TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL
ABN 93 734 785 862

FINANCIAL REPORT
FOR THE PERIOD
1 JANUARY 2018 TO 27 MARCH 2018

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

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S.268 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
CERTIFICATE FOR THE FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018

I Michael O'Connor being the National Secretary of the Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division certify:

- that the documents lodged herewith are copies of the full report for the Textile Clothing and Footwear Union of Australia for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and

- that the full report was provided to members of the reporting unit on 28 June 2019; and

- that the full report was presented to a meeting of the committee of management of the reporting unit on 28 June 2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: 

Name of prescribed designated officer: MICHAEL O'CONNOR

Title of prescribed designated officer: DIVISIONAL SECRETARY, CONSTRUCTION FORESTRY MARITIME MINING & ENERGY UNION – MANUFACTURING DIVISION

Dated: 28 JUNE 2019

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the period ended 27 March 2018.

Categories of expenditures	**27 March 2018 $**	**31 December 2017 $**
Remuneration and other employment-related costs and expenses - employees	66,208	218,146
Advertising	-	-
Operating costs	111,436	585,583
Donations to political parties	-	-
Legal costs	2,273	47,267

Signature of designated officer: 

Name and title of designated officer: Michael O'Connor
Divisional Secretary, Construction, Forestry, Maritime, Mining and Energy Union - Manufacturing Division

Dated: 28 JUNE 2019

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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 National Council ("the Union"), the relevant Reporting Unit for the financial period ended 27 March 2018.

Principal Activities
The principal activities of the Union during the financial period were to provide industrial and organising services to each of the Branches of the Textile, Clothing & Footwear Union of Australia and their members, consistent with the objectives of the National Council and particularly the objective of protecting and improving the interests of the various Branches and their members.

Operating Result
The results of the principal activities of the Union during the financial period 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 period was $120,516 (2017 loss: $242,960). No provision for tax was necessary as the Union is exempt from income tax.

Significant change of affairs
On the 6 March 2018 the Fair Work Commission approved the amalgamation of the Textile, Clothing and Footwear Union of Australia, the Construction, Forestry, Mining and Energy Union and The Maritime Union of Australia. The amalgamation took effect as of the 27th March 2018 and the Textile, Clothing and Footwear Union of Australia now forms part of the Manufacturing Division of the Construction, Forestry, Maritime, Mining and Energy Union.
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Rights of Members to Resign
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.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

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, to the date 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 3,104 (2017: 3,104)

(b) the number of persons who were, to the date 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 2.

(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 up to the date of the amalgamation were as follows;

Name	
Elizabeth Macpherson	National President
Jenny Kruschel	National Senior Vice President
Michele O'Neil	National Secretary
Mark Edwards	National Trustee
Christine Sutanto	National Trustee

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

Signature of designated officer: 

Name and title of designated officer: Michael O'Connor

Divisional Secretary, Construction, Forestry, Maritime, Mining and Energy Union - Manufacturing Division

Dated: 28 JUNE 2019

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COMMITTEE OF MANAGEMENT STATEMENT
FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018

On the 28 June 2019 the Committee of Management of the Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division passed the following resolution in relation to the general purpose financial report (GPFR) Textile Clothing & Footwear Union of Australia National Council for the period ended 27 March 2018:

The Committee of Management declares that in its opinion:

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

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);

(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 period 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 period to which the GPFR relates and since the end of that period:

   (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 RO Act; and

   (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

   (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

   (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

(f) No revenue from the undertaking of recovery of wages was derived during the year

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:

Name and title of designated officer: Michael O’Connor

Divisional Secretary, Construction, Forestry, Maritime, Mining and Energy Union - Manufacturing Division

Dated: 28 JUNE 2019

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STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018

	Notes	27 March 2018 $	31 December 2017 $
Revenue			
Capitation fees	3A	**48,839**	181,952
Levies	3B	**-**	-
Interest	3C	**(538)**	1,357
Fee for service	3D	**-**	437,551
Other revenue		**44,114**	71,070
Total revenue		**92,415**	691,930
Expenses			
Employee expenses	4A	**(66,208)**	(218,146)
Affiliation fees	4B	**(12,210)**	(64,420)
Administration expenses	4C	**(111,436)**	(585,583)
Grants or donations	4D	**-**	(909)
Depreciation and amortisation	4E	**(1,354)**	(2,160)
Legal costs	4F	**(2,273)**	(47,267)
Audit fees	13	**(19,450)**	(15,250)
Net losses from sale of assets	4G	**-**	(1,155)
Total expenses		**(212,931)**	(934,890)
(Loss)/ profit for the year		**(120,516)**	(242,960)

The above statement should be read in conjunction with the notes.

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
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STATEMENT OF FINANCIAL POSITION
AS AT 27 MARCH 2018

	Notes	27 March 2018 $	31 December 2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**121,546**	105,280
Trade and other receivables	5B	**153,582**	203,063
Other current assets	5C	**-**	9,232
Plant and equipment	6A	**23,966**	-
Other investments	6B	**24,158**	-
Total current assets		**323,252**	317,575
Non-Current Assets			
Plant and equipment	6A	**-**	25,320
Other investments	6B	**-**	24,158
Total non-current assets		**-**	49,478
Total assets		**323,252**	367,053
LIABILITIES			
Current Liabilities			
Trade payables	7	**379,399**	306,074
Employee provisions	8	**135,901**	129,540
Total current liabilities		**515,300**	435,614
Non-Current Liabilities			
Employee provisions	8	**-**	2,971
Total non-current liabilities		**-**	2,971
Total liabilities		**515,300**	438,585
Net assets/ (liabilities)		**(192,048)**	(71,532)
EQUITY			
Financial Asset Reserve		**10,697**	10,697
Retained earnings (accumulated deficit)		**(202,745)**	(82,229)
Total equity		**(192,048)**	(71,532)

The above statement should be read in conjunction with the notes.

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018

	Notes	Retained earnings $	Financial Asset Reserve	Total equity $
Balance as at 1 January 2017		160,731	10,697	171,428
Profit/(loss) for the year		(242,960)	-	(242,960)
Closing balance as at 31 December 2017		(82,229)	10,697	(71,532)
Profit/(loss) for the period		(120,516)	-	(120,516)
Closing balance as at 27 March 2018		(202,745)	10,697	(192,048)

The above statement should be read in conjunction with the notes.

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STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018

	Notes	27 March 2018 $	31 December 2017 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	**89,388**	181,952
Other receipts		**52,508**	504,017
Cash used			
Suppliers and employees		**(77,145)**	(366,225)
Payment to other reporting units/controlled entity(s)	10B	**(48,485)**	(417,015)
Net cash from (used by) operating activities	10A	**16,266**	(97,271)
INVESTING ACTIVITIES			
Cash received			-
Cash used			
Purchase of plant and equipment		**-**	(21,514)
Net cash from (used by) investing activities		**-**	(21,514)
FINANCING ACTIVITIES			
Cash received		-	-
Cash used		-	-
Net cash from (used by) financing activities		**-**	-
Net increase (decrease) in cash held		**16,266**	(117,630)
Cash & cash equivalents at the beginning of the reporting period		**105,280**	222,910
Cash & cash equivalents at the end of the reporting period	5A	**121,546**	105,280

The above statement should be read in conjunction with the notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018

* In the current period ended 27 March 2018, this has been classified as current due to liquidation basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018**

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the reporting unit is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Due to the intention of amalgamation, the Committee of Management have determined that the going concern basis (as applied previously) is no longer appropriate.

Accordingly, the financial statements are not prepared on a going concern basis. The Committee of Management have applied the requirements of paragraphs 25 of AASB 101 Presentation of Financial Statements which states that "when the financial report is not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial report is prepared and the reason why the entity is not regarded as a going concern".

These financial statements have been prepared on a liquidation basis as the Fair Work Commission approved the amalgamation of the Textile, Clothing and Footwear Union of Australia, the Construction, Forestry, Mining and Energy Union and The Maritime Union of Australia.

Impact of adopting the liquidation basis of preparation on measurement, classification of assets and liabilities, and disclosures.

Under the liquidation basis of preparation, assets and liabilities are measured at their liquidation value. The liquidation value of assets is their net realisable value. Net realisable value is based on the proceeds receivable less restructure and liquidation costs as detailed in the accounting policies noted below. Any gains or losses resulting from measuring assets and liabilities to the liquidation value are recognised in the income statement.

Under the liquidation basis of accounting, all assets and liabilities are classified as current. In adopting the liquidation basis, the Committee of Management have continued to apply the disclosure requirements of Australian Accounting Standards, to the extent they are relevant to the liquidation basis,and have modified them where this is considered appropriate.

1.2 Current period and comparative amounts

The current period is for the period 1 January 2018 to 27 March 2018.

The comparative period is for the 12 months ended 31 December 2017.

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

Comparative information has not been restated and is measured and presented on a going concern basis.

Note 1 Summary of significant accounting policies

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

AASB 9 Financial Instruments (AASB 9) replaces AASB139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The reporting unit has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The reporting unit has not restated the comparative information, which continues to be reported under AASB 139. No differences have arisen from the adoption of AASB 9.

The classification and measurement requirements of AASB 9 did not have a significant impact to the reporting unit.

Trade receivables and other non-current financial assets (i.e., Loan to a related party) previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.

The adoption of AASB 9 has fundamentally changed the reporting unit's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL approach. AASB 9 requires the reporting unit to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets, i.e. those held at amortised cost and at FVTOCI.

Upon adoption of AASB 9, the reporting unit is not required to recognise additional impairment on trade and other receivables.

Note 1 Summary of significant accounting policies

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

1.6 Government Grants

Government grants are not recognised until there is reasonable assurance that the reporting unit will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised on a systematic basis over the periods in which the reporting unit recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the reporting unit should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the reporting unit with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.8 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

Note 1 Summary of significant accounting policies (continued)

1.9 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

1.11 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Note 1 Summary of significant accounting policies (continued)

1.12 Financial assets continued

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 ‘Financial Instruments: Recognition and Measurement’ permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Note 1 Summary of significant accounting policies (continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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Note 1 Summary of significant accounting policies (continued)

1.13 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'

Fair value through profit or loss

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Note 1 Summary of significant accounting policies (continued)

1.14 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Library	5.5%
Furniture and Fittings	20 - 40%
Motor Vehicles	25%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.15 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Taxation

The reporting unit is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Note 1 Summary of significant accounting policies (continued)

1.16 Taxation continued

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.17 Fair value measurement

The reporting unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the reporting unit. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the reporting unit determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.18 Going concern

Due to the intention of amalgamation, the Committee of Management have determined that the going concern basis (as applied previously) is no longer appropriate.

Note 2 Events after the reporting period

No events have occurred since the end of the reporting period other than matters relating to the amalgamation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018

	2018	2017
	$	$

Note 3 Income

Note 3A: Capitation fees

Textile Clothing & Footwear Union of Australia - New South Wales/South Australia/Tasmania	**23,441**	85,487
Textile Clothing & Footwear Union of Australia - Victoria/Queensland/Western Australia	**25,398**	96,465
Total capitation fees	**48,839**	181,952

Note 3B: Levies

Textile Clothing & Footwear Union of Australia - New South Wales/South Australia/Tasmania - National Branch Levy	-	-
Textile Clothing & Footwear Union of Australia - Victoria/Queensland/Western Australia - National Branch Levy	-	-
Total levies	-	-

Note 3C: Interest

Deposits	**(538)**	**1,357**
Total interest	**(538)**	**1,357**

Note 3D: Fee for service

Homeworker Code Committee Incorporated	-	**437,551**
Total fee for service	-	**437,551**

	2018	2017
	$	$

Note 4 Expenses

Note 4A: Employee expenses

	2018	2017
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	-	-
Employees other than office holders:		
Wages and salaries	**51,545**	171,314
Superannuation	**8,462**	29,018
Leave and other entitlements	**3,390**	15,725
Separation and redundancies	-	-
Other employee expenses	**2,811**	2,090
Subtotal employee expenses employees other than office holders	**66,208**	218,146
Total employee expenses	**66,208**	218,146

Note 4B: Affiliation fees

	2018	2017
Affiliation fees:		
Australian Council of Trade Union	**12,210**	48,707
IndustriAll Global Union	-	14,758
APHEDA - Union Aid Abroad	-	955
Total affiliation fees/subscriptions	**12,210**	64,420

	2018	2017
	$	$

Note 4C: Administration expenses

Included in administration expense		
Compulsory levies		
ACTU - Growth & Campaign levy*	-	-
Fees/allowances - meeting and conferences		
Fee for service – to Vic/QLD/WA Branch and NSW/SA/TAS Branch	-	363,636
Conference and meeting expenses	72	5,201
Contractors/consultants	-	20,251
Office expenses	34,172	78,101
Information communications technology	150	1,866
Campaign expenses	-	12,772
Other	77,042	103,756
Total administration expense	**111,436**	585,583

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Note 4D: Grants or donations

Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	-	909
Total paid that exceeded $1,000	-	-
Total grants or donations	**-**	**909**

Note 4E: Depreciation expense

Depreciation		
Property, plant and equipment	1,354	2,160
Total depreciation	**1,354**	**2,160**

	2018	2017
	$	$

Note 4F: Legal costs

Litigation	-	-
Other legal matters	2,273	47,267
Total legal costs	**2,273**	**47,267**

Note 4G: Net losses from sale of assets

Plant and equipment	-	1,155
Total net losses from asset sales	**-**	**1,155**

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank		
General account	**37,095**	20,829
Mortality fund	**84,451**	84,451
Total cash and cash equivalents	**121,546**	105,280

Note 5B: Trade and other receivables

Receivables from other reporting unit[s]		
Capitation and Levies		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**33,816**	33,923
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**93,006**	128,564
Total receivables from other reporting unit[s]	**126,822**	162,487
Other receivables:		
Other trade receivables	**27,030**	40,576
Total other receivables	**27,030**	40,576
Total trade and other receivables	**153,582**	203,063

	2018	2017
	$	$

Note 5C: Other current assets

Prepayments	-	9,232
Total other current assets	-	9,232

Note 6 Non-current Assets

In the current period ended 27 March 2018 the balances are classified as current due to liquidation basis.

Note 6A: Plant and equipment

Plant and equipment:		
Furniture and fittings at cost	9,823	9,823
Accumulated depreciation of furniture and fittings	(8,452)	(8,320)
Library – at cost	41,018	41,018
Accumulated depreciation	(37,133)	(37,082)
Motor vehicles at cost	21,049	21,049
Accumulated depreciation of motor vehicles	(2,339)	(1,168)
Total plant and equipment	23,966	25,320

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 January		
Gross book value	71,890	70,688
Accumulated depreciation and impairment	(46,570)	(64,722)
Net book value 1 January	25,320	5,966
Additions:		
By purchase	-	21,514
Depreciation expense	**(1,354)**	(2,160)
Other movement	-	20,312
Disposals:	-	
Other	-	(20,312)
Net book value 27 March	**23,966**	25,320
Net book value as of 27 March represented by:		
Gross book value	71,890	71,890
Accumulated depreciation and impairment	**(47,924)**	(46,570)
Net book value 27 March	**23,966**	**25,320**

	2018	2017
	$	$

Note 6B: Other Investments

Shares in unlisted entity at cost		
ACTU	**24,158**	24,158
Revaluation	**-**	-
Total other investments	**24,158**	24,158

Note 7 Current Liabilities

Trade payables

Trade creditors and accruals	**157,631**	54,079
Subtotal trade creditors	**157,631**	54,079
Payables to other reporting units		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**220,548**	**203,509**
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**1,220**	**48,486**
Subtotal payables to other reporting units	**221,768**	**251,995**
Total trade payables	**379,399**	**306,074**

Settlement is usually made within 30 days.

	2018	2017
	$	$

Note 8 Provisions

Employee Provisions*

Office Holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	-	-
Employees other than office holders:		
Annual leave	**68,418**	65,028
Long service leave	**67,483**	67,483
Separations and redundancies		-
Other		-
Subtotal employee provisions—employees other than office holders	**135,901**	132,511
Total employee provisions	**135,901**	132,511
Current	**135,901**	129,540
Non Current	**-**	2,971
Total employee provisions	**135,901**	132,511

Note 9A: Other Specific disclosures - Funds*

Compulsory levy/voluntary contribution fund – if invested in assets.

Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

	2018 $	2017 $
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	**121,546**	105,280
Balance sheet	**121,546**	105,280
Difference	**-**	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**(120,516)**	(242,960)
Adjustments for non-cash items		
Depreciation/amortisation	**1,354**	2,160
Loss on disposal of assets	**-**	(1,155)
Changes in assets/liabilities		
(Increase)/decrease in receivables	**49,481**	(75,154)
(Increase)/decrease in prepayments	**9,232**	(4,145)
Increase/(decrease) in trade and other payables	**73,325**	208,259
Increase/(decrease) in other provisions	**3,390**	15,274
Net cash from (used by) operating activities	**16,266**	(97,271)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018**

	2018	2017
	$	$
Note 10B: Cash flow information*		
Cash inflows		
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**61,343**	85,487
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**28,045**	96,465
Total cash inflows	**89,388**	181,952
Cash outflows		
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**(48,486)**	(181,818)
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**-**	(235,197)
Total cash outflows	**(48,486)**	(417,015)

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Note 11 Contingent Assets and liabilities

There were no contingent assets or liabilities during the period (2017:nil)

Note 12 Related Party Disclosures

Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from related parties includes the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch – capitation fees/ levies	**25,398**	96,465
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania- capitation fees/ levies	**23,441**	85,487
Expenses paid by TCFUA National Office includes the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch –fee for service	**17,039**	-
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania – fee for service	**1,220**	-

	2018	2017
	$	$
Note 12: Related Party Transactions for the Reporting Period continued		
Amounts owed by related parties include the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**33,816**	33,923
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**93,006**	128,564
Amounts owed to related parties include the following:		
Textile Clothing & Footwear Union of Australia – Victoria/ Queensland/ Western Australia Branch	**220,548**	203,509
Textile Clothing & Footwear Union of Australia – New South Wales/ South Australia / Tasmania	**1,220**	48,486

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 27 March 2018, the reporting unit has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: $Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No property was transferred to related parties during the financial year ended 27 March 2018.

Note 13 Remuneration of Auditors

	2018	2017
Value of the services provided		
Financial statement audit services	**19,450**	**15,250**
Total remuneration of auditors	**19,450**	**15,250**

During the financial year the auditors of the financial statement provided services including assistance with the preparation of tax statements and other accounting services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2018 TO 27 MARCH 2018

	2018	2017
	$	$

Note 14 Financial Instruments

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Note 14A: Categories of Financial Instruments

Financial Assets

	2018 $	2017 $
Held-to-maturity investments:		
Cash and cash equivalents	**121,546**	105,280
Total	**121,546**	105,280
Available-for-sale assets:		
At cost		
Unlisted investment	**24,158**	24,158
Total	**24,158**	24,158
Loans and receivables – refer to Note 5B	**153,582**	203,063
Total	**153,582**	203,063
Carrying amount of financial assets	**299,286**	332,501

Financial Liabilities

	2018 $	2017 $
Other financial liabilities:		
Trade and other payables	**379,399**	306,074
Total	**379,399**	306,074

	2018	2017
	$	$

Note 14B: Net Income and Expense from Financial Assets

Held-to-maturity		
Interest revenue	**(538)**	1,357
Net gain/(loss) from financial assets	**(538)**	1,357

The net income/expense from financial assets not at fair value from profit and loss is $(538) (2017:$1,357).

Note 14C: 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 reporting entity.

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 reporting entity securing trade and other receivables.

The reporting entity 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 5B.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5B.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2018	2017
	$	$
Financial assets		
Trade and other receivables	**153,582**	203,063
Total	**153,582**	203,063
Financial liabilities		
Trade and other payables	**379,399**	306,074
Total	**379,399**	306,074

In relation to the entity's gross credit risk the following collateral is held: $Nil (2016: $Nil)

Note 14C: Credit Risk (continued)

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	**$**	**$**	**$**	**$**
Trade and other receivables	**65,336**	**-**	**57,121**	**31,125**	**153,582**
Total	**65,336**	**-**	**57,121**	**31,125**	**153,582**

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	110,596	-	-	92,467	203,063
Total	110,596	-	-	92,467	203,063

Note 14D: Liquidity Risk

Liquidity risk arises from the possibility that the entity 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.

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.

Contractual maturities for financial liabilities 2018

	On Demand	**< 1 year**	**1– 2 years**	**2– 5 years**	**>5 years**	**Total**
		$	**$**	**$**	**$**	**$**
Trade and other payables	**-**	**379,399**	**-**	**-**	**-**	**379,399**
Total	**-**	**379,399**	**-**	**-**	**-**	**379,399**

Maturities for financial liabilities 2017

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Trade and other payables	-	306,074	-	-	-	306,074
Total	-	306,074	-	-	-	306,074

Note 14E: 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.

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	-	+ 2%	(2,431)	-
Interest rate risk	-	- 2%	2.431	-

Sensitivity analysis of the risk that the entity is exposed to for 2017

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	-	+ 2%	(2,106)	-
Interest rate risk	-	- 2%	2,106	-

(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 reporting entity is not exposed to securities price risk on available-for-sale investments

Note 15 Fair Value Measurement

Note 15A: Financial Assets and Liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 27 March 2018 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

The following table contains the carrying amounts and related fair values for the reporting unit's financial assets and liabilities:

	Carrying amount 2018 $	**Fair value 2018 $**	Carrying amount 2017 $	Fair value 2017 $
Financial Assets				
Cash and cash equivalents	**121,546**	**121,546**	105,280	105,280
Trade and other receivables	**153,582**	**153,582**	203,063	203,063
Other investments	**24,158**	**24,158**	24,158	24,158
Total	**299,286**	**299,286**	332,501	332,501
Financial Liabilities				
Trade and other payables	**379,399**	**379,399**	306,074	306,074
Total	**379,399**	**379,399**	306,074	306,074

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

ABN 93 734 785 862

OFFICER DECLARATION STATEMENT

I, Michael O'Connor, being the National Secretary of the Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division, declare that the following activities did not occur during the reporting period ending 27 March 2018.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive periodic or membership subscriptions
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay a grant that was $1,000 or less
- pay a grant that exceeded $1,000
- pay a donation that was $1,000 or less
- pay a donation that exceeded $1,000
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch

TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA
NATIONAL COUNCIL

ABN 93 734 785 862

OFFICER DECLARATION STATEMENT (Continued)

The reporting unit did not:

- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:

Dated: 28 JUNE 2019

morrows
AUDIT

Level 13, Freshwater Place, 2 Southbank Boulevard,
Southbank VIC 3006

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEXTILE CLOTHING &FOOTWEAR UNION OF AUSTRALIA NATIONAL COUNCIL

Opinion

I have audited the financial report of Textile Clothing & Footwear Union of Australia (the Reporting Unit), which comprises the statement of financial position as at 27 March 2018, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period ended 27 March 2018, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Textile Clothing & Footwear Union of Australia as at 27 March 2018, and its financial performance and its cash flows for the period ended on that date in accordance with:

(i) the Australian Accounting Standards; and

(ii) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

I declare that the use of the liquidation basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Reporting Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1.18 in the financial report, which indicates that the reporting entity incurred a net loss of $120,516 during the period ended 27 March 2018 and, as of that date, the reporting entity's current liabilities exceeded its total assets by $192,048. As stated in Note 1.18, the committee believes that the going concern basis is no longer appropriate as a result of the amalgamation of the Union in March 2018 as disclosed in Note 2.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Level 13, Freshwater Place, 2 Southbank Boulevard,
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TEXTILE CLOTHING &FOOTWEAR UNION OF AUSTRALIA NATIONAL COUNCIL

Information Other than the Financial Report and Auditor's Report Thereon continued

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEXTILE CLOTHING &FOOTWEAR UNION OF AUSTRALIA NATIONAL COUNCIL CONTINUED

Auditor's Responsibility continued

- Conclude on the appropriateness of the Committee of Management's use of the liquidation basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Morrows

MORROWS AUDIT PTY LTD

L.S.WONG
Director

Melbourne: 28 June 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/21