



FAIR WORK
AUSTRALIA

14 June 2012

Mr Barry Wilcox
Branch Secretary
Textile, Clothing and Footwear Union of Australia
Western Australian Branch
5th Floor, 25 Barrack Street
PERTH WA 6001

Dear Mr Wilcox

Financial report for the Textile, Clothing and Footwear Union of Australia - Western Australia Branch for the year ended 31 December 2009 (FR2009/10219)

I acknowledge receipt of the financial report of the Textile, Clothing and Footwear Union of Australia - Western Australian Branch for the year ended 31 December 2009. The documents were lodged with Fair Work Australia on 25 January 2012.

I also acknowledge receipt of an amended auditor's report which was lodged on 6 June 2012.

The financial report has been filed.

I direct your attention to the following comments concerning the above report and the financial reporting obligations under the Fair Work (Registered Organisations) Act 2009 "the RO Act". Please note that these matters are generally advised for assistance in the preparation of future financial reports. No further action is required in respect of the subject documents.

1. Timescale Requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Fair Work Australia website. In particular, I draw your attention to fact sheet 08 which explains the timeline requirements, and fact sheet 09 which sets out the timeline requirements in diagrammatical form.

Where the full report is presented to a committee of management meeting, it must be first provided to members within 5 months of the end of the financial year [section 265(5)(b)] and presented to the committee of management meeting within 6 months of the end of the financial year (section 266).

It is noted that this did not occur within the timeframe. If this course of action is to be repeated in future financial years, please ensure that the full report is provided to members within 5 months and presented to a committee of management meeting within 6 months.

2. Auditor's Report

The opinion expressed by the auditor in their report has not fully met the requirements of the Act. Section 257(5) of the RO Act sets out the matters on which an auditor is required to state an opinion. An acceptable form of wording would be as follows:

'In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the Fair Work (Registered Organisations) Act 2009.'

3. Committee of Management Statement

I note that paragraph (a) provides that the financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards. The financial reporting guidelines require the committee of management to state whether the financial statements and notes comply with the Australian Accounting Standards. The committee of management should specifically refer to such.

4. Operating Report

(a) Right of members to resign

Subsection 254(2)(c) of the RO Act requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report.

I note that not all of the text of the resignation rule has been provided. Please ensure in future that either the entire resignation rule is reproduced or a reference to the rule is included.

(b) Significant changes in principal activities:

The report must contain among other things any significant changes in the nature of the principal activities during the year – refer s254(2)(a) of the RO Act.

The report should indicate whether there have been any significant changes in the nature of those activities.

5. Disclosure

I note the disclosure "Sundry Expenses" appears to represent a substantial portion of the total expenditure. Although the accounts provide for a breakdown of some expenditure there appears to be a large portion not disclosed.

Various parts of the AASB Framework require separate disclosure when an item is material. There would seem little doubt that the aforementioned item is material.

I believe the reporting unit, unless there is another reason, should in future break this figure down in a way that complies with the requirements of the AASB Framework.

6. Related Party Transactions

I note that the Statement of Comprehensive Income provides a disclosure 'Transfer to state union' of \$5,000. I also note that Note 8 provides that the Union transferred \$5,000 to a related party, the Western Australian Clothing and Allied Trades Industrial Union of Workers, Perth.

It would appear that the state union is a related party in which case in future years the notes should disclose the nature of the related party relationship as required by AASB 124 at paragraph 18.

7. Notice to members

I note that the notice to members provided does not accurately reflect the provisions of subsections 272(1), (2) and (3) of the RO Act.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7993 or by email at larry.powell@fwa.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L Powell'.

Larry Powell
Organisations, Research and Advice



235 St Georges Terrace
Perth WA 6000

GPO Box A29
Perth WA 6837
Australia

ABN: 51 194 660 188
Telephone: +61 8 9263 7171
Facsimile: +61 8 9263 7129
www.kpmg.com/au



Mr Barry Willcocks
Secretary
Textile, Clothing and Footwear Union of Australia,
Western Australian Branch

Our ref 14165250_1

Contact Matthew Beevers, +61 8 9263 7228

14 March 2012

Dear Barry

Fair Work Australia Lodgement of Audit Opinion for the year ended 31 December 2009

Please find enclosed a revised audit opinion in relation to the Textile, Clothing and Footwear Union of Australia, Western Australian Branch ('the Union') for the year ended 31 December 2009. We have issued this revised opinion in response to the need to alter the wording of our audit opinion to reflect the requirements of the *Fair Work (Registered Organisations) Act 2009*.

As there are no changes required to the Financial Statements of the Union, accordingly, we request that you destroy any copies of our original audit opinion and append the revised opinion (enclosed) to any copies of the financial statements of the Union. The enclosed opinion has been discussed with Kevin Donnellan of Fair Work Australia, and is understood to satisfy Fair Work Australia's requirements.

Please contact me if you have any questions in relation to this matter.

Yours sincerely

Matthew Beevers
Partner

Enclosures:

Revised audit opinion for TCFU 31 December 2009



Independent audit report to the members of the Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Report on the financial report

We have audited the accompanying financial report of the Textile, Clothing and Footwear Union of Australia, Western Australian Branch (the Union), which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the Branch Committee's Statement.

Branch Committee's responsibility for the financial report

The Branch Committee of the Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Branch Committee determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1, the Branch Committee also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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 judgement, 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 Union'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 Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Committee, as well as evaluating the overall presentation of the financial report.



We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, a view which is consistent with our understanding of the Union's financial position and of its performance and cash flows.

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 Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, the financial position of Textile, Clothing and Footwear Union of Australia, Western Australian Branch as of 31 December 2009 and of its financial performance and its cash flows for the year then ended; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

KPMG

KPMG

Matthew Beevers
Partner

Perth

11 September 2011



UA

THE TEXTILE CLOTHING & FOOTWEAR UNION OF WESTERN AUSTRALIA

Registered Office: **5th Floor, 25 Barrack St Perth WA 6000**
Postal Address: **GPO Box 2556 Perth WA 6001**
Telephone: (08) 9221 4321
Fax: (08) 9221 2774
ABN 40 773 308 986

:NK

21 December 2011

The General Manager
Fair Work Australia
GPO Box X2206,
Perth, Western Australia 6001

Dear Sir

Re: Financial Statements Year Ended 31/12/2009
Textile Clothing and Footwear Union of Australia (Western Australia Branch)

Please find attached for filing with the General Manager of Fair Work Australia the above accounts.

The necessary certificate is set out hereunder:

Secretary's Certificate

I, the undersigned, BARRY WILLCOCKS, Secretary of the Textile Clothing and Footwear Union of Australia (Western Australian Branch) certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report, was provided to members on 21 October 2011; and
- that the full report was presented to the Committee of Management of the Textile Clothing and Footwear Union of Australia (Western Australian Branch) on the 11 September 2011 and again on the 18 December 2011; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

BARRY WILLCOCKS

SECRETARY

Date:



**Textile, Clothing and Footwear Union of Australia, Western
Australian Branch**

Financial Report

For the financial year ended 31 December 2009

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Financial Report For the Financial Year Ended 31 December 2009

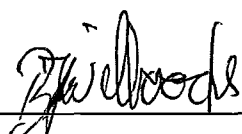
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Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Branch Committee's Statement

I, Barry Willcocks, being a member of the Branch Committee of the Textile, Clothing and Footwear Union of Australia, Western Australian Branch, do declare on behalf of the Committee and in accordance with a resolution passed by the Committee on 11 September 2011, that in the opinion of the Committee:

- a) The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB'). The financial report of the Union complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).
- b) The financial statements and notes comply with the reporting guidelines of the General Manager 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 Branch for the financial year to which they relate;
- d) There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- e) During the year ended 31 December 2009 and since the end of that year;
 - (i) Meetings of the Branch Committee were held in accordance with the rules of the Textile, Clothing and Footwear Union of Australia including the rules of the Branch;
 - (ii) The financial affairs of the Branch have been managed in accordance with the rules of the Textile, Clothing and Footwear Union of Australia including the rules of the Branch;
 - (iii) The financial records of the Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Regulations 2009 and the Fair Work (Registered Organisations) Act 2009;
 - (iv) The information sought in any request of a member of the Branch or the General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia; and
 - (v) There has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
 - (vi) There has been no recovery of wages activity during the period per section 255 of the Fair Work (Registered Organisations) Act 2009.



Secretary

Date: 11 September 2011
Perth, WA



Independent audit report to the members of the Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Report on the financial report

We have audited the accompanying financial report of the Textile, Clothing and Footwear Union of Australia, Western Australian Branch, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Board of Control's responsibility for the financial report

The Board of Control of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 judgement, 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the entity's financial position, and of its performance and cash flows.



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 accounting bodies.

Auditor's opinion

In our opinion:

- (a) the financial report presents fairly, in accordance with the Industrial Relations Act 1979, including compliance in all material respects with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory financial reporting requirements in Australia and the Entity's rules, the financial position of the Textile, Clothing and Footwear Union of Australia, Western Australian Branch as of 31 December 2009 and of its financial performance and its cash flows for the year then ended; and
- (b) no financial official has contravened or failed to comply with Section 74 of the Industrial Relations Act 1979.

KPMG

KPMG

Matthew Beevers
Partner

Perth

11 September 2011

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Statement of Comprehensive Income For the year ended 31 December 2009

	<u>Note</u>	<u>2009</u> \$	<u>2008</u> \$
REVENUE FROM CONTINUING OPERATIONS			
Membership contributions		5,172	4,770
Interest		<u>21</u>	<u>510</u>
TOTAL REVENUE AND INCOME		<u>5,193</u>	<u>5,280</u>
EXPENDITURE			
Committee and meeting expenses		714	-
Audit fees		1,250	1,276
Commission on contributions collected		213	65
Transfer to state union		5,000	-
Sundry expenses		<u>995</u>	<u>1,083</u>
TOTAL EXPENDITURE		<u>8,172</u>	<u>2,424</u>
(DEFICIT)/SURPLUS FOR THE YEAR		<u>(2,979)</u>	<u>2,856</u>
Total Comprehensive Income for the Year		<u>(2,979)</u>	<u>2,856</u>

The accompanying notes form an integral part of these accounts

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Statement of Financial Position As at 31 December 2009

	<u>Note</u>	<u>2009</u> \$	<u>2008</u> \$
CURRENT ASSETS			
Cash and cash equivalents	6 (a)	47,950	55,544
Receivables		2,175	540
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		50,125	56,084
		<hr/>	<hr/>
TOTAL ASSETS		50,125	56,084
		<hr/>	<hr/>
CURRENT LIABILITIES			
Accrued liabilities		-	2,980
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		-	2,980
		<hr/>	<hr/>
TOTAL LIABILITIES		-	2,980
		<hr/>	<hr/>
NET ASSETS		50,125	53,104
		<hr/>	<hr/>
TOTAL MEMBERS FUNDS		50,125	53,104
		<hr/>	<hr/>

The accompanying notes form an integral part of these accounts

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Statement of Cash Flows For the year ended 31 December 2009

	<u>Note</u>	<u>2009</u> \$ Inflows (Outflows)	<u>2008</u> \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Membership contributions		3,891	6,060
Payments to suppliers		(11,506)	(3,279)
Interest received		21	510
NET CASH (USED IN)/ PROVIDED BY OPERATING ACTIVITIES	6(b)	(7,594)	3,291
NET (DECREASE)/INCREASE IN CASH HELD		(7,594)	3,291
CASH AT THE BEGINNING OF THE YEAR		55,544	52,253
CASH AT THE END OF THE YEAR	6(a)	47,950	55,544

The accompanying notes form an integral part of these accounts

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Statement of Changes in Equity For the year ended 31 December 2009

2008	Total Members Funds
Balance at 1 January 2008	50,248
Surplus for the period	2,856
Total Comprehensive Income for the Period	2,856
Balance at 31 December 2008	53,104
2009	Total Members Funds
Balance at 1 January 2009	53,104
Deficit for the period	(2,979)
Total Comprehensive Income for the Period	(2,979)
Balance at 31 December 2009	50,125

The accompanying notes form an integral part of these accounts

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Notes to and forming part of the accounts For the year ended 31 December 2009

1. BASIS OF PREPARATION

(a) Reporting entity

The Textile, Clothing and Footwear Union of Australia, Western Australian Branch (the "Union") is a union domiciled in Australia. The address of the Union's registered office is 5th Floor 25 Barrack Street, Perth 6000.

(b) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB'). The financial report of the Union complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

This financial report has been prepared for distribution to members of the Union to satisfy the Branch Committee's reporting responsibilities imposed by the Fair Work (Registered Organisations) Act 2009.

The financial statements were approved by the Branch Committee on 11 September 2011.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(d) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Union's functional currency.

(e) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

(a) Financial instruments

(i) *Non-derivative financial instruments*

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

A financial instrument is recognised if the Union becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Union's contractual rights to the cash flows from the financial assets expire or if the Union transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Union's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income is discussed in note 2(c)(ii).

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Notes to and forming part of the accounts For the year ended 31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont.)

- (b) Impairment
- (i) *Financial assets*

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in the Union that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

- (c) Revenue
- (i) *Member contributions*

Gross contributions by members are shown. Commissions deducted by employers as payment for collection services are shown separately as an expense. Contributions by members have been brought to account on an accruals basis.

- (ii) *Interest income*

Revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial assets and allocating interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts the future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

- (d) Income tax

Under Section 50-15 of the Income Tax Assessment Act 1997, the Union is exempt from income tax.

- (e) Goods and service tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Notes to and forming part of the accounts For the year ended 31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Presentation of financial statements

The Union applies revised AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Union presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard.

(g) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Union in the period of initial application. They are available for early adoption at 31 December 2009, but have not been applied in preparing this financial report:

- *AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Union's 31 December 2010 financial statements, are not expected to have a significant impact on the financial statements.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR the General Manager 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, which reads as follows:

- 1 A member of an organisation, or the General Manager of Fair Work Australia, may apply to the organisation for specified prescribed information in relation to the organisation.
- 2 An organisation shall, on application made under subsection (1) by a member of the organisation or the General Manager of Fair Work Australia, make the specified information available to the member or the General Manager of Fair Work Australia in such manner, and within such time, as is prescribed.
- 3 The General Manager of Fair Work Australia may only make an application under subsection (1) at the request of a member of the organisation concerned, and the General Manager of Fair Work Australia shall provide to a member information received because of an application made at the request of the member.

4. RIGHT OF MEMBERS TO RESIGN

Under Section 174, Schedule 1 of the Fair Work (Registered Organisations) Act 2009,

A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Notes to and forming part of the accounts For the year ended 31 December 2009

5. TRUSTEES OF SUPERANNUATION ENTITIES

During the year ended 31 December 2009, the Union did not have any officers or members who held the following posts;

- 1 a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- 2 a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme

6. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows cash includes cash on hand and in banks and short term deposits with an original maturity at these months or less, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	<u>2009</u>	<u>2008</u>
	\$	\$
Cash	47,950	55,544

(b) Reconciliation of (deficit)/surplus to net cash flows from operating activities

	<u>2009</u>	<u>2008</u>
	\$	\$
(Deficit)/Surplus for the year	(2,979)	2,856
Changes in net assets and liabilities		
(Increase) / Decrease in accounts receivable and prepayments	(1,635)	1,715
(Decrease) in payables	(2,980)	(1,280)
Net cash (used in)/from operating activities	(7,594)	3,291

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Overview

The Union has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Union's exposure to each of the above risks, their objectives, and the policies and processes for measuring and managing risk. Quantitative disclosures are also included in this note.

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Notes to and forming part of the accounts For the year ended 31 December 2009

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

The Branch Committee have responsibility for the establishment and oversight of the risk management framework, and developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Union, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Union's activities. The Union, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Branch Committee oversee how management monitors compliance with the Union's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Union.

Credit risk

Credit risk is the risk of financial loss to the Union if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Union's receivables from customers.

Trade and other receivables

The Union's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Union's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. All of the Union's customers are based in Western Australia.

The Union does not require a credit policy as all receivables relate to deductions for members working at their customers enterprises. As such terms are not created, rather membership contributions are remitted on a periodic basis.

The Union has not established an allowance for impairment as historical data and the payment reputation of the customers does not indicate an impairment issues.

Cash and cash equivalents

The Union mitigates credit risk by depositing funds with Australian financial institutions with appropriate credit ratings.

Exposure to credit risk

The carrying amount of the Union's financial assets represents the maximum credit exposure. The Union's maximum exposure to credit risk at the reporting date was:

In AUD	Note	Carrying amount	
		2009	2008
Cash and cash equivalents		47,950	55,544

The Union's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

In AUD	Carrying amount	
	2009	2008
Australia	2,175	540

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Notes to and forming part of the accounts For the year ended 31 December 2009

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont.)

The Union's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

<i>In AUD</i>	Carrying amount	
	2009	2008
Member employers	2,175	540

The Union's most significant customer, an Australian company, accounts for \$370 of the trade receivables carrying amount at 31 December 2009 (2008: \$406).

Impairment losses

None of the Union's receivables are past due (2008: \$9). The aging of the Union trade receivables at the reporting date was:

<i>In AUD</i>	Gross 2009	Impairment 2009	Gross 2008	Impairment 2008
Not past due	2,166	-	531	-
Past due 0-30 days	-	-	-	-
Past due 31-120 days	9	-	9	-
	2,175	-	540	-

Based on historic default rates, the Union believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days; all of the balance, which includes the amount owed by the Union's most significant customer (see above), relates to customers that have a good credit history with the Union.

Liquidity risk

Liquidity risk is the risk that the Union will not be able to meet its financial obligations as they fall due. The Union's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Union's reputation.

Typically the Union ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Union does not maintain any lines of credit.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Notes to and forming part of the accounts For the year ended 31 December 2009

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont.)

31 December 2009
In AUD

Non-derivative financial liabilities

Carrying amount	Contractual cash flows	12mts or less	1-2 yrs	2-5 yrs	More than 5 yrs
Trade and other payables	-	-	-		
-	-	-			

31 December 2008

In AUD

Non-derivative financial liabilities

Carrying amount	Contractual cash flows	12mts or less	1-2 yrs	2-5 yrs	More than 5 yrs
Trade and other payables	2,980	2,980	2,980	-	-
2,980	2,980	2,980	-	-	-

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Union's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Union adopts a policy of ensuring that its exposure to changes in interest rates is limited by investing in high return deposits with no fixed term.

Profile

At the reporting date the interest rate profile of the Union's interest-bearing financial instruments was:

	Carrying amount	
<i>In AUD</i>	2009	2008
Variable rate instruments		
Financial assets	47,950	55,544

An increase/(decrease) in interest rates of 100 basis points would have the effect of increasing/(decreasing) reported profit by \$480/(\$480) (2008: \$555/(\$555)).

Textile, Clothing and Footwear Union of Australia, Western Australian Branch

Notes to and forming part of the accounts For the year ended 31 December 2009

8. REMUNERATION OF THE BRANCH COMMITTEE

The following persons held office through the financial year 1st January 2009 to 31st December 2009.

Position	Name	Surname
Branch President	Mary	Miovski
Branch Secretary	Roslyn	Ball
Branch Trustee	Leonie	Dudek
Branch Trustee	Lilia	Taylor
Branch Member	Anipatene	Walker

The total remuneration paid or payable, directly or indirectly, from the Branch or any related party to all the members of the Branch Committee was \$nil (2008 : nil)

During the financial year, the Union transferred \$5,000 to a related party, the Western Australian Clothing and Allied Trades Industrial Union of Workers, Perth to meet its funding requirement.

10. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Branch Committee of the Union, to affect significantly the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

11. AUDITORS REMUNERATION

	2009	2008
<i>In AUD</i>		
Audit Services		
Auditors of the Union		
<i>KPMG Australia:</i>		
Audit of Financial Reports	1,000	1,000
Accounting Assistance	250	276
	<hr/> 1,250	<hr/> 1,276

Operating Report of THE TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH
(2009 Financial Year – 12 Months ended December 2009)

1. Review of units principal:

- Activities during the financial year
 - Results of those activities
 - Significant changes in the nature of the activities
- (a) During 2009 the branch has watched over and protected the interests of members, maintained reasonable hours of labour and fair wage rates and settled industrial matters. In addition the Modern Award titled the Textile, Clothing, Footwear and Associated Industries Award 2010 was introduced on 1st January 2010.
- (b) Where industrial matters cannot be resolved through negotiation it may be necessary for them to be referred to Fair Work Australia for conciliation and/or arbitration. In this respect no matters were referred because they were all settled by on site negotiations.
- (c) The result of these activities have been general increases in wages, allowances and conditions. There have also been considerable improvements in the flexibility of working arrangements that has benefited many members, particularly female members who may have to combine work with family responsibilities. There has been a lifting of the “safety net” which includes new National Employment Standards relating to hours, parental leave and entitlements, personal carers leave and compassionate leave and notice of termination and redundancy pay.
- (d) The TCFU also handles matters involving work related injuries but there were no claims during the 2009 financial year.
- (e) There were discussions between the TCFU and the State Clothing Trades Union to improve the delivery of services to members. Applications will be made to the WAIRC in 2010 to streamline the administrations of both unions.

2. Details of significant changes in units financial affairs

There have been no significant changes in the Branch’s financial affairs.

3. Detail of the right of members to resign under S174 of the Fair Work (Registered Organisations) Act 2009

Members of the TCFU are entitled to resign pursuant to s.174. The TCFU strictly adheres to the resignation from membership provisions, contained therein. Those rights include - pursuant to rule 12 sub-sections (b) and (c):

- (a) A member may resign from membership of the Union by notice in writing addressed and delivered to the Secretary of the member's Branch.
- (b) A notice of resignation from membership of the Union shall take effect:
 - (i) Where the member ceases to be eligible to become a member of the Union.
 - (a) on the day upon which the notice is received by the Union, or
 - (b) 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
 - (ii) In any other case
 - (a) at the end of two weeks after the notice is received by the Union, or
 - (b) on the day specified in the notice,
 whichever is the later.

4. Details of any officer or member of the reporting unit who is:

- a) 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; and

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organization.

No officer or member of the reporting unit is a trustee or director of a superannuation entity or company that is trustee of a superannuation entity or public sector superannuation scheme.

5. Details of membership of the Committee of Management

Mary Mioviski	Branch President	For the year from Jan to Dec 2009
Roslyn Ball	Branch Secretary	For the year from Jan to Dec 2009
Leone Dudek	Branch Trustee	For the year from Jan to Dec 2009
Lilia Taylor	Branch Trustee	For the year from Jan to Dec 2009
Ani Pantene Walker	Branch Member	For the year from Jan to Dec 2009

6. Other

- The report is signed and dated
- The number of members of the TCFU WA Branch at 31 December 2009 was 19
- The Branch does not have any employees
- At point (1) the report contains a review of principal activities
- At point (2) are details of significant change of activities that being nil
- At point (3) are details of the rights of members to resign
- At point (4) are details of superannuation trustees
- At point (5) are details of membership of the Committee of Management

SIGNED



DATED 11th September 2011

BRANCH SECRETARY