310	31,259	32,310	31,259
- employees	106,923	162,814	106,923	162,814
Provision for annual leave				
- elected officials	9,671	10,141	9,671	10,141
- employees	43,196	2,793	43,196	2,793
Provision for long service leave				
- elected officials	10,700	10,765	10,700	10,765
- employees	11,862	(30,911)	11,862	(30,911)
Provision for RDO				
- elected officials	-	-	-	-
- employees	2,431	(4,864)	2,431	(4,864)
Other				
- Fringe benefit tax	(3,949)	19,309	(3,949)	19,309
- Payroll tax	29,799	38,174	29,799	38,174
- Workcover levy	9,238	16,116	9,238	16,116
	1,230,189	1,377,872	1,230,189	1,377,872
Included in administration and other expenses:				
Conference and meetings:				
- National Council	-	528	-	528
- Delegates' training and expense	11,792	13,267	11,792	13,267
- Annual Delegates' Conference		-		-
Donations:				
- Other	500	482	500	482
Remuneration of auditor				
- audit	15,965	15,500	13,500	13,125
- other services	9,897	14,250	8,362	12,775
Legal Fees	5,930	107,157	5,930	107,157

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	$	$	$	$
Cash on hand	1,773	1,000	1,773	1,000
Cash at bank				
- Direct debit account	7,818	7,414	7,818	7,414
- Helen Robertson fund	8,380	33,380	8,380	33,380
- General account	23,020	23,473	22,092	16,654
Cash on deposit				
- General Account	1,511,301	1,823,298	43,530	323,295
	1,552,292	1,888,565	83,593	381,743

The effective interest rate on short-term bank deposits was 4.25% (2011: 5.5%); these deposits have an average maturity of 60 days.

Reconciliation of cash:

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

Cash and cash equivalents	1,552,292	1,888,565.	83,593	381,743
Bank overdrafts	-	-	-	-
	1,552,292	1,888,565.	83,593	381,743

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT				
Trade Debtors	251,681	81,956	251,681	81,956
Sundry Debtors	4,125	4,125	4,125	4,125
Accrued Grant income	96,062	84,483	96,062	84,483
Apparel Trades of Australia Unit Trust	-	-	338,230	41,067
Owing from TCFUA National Office	29,570	3,116	29,570	3,116
Accrued Income	4,705	19,286	91	753
	386,143	192,966	719,759	215,500
Less provision for impairment of debts -members contributions	(9,897)	(9,897)	(9,897)	(9,897)
	376,246	183,069	709,862	205,603

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	$	$	$	$
NOTE 6: TRADE AND OTHER RECEIVABLES continued				
NON-CURRENT				
Loan: Apparel Trades of Australia Unit Trust	-	-	1,840,599	2,140,599

a. **Provision for Impairment of receivables**
Movement in the provision for impairment of receivables is as follows:

(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 2011	9,897
- Charge for the year	-
- Written off	-
Provision for impairment as at 31 December 2011	9,897
- Charge for the year	-
- Written off	-
Provision for impairment as at 31 December 2012	9,897

NOTE 6: TRADE AND OTHER RECEIVABLES continued

Credit risk

The consolidated group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 6. The main source of credit risk to the consolidated group is considered to relate to the class of assets described as "trade and other receivables".

The following table details the consolidated group and parent's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the consolidated group and parent and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the consolidated group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Net Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)			
			<30	31-60	61-90	>90
	$	$	$	$	$	$
Consolidated:						
2012						
Trade receivables	241,784	(9,897)	179,000	-	44,750	27,931
Other receivables	134,462	-	100,677	-	-	33,785
Total	376,246	(9,897)	279,677	-	44,750	61,716
2011						
Trade receivables	72,059	(9,897)	5,300	2,875	-	73,781
Other receivables	111,010	-	89,361	-	-	21,649
Total	183,069	(9,897)	94,661	2,875	-	95,430
Parent:						
2012						
Trade receivables	241,784	(9,897)	179,000	-	44,750	27,931
Other receivables	468,078	-	96,062	-	-	372,016
Total	709,862	(9,897)	275,062	-	44,750	399,947
2011						
Trade receivables	72,059	(9,897)	5,300	2,875	-	73,781
Other receivables	133,544	-	89,361	-	-	44,183
Total	205,603	(9,897)	94,661	2,875	-	117,964

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	$	$	$	$

NOTE 7: OTHER ASSETS

CURRENT				
Prepayments	47,409	83,040	42,933	77,866
	47,409	83,040	42,933	77,866

NOTE 8: FINANCIAL ASSETS

Shares in unlisted company at cost				
- Apparel Trades of Australia Pty Ltd	-	-	8	8
- South West Trades (Note 8a)	2,500	2,500	2,500	2,500
Units in Unit Trust at cost				
- Apparel Trades of Australia Unit Trust	-	-	501,088	501,088
	2,500	2,500	503,596	503,596

a. Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments. No intention to dispose of any unlisted available-for-sale financial assets existed at 31 December 2012.

b. Textile Footwear & Clothing Union of Australia – Victorian/Queensland Branch holds 100% ownership of Apparel Trades Union of Australia Trust Fund.

NOTE 9: INVENTORY

Inventory	9,010	-	9,010	-
	9,010	-	9,010	-

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	$	$	$	$

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS

Freehold land at cost	1,110,000	1,110,000	-	-
independent valuation 2012	890,000	-	-	-
	2,000,000	1,110,000	-	-
Buildings at cost	-	152,569	-	-
- independent valuation 2012	550,000	-		
Less: Accumulated depreciation	-	(27,482)		
	550,000	125,087	-	-
Building improvements at cost	-	580,661	-	-
Less: accumulated depreciation	-	(98,154)	-	-
	-	482,507	-	-
Furniture and fittings:				
At cost	307,299	302,513	245,256	240,470
Less: Accumulated depreciation	(255,696)	(240,627)	(220,331)	(208,656)
	51,603	61,886	24,925	31,814
Motor Vehicles:				
At cost	241,989	291,036	241,989	291,036
Less: Accumulated depreciation	(137,359)	(141,629)	(137,359)	(141,629)
	104,630	149,407	104,630	149,407
Total property, plant and equipment	2,706,233	1,928,887	129,555	181,221

a. Building improvements formed part of the independent valuation of buildings.

b. **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.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT continued

	Freehold land	Buildings $	Motor Vehicles $	Furniture & Fittings $	Total $
Consolidated Group					
Balance at the beginning of year	1,110,000	607,594	149,407	61,886	1,928,887
Additions	-	-	-	4,786	4,786
Disposals	-	-	-	-	-
Depreciation expense	-	(18,636)	(44,777)	(15,069)	(78,482)
Revaluation	890,000	(38,958)	-	-	851,042
Carrying amount at the end of year	2,000,000	550,000	104,630	51,603	2,706,233
Parent Entity					
Balance at the beginning of year	-	-	149,407	31,814	181,221
Additions	-	-	-	4,786	4,786
Disposals	-	-	-	-	-
Depreciation expense	-	-	(44,777)	(11,675)	(56,452)
Carrying amount at the end of year	-	-	104,630	24,925	129,555

c. **Asset revaluations**

Buildings

At the year end, the buildings held by the consolidated group were valued by an independent valuer. The fair value of the buildings based on their fair value less cost to sell, based on an active market, was determined to be $550,000. The fair value of the buildings decreased by $38,958.

Freehold land

At the year end, the freehold land held by the consolidated group was valued by an independent valuer. The fair value of the freehold land based on its fair value less cost to sell, based on an active market, was determined to be $2,000,000. The fair value of the freehold land increased by $890,000.

The net revaluation increment of $851,042 was credited directly to the revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	$	$	$	$
NOTE 11: TRADE AND OTHER PAYABLES				
CURRENT				
Sundry Creditors	290,233	206,244	285,769	198,592
NON-CURRENT				
Owing to Apparel Trades Unit Trust	-	-	342,307	273,592
NOTE 12: PROVISIONS				
Analysis of Total Provisions				
Employee entitlements				
Provision for annual leave				
- elected officials	177,975	168,304	177,975	168,304
- employees	98,321	55,125	98,321	55,125
	276,296	223,429	276,296	223,429
Provision for long service leave				
- elected officials	136,443	125,744	136,443	125,744
- employees	110,954	99,092	110,954	99,092
	247,397	224,836	247,397	224,836
Provision for RDO				
- elected officials	-	-	-	-
- employees	13,490	11,058	13,490	11,058
	13,490	11,058	13,490	11,058
Total employee entitlements	537,183	459,323	537,183	459,323

	RDO	Annual Leave	Long-term Employee Benefits	Total
	$	$	$	$
Opening balance at 1 January 2012	11,058	223,429	224,836	459,323
Additional provisions raised during the year	46,594	127,726	22,561	196,881
Amounts used	(44,162)	(74,859)	-	(119,021)
Balance at 31 December 2012	13,490	276,296	247,397	537,183

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	$	$	$	$
NOTE 12: PROVISIONS continued				
Analysis of total provisions				
Current	537,183	459,323	537,183	459,323
Non-current	-	-	-	-
	537,183	459,323	537,183	459,323

Provision for Employee Benefits
Provision for employee benefits represents amounts accrued for annual leave, long service leave and RDO.

The current portion for this provision includes the total amount accrued for annual leave, long service leave and RDO entitlements that have vested due to employees having completed the required period of service. Based on past experience, the consolidated group does not expect the full amount of annual or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the consolidated group does not have an unconditional right to defer the settlement of these amounts in the event of employees wish to use their leave entitlement.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed in Note 1(f).

NOTE 13: CASH FLOW INFORMATION

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	$	$	$	$
Reconciliation of cash flow from operations with loss after income tax				
Profit/ (Loss) after income tax	(405,262)	(514,371)	(405,262)	(514,371)
Non cash items				
-Depreciation	78,482	79,179	56,452	56,590
Changes in assets and liabilities:				
-(Increase)/decrease in receivables	(190,677)	234,144	(201,759)	234,979
-(Increase)/decrease in inventory	(9,010)	-	(9,010)	-
-(Increase)/decrease in prepayments	35,631	18,002	34,933	18,497
-Increase/(decrease) in payables	63,989	9,573	67,177	3,917
-Provision for employee entitlements	77,860	(12,074)	77,860	(12,074)
Cash flows used by operations	(348,987)	(185,547)	(379,609)	(212,462)

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.

NOTE 14: EVENTS AFTER THE REPORTING PERIOD

There are no events subsequent to the reporting date of this report which will have a material effect on the financial report for the year ended 31 December 2012.

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 areas being Victoria, Australia and Queensland Australia.

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS

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

Name	
Elizabeth Macpherson	Branch President *
Maurie Mahoney	Branch Vice President (resigned 17 May 2012)*
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 *
Aliette Corbutt	Committee of Management (appointed 30 May 2012)*
Scott Martin	Committee of Management (appointed 30 May 2012)*
Yu Wang	Committee of Management (resigned 1 January 2012)*

*honorary

a. The aggregate amount of remuneration paid to elected officials during the financial year for salaries was $175,434 (2011: $169,726).

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was $32,310 (2011: $31,259).

b. The aggregate amount of remuneration paid to other persons on the Committee of Management was as follows: -
- salaries and allowances $157,714 (2011: $145,013)
- superannuation $28,803 (2011:$26,511)
- loss of wages $Nil (2011: $Nil)

c. No officer has received any remuneration because the officer is a member of a board or hold that position only because of their position as an officer or because they were nominated for the position on the board by the organisation/branch/peak council.

d. No officer has received any remuneration from a related party to the organisation/branch in connection with the performance of the officer's duties.

e. No officer has any material personal interest in a matter that the officer or a relative of the officer has or acquires that relates to the affairs of the organisation/branch.

f. Apart from the above, there were no other transactions between the officers of the consolidated group other than those relating to their membership of the consolidated group and reimbursement by the consolidated group in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

NOTE 17: ECONOMIC DEPENDENCE

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

NOTE 18: FINANCIAL RISK MANAGEMENT

The consolidated group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, preference shares and derivatives.

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	
	2012	2011	2012	2011
	$	$	$	$
Financial assets				
Cash and cash equivalents	1,552,292	1,888,565	83,593	381,743
Loans and receivables	376,246	183,069	2,550,461	2,346,202
Available-for-sale financial assets:				
– at fair value:				
- Equity investments	2,500	2,500	503,596	503,596
Total financial assets	1,931,038	2,074,134	3,137,650	3,231,541
Financial liabilities				
Financial liabilities at amortised cost:				
– trade and other payables	290,233	206,244	285,769	198,592
Total financial liabilities	290,233	206,244	285,769	198,592

Financial Risk Management Policies

The committee of management's overall risk management strategy seeks to assist the consolidated group 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 committee 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 committee of management'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 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.

NOTE 18: FINANCIAL RISK MANAGEMENT continued

Specific Financial Risk Exposures and Management
The main risks the consolidated group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the consolidated group is exposed to, how these risks arise, or the committee of management's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **Credit risk**

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.

The consolidated group has no significant concentrations 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 consolidated group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

NOTE 18: FINANCIAL RISK MANAGEMENT continued

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

	Within 1 Year $	1 to 5 Years $	Over 5 Years $	Total $
Consolidated				
2012				
Financial Assets				
Cash and cash equivalents	1,552,292	-	-	1,552,292
Receivables	376,246	-	-	376,246
Total anticipated inflows	1,928,538	-	-	1,928,538
Financial Liabilities				
Trade and other payables	290,233	-	-	290,233
Total expected outflows	290,233	-	-	290,233
Net inflow/(outflow) on financial instruments	1,638,305	-	-	1,638,305
2011				
Financial Assets				
Cash and cash equivalents	1,888,565	-	-	1,888,565
Receivables	183,069	-	-	183,069
Total anticipated inflows	2,071,634	-	-	2,071,634
Financial Liabilities				
Trade and other payables	206,244	-	-	206,244
Total expected outflows	206,244	-	-	206,244
Net inflow/(outflow) on financial instruments	1,865,390	-	-	1,865,390

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 18: FINANCIAL RISK MANAGEMENT continued

	Within 1 Year $	1 to 5 Years $	Over 5 Years $	Total $
Parent Entity				
2012				
Financial Assets				
Cash and cash equivalents	83,593	-	-	83,593
Receivables	709,862	1,840,599	-	2,550,461
Total anticipated inflows	793,455	1,840,599	-	2,634,054
Financial Liabilities				
Trade and other payables	285,769	342,307	-	628,076
Total expected outflows	285,769	342,307	-	628,076
Net inflow/(outflow) on financial instruments	507,686	1,498,292	-	2,005,978
2011				
Financial Assets				
Cash and cash equivalents	381,743	-	-	381,743
Receivables	205,603	2,140,599	-	2,346,202
Total anticipated inflows	587,346	2,140,599	-	2,727,945
Financial Liabilities				
Trade and other payables	198,592	273,562	-	472,154
Total expected outflows	198,592	273,562	-	472,154
Net inflow/(outflow) on financial instruments	388,754	1,867,037	-	2,255,791

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 consolidated group is not exposed to securities price risk on available-for-sale investments.

NOTE 18: FINANCIAL RISK MANAGEMENT continued

Sensitivity analysis

The following table illustrates sensitivities to the consolidated group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported 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 also assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Consolidated:		
Year ended 31 December 2012		
+/-2% in interest rates	31,046	31,046
Year ended 31 December 2011		
+/-1% in interest rates	18,886	18,886
Parent		
Year ended 31 December 2012		
+/-2% in interest rates	1,672	1,672
Year ended 31 December 2011		
+/-1% in interest rates	3,817	3,817

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

NOTE 18: FINANCIAL RISK MANAGEMENT continued

Fair Values

Fair value estimation
The fair values of financial assets and financial liabilities are as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

There is no variance between the fair value and carrying value at the year end.

NOTE 19: ENTITY DETAILS

The registered office of the entity is:

Textile Clothing and Footwear Union of Australia (Vic. Qld Branch)
359 Exhibition Street
Melbourne Vic. 3000

The 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 the Committee of Management of the Textile Clothing & Footwear Union of Australia (Victorian Queensland Branch) and controlled entity ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2012:

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

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission (formerly known as 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 the General Manager of Fair Work Commission (formerly known as Fair Work Australia) duly made under section 272 of the Act has been furnished to the member or the General Manager of Fair Work Commission (formerly known as Fair Work Australia); and

   (vi) there has been compliance with any order for inspection of financial reports made by the Fair Work Commission (formerly known as 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 Commission (formerly known as 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: 1 MARCH 2013
Melbourne

Level 2
108 Power Street
Hawthorn Victoria
Australia

T +613 9819 4011
F +613 9819 6780
W raggweir.com.au
E info@raggweir.com.au

Postal Address: PO Box 325 Hawthorn Victoria 3122

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 & Footwear Union of Australia (Victorian Queensland Branch) and controlled entity, which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the consolidated group during the financial year.

Committee of Management's Responsibility for the Financial Report

The consolidated group'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 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 consolidated group's preparation 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 consolidated group'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.

Independence

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

msi RAGG WEIR
Chartered Accountants

Level 2
108 Power Street
Hawthorn Victoria
Australia

T +613 9819 4011
F +613 9819 6780
W raggweir.com.au
E info@raggweir.com.au

Postal Address: PO Box 325 Hawthorn Victoria 3122

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

Auditor's Opinion
In our opinion the general purpose financial report of the entity:

a. (i) presented fairly the entity's financial report for the year ended 31 December 2012 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; and
   (ii) complied with the Australian Accounting Standards (including Australian Accounting Interpretations) and the 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 Commission (formerly known as 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
Partner
Member of the Institute of Chartered Accountants in Australia and
Current holder of a current public practice certificate
Melbourne:

1 March 2013