



**Australian Government**  
**Australian Industrial Registry**

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80 Collins Street, Melbourne, VIC 3000  
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Telephone: (03) 8661 7799  
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Mr Charles Donnelly  
General Secretary  
National Union of Workers  
National Office  
552 Victoria Street  
NORTH MELBOURNE VIC 3051

Dear Mr Donnelly,

Attention Mr Tim Lyons, Senior Advocate

**Re: Financial Documents for year ended 30 June 2004 - FR2004/604**  
**Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)**

I have received the Financial Report and Concise Report for the National Office of the National Union of Workers for the year ending 30 June 2004. The documents were lodged in the Registry on 23 December 2004.

Further information was received from the organisation on 22 February and 9 May 2005 relating to two matters arising from the financial report, these being: the presentation of the financial report to a meeting and the disclosure of the Labour Union Insurance and Investment Segment. These matters are discussed in more detail below.

Presentation of documents to a meeting

The Secretary's Certificate states that the full report was presented to a meeting of the Committee of Management rather than a general meeting of members.

The standard obligation under subsection 266(1) of the RAO Schedule requires a full report to be presented to a general meeting of members. It is only permissible to present the report to a Committee of Management meeting where the rules of an organisation contain a provision that allows up to 5% of members to call a general meeting to consider the report (see s266(3)). The rules of the organisation did not appear to contain a provision of this kind when the financial documents were lodged on 23 December 2004.

On 19 May 2005 the organisation lodged in the Registry proposed new rules 14A and 14B that address the requirements of s266(3) - see R2005/190. The organisation has advised that it seeks to utilise these rules for the purposes of financial year ending 30 June 2004.

Rules 14A and 14B were certified under s159 by the Registrar on 23 May 2005. These rules allow members to request a general meeting within 90 days of the date the full report or concise report is published on the organisation's website. As the website ([www.nuw.org.au](http://www.nuw.org.au)) indicates that the concise report was posted on the site on 18 March 2005 it appears that the new provisions are available for use (for the purposes of year ending 30 June 2004) until about 18 June 2005. On this basis I am satisfied that the requirements of s266(3) have been met.

With respect to the concise report, where a concise report is provided to the members in future financial years please ensure that the following requirements of the RAO Schedule are observed:

- the Committee of Management must first resolve to provide a concise report to the members - (it will assist if the Committee of Management Statement includes a clause that confirms that this resolution has been passed) - see s265(2),
- the concise report must be provided to members within 6 months of the end of the financial year - see ss265(1) & (5), and
- a copy of the concise report must be lodged in the Registry with the full report - see s268(a) and (b).

#### Segment Reporting - Labour Union Insurance and Investment Segment

I note that the organisation is now using consolidated accounts and, as a result, has disclosed for the first time financial information relating to the Labour Union Insurance and Investment Segment. In correspondence dated 9 May 2005 the organisation provided the following information regarding this issue:

*The disclosure in the 03-04 return concerning the additional entity was done on the basis of the advice of the National Office Auditor. That advice was based on the Auditor's interpretation (that) the RAO Schedule places additional requirements on the NUW. This explains the difference between the 03-04 report and previous years.*

#### Statement of Donations

I have also received your statement relating to donations made by the organisation during the year ending 30 June 2004. This statement has been placed on a file that is not available to the general public in accordance with s237(4) of the RAO Schedule.

The documents have been filed.

If you have any queries, please contact me on (03) 8661 7799.

Yours faithfully,



Andrew Schultz  
Statutory Services Branch  
Australian Industrial Registry

10 June 2005



## **National Union of Workers**

E12.doc TL/TL  
tlyons@nuw.org.au

Monday, 9 May 2005

Andrew Schultz  
Research Information and Advice Branch  
Australian Industrial Registry  
Nauru House  
80 Collins Street  
Melbourne Victoria 3000

BY FACSIMILE

Dear Andrew

**RE: Financial Reports for NUW National Office - year ending 30/06/04 - FR2004/604**

I refer to the above matter and your email to Messrs. Kennedy and Lyons inviting comment on various issues. I advise as follows:

**1. Sector Reporting**

The disclosure in the 03-04 return concerning the additional entity was done on the basis of the advice of the National Office Auditor. That advice was based on the Auditor's interpretation the RAO Schedule places additional requirements on the NUW. This explains the difference between the 03-04 report and previous years. For your information, a copy of the Auditor's advice is enclosed.

**2. Presentation of documents to a meeting of members**

The report has been presented to a general meeting of the WA Branch, which is the only Branch to hold a general meeting since the report was finalised. As we have previously advised, presentation to General Meetings presents some difficulty for National Office, as Branches conduct General Meetings at times of their own choosing and usually in the fourth quarter of a calendar year.

As previously discussed, a rule change to allow for the National Office and Branches to use the process in Section 266(3) of the Schedule 1B has been drawn. The Rule changes have been approved by NCOM and are currently the subject of a postal ballot of National Council Members. That ballot closes on 11/5/05.

**NATIONAL OFFICE**

552 - 566 Victoria Street, North Melbourne, P.O. Box 343, North Melbourne, Victoria 3051  
Telephone: 03 9287 1850 Facsimile: 03 9287 1818 Email: nuwnat@nuw.org.au

ABN 19 834 341 896

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We anticipate that the rule change will be approved, and it is our intention to submit the variations to the Registrar as soon as possible after that date. It is our intention to seek to utilise the amended Rules for the purposes of the 03-04 report. In the alternative, the report will be submitted to General Meetings of Branches as they occur.

If you require further information, or wish to discuss this matter, please contact Assistant General Secretary Tim Kennedy or Senior Advocate Tim Lyons.

Yours sincerely



**CHARLES DONNELLY**  
**GENERAL SECRETARY**

Att. Letter from BGL & Associates



**National Union of Workers**

TK:RB

Our Ref: L31/04

Monday, December 20, 2004

The Registrar  
Australian Industrial Relations Commission  
Nauru House  
80 Collins Street  
Melbourne VIC 3000

Attention: *Andrew O'Brien*

*FR 2004/604*

Dear Registrar,

Re: National Union of Workers National Office Financial Reports for year ending 30 June 2004

Please find attached a copy of the National Union of Workers National Office financial reports for the year ending 30 June 2004.

The financial reports were presented to a meeting of the National Committee of Management for approval on Monday 20 December 2004.

Also attached is a certificate signed by the General Secretary that the documents lodged are copies of those presented to the National Committee of Management.

If you require any further information please contact Assistant General Secretary Tim Kennedy.

Yours faithfully,

  
**CHARLES DONNELLY**  
**GENERAL SECRETARY**


*Rec'd  
23/12/2004*

**Workplace Relations Act 1996**

**S.268(1) Certificate of Schedule 1B Workplace Relations Act 1996**

I, Charles Donnelly, General Secretary of the National Union of Workers, hereby certify pursuant to S.268 of the RAO Schedule of the Workplace Relations Act 1996 that the documents attached are those presented and endorsed by the meeting of the National Committee of Management of the NUW on 20 December 2004.

DATED: Monday, December 20, 2004

  
**CHARLES DONNELLY**  
**GENERAL SECRETARY**

**NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
AND CONTROLLED ENTITIES**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2004**

**BGL & ASSOCIATES**

Chartered Accountants

Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004

• PO Box 6094 St Kilda Road Melbourne VIC 8008

Tel: (03) 9525 2511 Fax: (03) 9525 2829

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NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

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NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

OPERATING REPORT

Your committee members submit the financial report of the National Union of Workers - National Office for the financial year ended 30 June 2004.

**Members of Committee**

The names of the members of committee of management throughout the financial year and at the date of this report are:

Charles Donnelly (appointed on 31 March 2004)

Derrick Belan (appointed on 11 November 2003)

Gail Burmeister

Lloyd Freeburn (resigned on 11 September 2003)

Tim Kennedy (appointed on 11 November 2003)

Martin Pritchard

Paul Richardson (resigned on 10 November 2003)

Dani Shanahan

Paul Stafford (resigned on 2 October 2003)

Doug Stevens (appointed on 11 November 2003)

Greg Sword (resigned on 31 March 2004)

Nick Thredgold

David Trenouth

Marlene Wheatley

Martin Pakula (appointed on 31 March 2004)

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

**Operating Result**

The surplus from ordinary activities after providing for income tax amounted to \$11,729.

**Review of Operations**

A review of the operations of the entity during the financial year and the results of those operations found that during the year, the entity continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

**Significant Changes in State of Affairs**

No significant changes in the state of affairs of the National Union of Workers - National Office and controlled entities occurred during the financial year.

**Principal Activities**

The principal activities of the union during the financial year were overseeing the overall management and development of the Union and providing support to the Branches in their role of looking after members' needs.

No significant change in the nature of these activities occurred during the year.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

OPERATING REPORT (Continued)

**Union details**

The union has 14 employees at year end.

The number of members at 30 June 2004 was 87,350.

**Members' Right**

The rules of the Union provide at Rule 59 - resignation from membership, that a member of the Union may resign from the Union in accordance with the Rule. The Rules itself is in similar terms to s.174, and meets the requirements of the Act.

**Directorships of Superannuation Funds**

Charles Donnelly and Martin Pakula are both shareholders and directors of Labour Union Insurance Co-operative Retirement Fund Pty Ltd (LUCRF)

The following NCOM members are Directors of LUCRF:

Charles Donnelly

Tim Kennedy

Martin Pakula

Derrick Belan

Nick Thredgold

Mark Furner

Signed in accordance with a resolution of the Members of the Committee:

Designated Officer



.....  
Charles Donnelly

Dated this

26/10/04

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL PERFORMANCE  
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
Revenues from ordinary activities	3	<u>3,756,204</u>	<u>3,634,624</u>	<u>2,384,803</u>	<u>2,302,868</u>
Administrative expenses		(263,301)	(260,766)	(162,241)	(267,006)
Advance to Tasmanian Branch		-	(76,724)	-	(76,724)
Affiliation fees		(274,349)	(267,632)	(274,349)	(267,632)
Conference and seminar expenses		(49,809)	(43,382)	(49,809)	(40,362)
Consulting fees		(3,453)	(12,215)	(300)	(11,465)
Depreciation and amortisation		(167,846)	(175,504)	(99,844)	(103,855)
Donations		(4,071)	(3,223)	(4,071)	(3,223)
Employees benefit expenses	6	(2,169,010)	(1,860,629)	(1,329,039)	(1,046,390)
Insurance expenses		(73,809)	(61,315)	(25,639)	(33,010)
Legal and professional fees		(52,652)	(77,387)	(25,646)	(50,312)
Motor vehicle expenses		(68,852)	(64,076)	(43,309)	(36,835)
Occupancy expenses		(93,337)	(93,112)	(67,377)	(67,078)
Printing and communication expenses		(158,671)	(150,515)	(108,613)	(97,690)
SA Organising Fund		(57,273)	-	(57,273)	-
Travel and accommodation expenses		(145,864)	(175,828)	(126,885)	(173,053)
Other expenses from ordinary activities		<u>(95,415)</u>	<u>(183,463)</u>	<u>(77,793)</u>	<u>(5,406)</u>
		<u>(3,677,712)</u>	<u>(3,505,771)</u>	<u>(2,452,188)</u>	<u>(2,280,040)</u>
Borrowing costs expense	4	<u>(18,269)</u>	<u>(20,475)</u>	<u>-</u>	<u>-</u>
Surplus (Deficit) from ordinary activities before income tax expense (income tax revenue)		60,223	108,378	(67,385)	22,828
Income tax revenue (income tax expense) relating to ordinary activities	7	<u>(48,494)</u>	<u>(37,413)</u>	<u>-</u>	<u>-</u>
Surplus (Deficit) from ordinary activities after related income tax expense (income tax revenue)	4	11,729	70,965	(67,385)	22,828
Total changes in accumulated fund	16	<u>11,729</u>	<u>70,965</u>	<u>(67,385)</u>	<u>22,828</u>

The accompanying notes form part of these financial statements.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>CURRENT ASSETS</b>					
Cash assets	8	1,914,427	1,544,758	713,382	386,311
Receivables	9	835,182	961,893	653,074	933,394
Other financial assets	11	74,679	202,815	74,679	202,815
Other	10	<u>30,761</u>	<u>55,215</u>	<u>30,761</u>	<u>55,216</u>
<b>TOTAL CURRENT ASSETS</b>		<u>2,855,049</u>	<u>2,764,681</u>	<u>1,471,896</u>	<u>1,577,736</u>
<b>NON-CURRENT ASSETS</b>					
Other financial assets	11	543,097	543,100	1,223,102	893,102
Property, plant and equipment	12	2,911,781	3,024,138	1,595,108	1,633,771
Intangible assets	25	<u>52,316</u>	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,507,194</u>	<u>3,567,238</u>	<u>2,818,210</u>	<u>2,526,873</u>
<b>TOTAL ASSETS</b>		<u>6,362,243</u>	<u>6,331,919</u>	<u>4,290,106</u>	<u>4,104,609</u>
<b>CURRENT LIABILITIES</b>					
Payables	13	599,157	693,531	508,523	366,239
Current tax liabilities	15	30,382	(13,747)	-	-
Provisions	16	<u>359,408</u>	<u>253,047</u>	<u>237,384</u>	<u>149,975</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>988,947</u>	<u>932,831</u>	<u>745,907</u>	<u>516,214</u>
<b>NON-CURRENT LIABILITIES</b>					
Interest-bearing liabilities	14	310,919	371,629	-	-
Provisions	16	<u>123,718</u>	<u>100,529</u>	<u>123,718</u>	<u>100,529</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>434,637</u>	<u>472,158</u>	<u>123,718</u>	<u>100,529</u>
<b>TOTAL LIABILITIES</b>		<u>1,423,584</u>	<u>1,404,989</u>	<u>869,625</u>	<u>616,743</u>
<b>NET ASSETS</b>		<u>4,938,659</u>	<u>4,926,930</u>	<u>3,420,481</u>	<u>3,487,866</u>
<b>ACCUMULATED FUND</b>					
Reserves	18	4,960	4,960	-	-
Accumulated surplus	19	<u>4,933,699</u>	<u>4,921,970</u>	<u>3,420,481</u>	<u>3,487,866</u>
<b>TOTAL ACCUMULATED FUND</b>	17	<u>4,938,659</u>	<u>4,926,930</u>	<u>3,420,481</u>	<u>3,487,866</u>

The accompanying notes form part of these financial statements.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Sustentation fees received		2,409,837	2,135,287	2,409,837	2,135,287
Other income		375,235	374,770	367,196	371,317
Commission received		1,346,861	1,386,603	-	-
Payments to suppliers and employees		(3,686,042)	(3,770,298)	(2,190,372)	(2,300,541)
Interest received		124,963	100,867	12,876	16,159
Borrowing costs		(18,270)	(20,475)	-	-
Income tax paid		<u>(4,365)</u>	<u>(132,257)</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities	22 (b)	<u>548,219</u>	<u>74,497</u>	<u>599,537</u>	<u>222,222</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment		89,818	173,930	71,636	123,688
Payment for property, plant and equipment		(145,799)	(374,042)	(142,238)	(207,413)
Payment for investments		-	-	(330,000)	(150,000)
Payment for other non current assets		<u>(69,983)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities		<u>(125,964)</u>	<u>(200,112)</u>	<u>(400,602)</u>	<u>(233,725)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Repayment of bank loan		(60,710)	(61,114)	-	-
Fund held in trust		(120,012)	-	-	-
Loan advanced to Newskills Ltd		<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Net cash used in financing activities		<u>(180,722)</u>	<u>(161,114)</u>	<u>-</u>	<u>(100,000)</u>
Net increase/(decrease) in cash held		241,533	(286,729)	198,935	(111,503)
Cash at beginning of financial year		<u>1,747,573</u>	<u>2,034,302</u>	<u>589,126</u>	<u>700,629</u>
Cash at end of financial year	22 (a)	<u>1,989,106</u>	<u>1,747,573</u>	<u>788,061</u>	<u>589,126</u>

The accompanying notes form part of these financial statements.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers National Union of Workers - National Office as an individual entity and National Union of Workers - National Office and controlled entities as an economic entity. National Union of Workers - National Office is a registered body under the Workplace Relations Act 1996. The purpose of the entity is to protect and improve employment conditions and entitlements of members.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Principles of Consolidations**

A controlled entity is any entity controlled by National Union of Workers - National Office. Control exists where National Union of Workers - National Office has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with National Union of Workers - National Office to achieve the objectives of National Union of Workers - National Office. Details of the controlled entities are contained in Note 23.

All inter-entity balances and transactions between entities in the economic entity, including any unrealised surplus or deficit, have been eliminated on consolidation.

Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased.

**(b) Property, Plant and Equipment**

Each class of property plant and equipment is carried at cost less any accumulated depreciation.

*Plant and Equipment*

Plant and equipment is measured on the cost basis.

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

Freehold land and buildings are brought to account at cost.

*Depreciation*

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the entity commencing from the time the asset was held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

**(d) Investments**

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by Committee of Management to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

**(e) Intangibles**

*Goodwill*

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net tangible assets at date of acquisition. Both purchased goodwill and goodwill on consolidation are amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

**(f) Employee Benefits**

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

**(g) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Revenue**

Sustentation fee is recognised when the right to receive the fees has been established.

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

Other revenue is recognised when the right to receive the revenue has been established.

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

**(i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

**(j) Comparative Figures**

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



NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Change in Accounting Policy**

The controlled entity changed its accounting policy in regard to commission income whereby all commission and brokers were recognised when received into its Brokers Trust Account as the Committee of Management believe the change will improve the relevance and reliability of the controlled entity's financial report. The financial effect of this change in accounting policy has given rise to an increase in operating profit of \$118,929

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of subsection (1), (2) and (3) of sections 272, which read as follows:

- (1) a member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) the application must be in writing and 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).

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>NOTE 3: REVENUE</b>					
<b>Operating activities</b>					
- sustentation fee	5	2,215,936	1,990,528	2,215,936	1,990,528
- reimbursement from LUI for support services		-	-	-	83,153
- interest	3(a)	131,476	99,695	19,388	14,988
- commission received		1,233,821	1,276,821	-	-
- other revenue		<u>85,153</u>	<u>93,650</u>	<u>77,843</u>	<u>90,511</u>
		<u>3,666,386</u>	<u>3,460,694</u>	<u>2,313,167</u>	<u>2,179,180</u>
<b>Non - operating activities</b>					
- proceeds on disposal of property, plant and equipment		<u>89,818</u>	<u>173,930</u>	<u>71,636</u>	<u>123,688</u>
Total Revenue		<u>3,756,204</u>	<u>3,634,624</u>	<u>2,384,803</u>	<u>2,302,868</u>
 (a) Interest from:					
- other persons		131,476	99,695	19,388	14,988
 <b>NOTE 4: SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES</b>					
Surplus (deficit) from ordinary activities before income tax expenses (income tax revenue) has been determined after:					
(a) Expenses:					
Borrowing costs:					
- other persons		18,269	20,475	-	-
Depreciation of non-current assets					
- capital assets		167,846	175,504	99,843	103,855
Remuneration of the auditors of the parent entity for:					
- audit or review services		6,475	5,850	6,475	5,850
- other services		3,450	2,950	3,450	2,950
Remuneration of other auditors of controlled entity for					
- auditing the financial report of controlled entity		14,000	14,000	-	-
(b) Revenue and Net Gains					
Net gain on disposal of non-current assets					
- property, plant and equipment		3,894	6,334	-	6,334

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
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NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>NOTE 4: SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES (Continued)</b>					
Conference expenses		48,446	40,362	48,446	40,362
Legal fee		5,030	37,503	2,698	28,312
<b>NOTE 5: SUSTENTATION FEES</b>					
New South Wales		645,607	608,241	645,607	608,241
South Australia		109,170	104,797	109,170	104,797
Queensland		207,572	189,992	207,572	189,992
Victorian		1,166,539	1,059,975	1,166,539	1,059,975
NUW Central		50,000	-	50,000	-
Western Australia		37,048	27,523	37,048	27,523
		<u>2,215,936</u>	<u>1,990,528</u>	<u>2,215,936</u>	<u>1,990,528</u>
<b>NOTE 6: EMPLOYEES' EXPENSES</b>					
Holiday pay		33,113	3,917	28,183	8,336
Long service leave		11,188	21,003	(2,834)	12,600
Staff training and welfare		22,471	4,638	3,913	1,388
Superannuation		228,419	237,012	126,630	131,011
Salaries and wages - staff		1,228,196	1,393,577	527,524	692,573
Salaries and wages - officers		346,500	200,482	346,500	200,482
Salaries and wages - officer (retirement package)		299,123	-	299,123	-
		<u>2,169,010</u>	<u>1,860,629</u>	<u>1,329,039</u>	<u>1,046,390</u>

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	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>NOTE 7: INCOME TAX EXPENSE</b>					
The prima facie tax payable on surplus (deficit) from ordinary activities before income tax is reconciled to the income tax expense as follows:					
Prima facie income tax payable on surplus (deficit) from ordinary activities before income tax at 30.0% (2003 - 30.0%)					
		18,067	32,514	(20,216)	6,848
Add:					
Tax effect of:					
		20,400	21,495	-	-
		12,612	10,498	-	-
		<u>51,079</u>	<u>64,507</u>	<u>(20,216)</u>	<u>6,848</u>
Less:					
Tax effect of:					
		20,216	(6,848)	20,216	(6,848)
		(19,125)	(20,246)	-	-
		<u>(3,676)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>48,494</u>	<u>37,413</u>	<u>-</u>	<u>-</u>
Income tax expense attributable to profit from ordinary activities					

**NOTE 8: CASH ASSETS**

Cash on hand	620	500	500	500
Cash at bank	<u>1,913,807</u>	<u>1,544,258</u>	<u>712,882</u>	<u>385,811</u>
	<u>1,914,427</u>	<u>1,544,758</u>	<u>713,382</u>	<u>386,311</u>

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NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>NOTE 9: RECEIVABLES</b>					
CURRENT					
NUW Central Branch		24,537	27,422	24,537	27,422
NUW NSW Branch		62,477	81,485	62,477	81,485
NUW Queensland Branch		19,434	25,589	19,434	25,589
NUW SA Branch		11,112	13,744	11,112	13,744
NUW Victorian Branch		256,805	276,074	256,805	276,074
NUW WA Branch		12,577	7,990	12,577	7,990
Other debtors		<u>37,173</u>	<u>178,912</u>	<u>26,363</u>	<u>178,912</u>
		424,115	611,216	413,305	611,216
Less provision for doubtful debts		<u>(42,220)</u>	<u>(42,220)</u>	<u>(42,220)</u>	<u>(42,220)</u>
		<u>381,895</u>	<u>568,996</u>	<u>371,085</u>	<u>568,996</u>
Other debtors		234,810	181,420	63,512	152,921
Loans receivable from:					
- NUW SA Branch		40,000	40,000	40,000	40,000
- Newskills Limited		<u>178,477</u>	<u>171,477</u>	<u>178,477</u>	<u>171,477</u>
		<u>453,287</u>	<u>392,897</u>	<u>281,989</u>	<u>364,398</u>
		<u>835,182</u>	<u>961,893</u>	<u>653,074</u>	<u>933,394</u>
<b>NOTE 10: OTHER ASSETS</b>					
CURRENT					
Prepayments		<u>30,761</u>	<u>55,215</u>	<u>30,761</u>	<u>55,216</u>

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
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NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>NOTE 11: OTHER FINANCIAL ASSETS</b>					
<b>CURRENT</b>					
Long Service Leave Account		-	129,018	-	129,018
Short term deposit		23,179	22,297	23,179	22,297
Adelaide Bank - Floating Rate Capital Note		50,000	50,000	50,000	50,000
CBA Term deposit		1,500	1,500	1,500	1,500
		<u>74,679</u>	<u>202,815</u>	<u>74,679</u>	<u>202,815</u>
<b>NON-CURRENT</b>					
Investments comprise of:					
- units in IPP Property Trust		75,250	75,250	75,250	75,250
- shares in Industrial Printing and Publishing Pty Ltd		124,750	124,750	124,750	124,750
- units in ACTU Member Connect		13,200	13,200	13,200	13,200
- shares in Labour Union Insurance (Brokers) Pty Ltd		-	-	575,002	350,002
- shares in ACN 090 706 942 Pty Ltd		150,000	150,000	150,000	150,000
- shares in Labour Union Investment Services Ltd		-	3	105,003	3
- shares in Labour Union Insurance Co-operative Retirement Fund Pty Ltd		2	2	2	2
- shares in Bell Assets Managements Pty Ltd		179,895	179,895	179,895	179,895
		<u>543,097</u>	<u>543,100</u>	<u>1,223,102</u>	<u>893,102</u>
<b>NOTE 12: PROPERTY, PLANT AND EQUIPMENT</b>					
<b>LAND</b>					
Freehold land:					
At cost		<u>476,000</u>	<u>476,000</u>	<u>116,000</u>	<u>116,000</u>
<b>BUILDINGS</b>					
At cost		2,264,513	2,264,513	1,453,269	1,453,269
Less accumulated depreciation		<u>(393,704)</u>	<u>(350,766)</u>	<u>(343,092)</u>	<u>(320,435)</u>
		<u>1,870,809</u>	<u>1,913,747</u>	<u>1,110,177</u>	<u>1,132,834</u>
Total property		<u>2,346,809</u>	<u>2,389,747</u>	<u>1,226,177</u>	<u>1,248,834</u>

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FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>NOTE 12: PROPERTY, PLANT AND EQUIPMENT (Continued)</b>					
<b>PLANT AND EQUIPMENT</b>					
Motor vehicles					
At cost		511,299	518,268	309,507	288,651
Less accumulated depreciation		<u>(154,110)</u>	<u>(125,119)</u>	<u>(72,904)</u>	<u>(60,042)</u>
		<u>357,189</u>	<u>393,149</u>	<u>236,603</u>	<u>228,609</u>
Office equipment					
At cost		110,170	110,170	106,450	106,450
Less accumulated depreciation		<u>(81,278)</u>	<u>(77,784)</u>	<u>(81,278)</u>	<u>(77,784)</u>
		<u>28,892</u>	<u>32,386</u>	<u>25,172</u>	<u>28,666</u>
Computer equipment					
At cost		189,489	193,414	178,120	193,414
Less accumulated depreciation		<u>(150,464)</u>	<u>(145,270)</u>	<u>(143,976)</u>	<u>(145,270)</u>
		<u>39,025</u>	<u>48,144</u>	<u>34,144</u>	<u>48,144</u>
Furniture, fixtures and fittings					
At cost		500,097	494,441	286,644	285,143
Less accumulated depreciation		<u>(360,231)</u>	<u>(333,729)</u>	<u>(213,632)</u>	<u>(205,625)</u>
		<u>139,866</u>	<u>160,712</u>	<u>73,012</u>	<u>79,518</u>
Total plant and equipment		<u>564,972</u>	<u>634,391</u>	<u>368,931</u>	<u>384,937</u>
Total property, plant and equipment		<u>2,911,781</u>	<u>3,024,138</u>	<u>1,595,108</u>	<u>1,633,771</u>

**(a) Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year.

	Freehold land		Buildings	
	Economic Entity	Parent Entity	Economic Entity	Parent Entity
	\$	\$	\$	\$
2004				
Balance at the beginning of the year	476,000	116,000	1,913,747	1,132,834
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	-	<u>(42,938)</u>	<u>(22,657)</u>
Carrying amount at the end of the year	<u>476,000</u>	<u>116,000</u>	<u>1,870,809</u>	<u>1,110,177</u>

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NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>NOTE 12: PROPERTY, PLANT AND EQUIPMENT (Continued)</b>					
		<b>Motor vehicles</b>		<b>Office equipment</b>	
		Economic Entity	Parent Entity	Economic Entity	Parent Entity
		\$	\$	\$	\$
<b>2004</b>					
Balance at the beginning of the year		393,149	228,609	32,386	28,666
Additions		138,743	138,743	-	-
Disposals		(94,488)	(80,391)	-	-
Depreciation expense		<u>(80,215)</u>	<u>(50,358)</u>	<u>(3,494)</u>	<u>(3,494)</u>
Carrying amount at the end of the year		<u>357,189</u>	<u>236,603</u>	<u>28,892</u>	<u>25,172</u>
		<b>Furniture, fixtures &amp; fittings</b>		<b>Computer equipment</b>	
		Economic Entity	Parent Entity	Economic Entity	Parent Entity
		\$	\$	\$	\$
<b>2004</b>					
Balance at the beginning of the year		160,712	79,518	48,144	48,144
Additions		5,025	1,500	6,876	1,995
Disposals		-	-	(667)	(667)
Depreciation expense		<u>(25,871)</u>	<u>(8,006)</u>	<u>(15,328)</u>	<u>(15,328)</u>
Carrying amount at the end of the year		<u>139,866</u>	<u>73,012</u>	<u>39,025</u>	<u>34,144</u>
		Total			
		Economic Entity	Parent Entity		
		\$	\$		
<b>2004</b>					
Balance at the beginning of the year		3,024,138	1,633,771		
Additions		150,644	142,238		
Disposals		(95,155)	(81,058)		
Depreciation expense		<u>(167,846)</u>	<u>(99,843)</u>		
Carrying amount at the end of the year		<u>2,911,781</u>	<u>1,595,108</u>		



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NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>NOTE 13: PAYABLES</b>					
CURRENT					
Unsecured liabilities					
Trade creditors		113,703	529,610	61,614	222,462
NUW Queensland Branch		20,000	20,000	20,000	20,000
NUW Victorian Branch		57,169	57,681	57,169	57,681
Sundry creditors and accruals		<u>408,285</u>	<u>86,240</u>	<u>369,740</u>	<u>66,096</u>
		<u>599,157</u>	<u>693,531</u>	<u>508,523</u>	<u>366,239</u>
<b>NOTE 14: INTEREST BEARING LIABILITIES</b>					
NON-CURRENT					
Secured liabilities					
Bank loan		<u>310,919</u>	<u>371,629</u>	<u>-</u>	<u>-</u>
The bank loan is secured by a registered first mortgage over the freehold property of the controlled entity.					
<b>NOTE 15: TAX LIABILITIES</b>					
CURRENT					
Income tax		<u>30,382</u>	<u>(13,747)</u>	<u>-</u>	<u>-</u>
<b>NOTE 16: PROVISIONS</b>					
CURRENT					
Employee benefits - staff	16(a)	218,660	167,301	96,636	64,229
Employee benefits - officers		135,455	80,453	135,455	80,453
Other		<u>5,293</u>	<u>5,293</u>	<u>5,293</u>	<u>5,293</u>
		<u>359,408</u>	<u>253,047</u>	<u>237,384</u>	<u>149,975</u>
NON-CURRENT					
Employee benefits - staff	16(a)	54,071	43,417	54,071	43,417
Employee benefits - officers		<u>69,647</u>	<u>57,112</u>	<u>69,647</u>	<u>57,112</u>
		<u>123,718</u>	<u>100,529</u>	<u>123,718</u>	<u>100,529</u>
(a) Aggregate employee benefit liability		<u>477,833</u>	<u>348,283</u>	<u>355,809</u>	<u>245,211</u>
(b) Number of employees at year end		<u>30</u>	<u>30</u>	<u>13</u>	<u>16</u>

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	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>NOTE 17: ACCUMULATED FUND</b>					
Total accumulated fund at the beginning of the financial year		4,926,930	4,855,965	3,487,866	3,465,038
Total changes in accumulated fund recognised in the statement of financial performance		<u>11,729</u>	<u>70,965</u>	<u>(67,385)</u>	<u>22,828</u>
Total accumulated fund at the reporting date		<u>4,938,659</u>	<u>4,926,930</u>	<u>3,420,481</u>	<u>3,487,866</u>
<b>NOTE 18: RESERVES</b>					
Capital profits reserve	(a)	<u>4,960</u>	<u>4,960</u>	<u>-</u>	<u>-</u>
(a) Capital profits reserve					
Movements during the financial year:					
Opening balance		4,960	474,187	-	474,187
Transfer to accumulated surplus		<u>-</u>	<u>(469,227)</u>	<u>-</u>	<u>(474,187)</u>
Closing balance		<u>4,960</u>	<u>4,960</u>	<u>-</u>	<u>-</u>
The capital profits reserve was used in prior years to record amounts set aside of fund the future expansion of the company.					
<b>NOTE 19: ACCUMULATED SURPLUS</b>					
Accumulated surplus at the beginning of the financial year		4,921,970	4,851,005	3,487,866	2,990,851
Net surplus (deficit) attributable to members of the entity		11,729	70,965	(67,385)	22,828
Transfers from reserves		<u>-</u>	<u>-</u>	<u>-</u>	<u>474,187</u>
Accumulated surplus at the end of the financial year		<u>4,933,699</u>	<u>4,921,970</u>	<u>3,420,481</u>	<u>3,487,866</u>

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Note	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<hr/>				
<b>NOTE 20: CAPITAL AND LEASING COMMITMENTS</b>				
(a) Operating lease commitments				
Non-cancellable operating leases contracted for but not capitalised in the financial statements:				
Payable				
- not later than one year	-	-	2,561	2,561
- later than one year and not later than five years	-	-	5,762	8,323
	<u>-</u>	<u>-</u>	<u>8,323</u>	<u>10,884</u>

General description of leasing arrangement:  
 The lease is related to the rental of photocopier.

**NOTE 21: RELATED PARTY TRANSACTIONS**

- (a) Pursuant to an agreement between National Union of Workers - National Office ("the union") and Newskills Limited ("the company"), the union agreed to lend \$100,000 to the company. The loan was secured and the interest rate is 7% per annum. Two of NCOM members are directors of the company.
- (b) The names of Committee of Management of the National Union of Workers - National Office who have held office during the financial year are:
- Charles Donnelly (appointed on 31 March 2004)
  - Derrick Belan (appointed on 11 November 2003)
  - Gail Burmeister
  - Lloyd Freeburn (resigned on 11 September 2003)
  - Tim Kennedy (appointed on 11 November 2003)
  - Martin Pritchard
  - Paul Richardson (resigned on 10 November 2003)
  - Dani Shanahan
  - Paul Stafford (resigned on 2 October 2003)
  - Doug Stevens (appointed on 11 November 2003)
  - Greg Sword (resigned on 31 March 2004)
  - Nick Thredgold
  - David Trenouth
  - Marlene Wheatley
  - Martin Pakula (appointed on 31 March 2004)

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	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>NOTE 22: CASH FLOW INFORMATION</b>					
(a) Reconciliation of cash					
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:					
Cash on hand		620	500	500	500
Cash at bank		1,913,807	1,544,258	712,882	385,811
At call deposits with financial institutions		<u>74,679</u>	<u>202,815</u>	<u>74,679</u>	<u>202,815</u>
		<u>1,989,106</u>	<u>1,747,573</u>	<u>788,061</u>	<u>589,126</u>
(b) Reconciliation of cash flow from operations with surplus (deficit) from ordinary activities after income tax					
Surplus (deficit) from ordinary activities after income tax		11,729	70,965	(67,385)	22,828
Non-cash flows in surplus (deficit) from ordinary activities					
Depreciation		167,846	175,504	99,843	103,855
Net (gain) / loss on disposal of property, plant and equipment		5,528	4,964	9,422	(252)
Changes in assets and liabilities					
Decrease in receivables		266,935	75,466	280,320	66,301
Decrease in other assets		24,455	33,174	24,455	33,174
Decrease in payables		(101,952)	(209,523)	142,284	(18,493)
Increase/(decrease) in income tax payable		44,129	(94,845)	-	-
Increase in provisions		<u>129,549</u>	<u>18,792</u>	<u>110,598</u>	<u>14,809</u>
Cash flows from operations		<u>548,219</u>	<u>74,497</u>	<u>599,537</u>	<u>222,222</u>

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**NOTE 23: FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Non Interest Bearing	
	2004	2003	2004	2003	2004	2003	2004	2003
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>								
Cash	2.40	2.00	-	-	1,913,807	1,544,258	620	500
Receivables	7.00	7.00	100,000	100,000	-	-	735,182	861,893
Investments	3.40	3.40	-	-	74,679	202,815	543,097	543,100
<b>Total Financial Assets</b>			<u>100,000</u>	<u>100,000</u>	<u>1,988,486</u>	<u>1,747,073</u>	<u>1,278,899</u>	<u>1,405,493</u>
<b>Financial Liabilities:</b>								
Bank loans and overdrafts	6.65	6.57	-	-	310,919	371,629	-	-
Trade and sundry creditors	-	-	-	-	-	-	599,157	693,531
<b>Total Financial Liabilities</b>			<u>-</u>	<u>-</u>	<u>310,919</u>	<u>371,629</u>	<u>599,157</u>	<u>693,531</u>

	Total	
	2004	2003
	\$	\$
<b>Financial Assets:</b>		
Cash	1,914,427	1,544,758
Receivables	835,182	961,893
Investments	617,776	745,915
<b>Total Financial Assets</b>	<u>3,367,385</u>	<u>3,252,566</u>
<b>Financial Liabilities:</b>		
Bank loans and overdrafts	310,919	371,629
Trade and sundry creditors	599,157	693,531
<b>Total Financial Liabilities</b>	<u>910,076</u>	<u>1,065,160</u>

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the entity.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

NOTE 23: FINANCIAL INSTRUMENTS (Continued)

(c) Net Fair Values

The net fair value of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments, forward exchange contracts and interest rate swaps. Financial assets where the carrying amount exceeds net fair values have not been written down as the entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 24: CONTROLLED ENTITIES

Subsidiary: Labour Union Insurance (Brokers) Pty Ltd  
 Country of incorporation: Australia  
 Percentage owned: 100% (2003 100%)

Subsidiary: Labour Union Investment Services Limited  
 Country of incorporation: Australia  
 Percentage owned: 100% (2003 50%)

NOTE 25: INTANGIBLE ASSETS

Goodwill on consolidation at cost	<u>52,316</u>	<u>-</u>	<u>-</u>	<u>-</u>
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NOTE 26: SEGMENT REPORTING

Primary reporting - Business segments

The association has the following two business segments:

2004	Trade Union	Insurance & investment services	Eliminations	Total
	\$	\$	\$	\$
REVENUE				
Segment revenue	<u>2,384,803</u>	<u>1,476,270</u>	<u>(104,869)</u>	<u>3,756,204</u>
Total Segment Revenue	<u>2,384,803</u>	<u>1,476,270</u>	<u>(104,869)</u>	<u>3,756,204</u>
Total revenue from ordinary activities				<u>3,756,204</u>

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

NOTE 26: SEGMENT REPORTING (Continued)

2004	Trade Union	Insurance & investment services	Eliminations	Total
	\$	\$	\$	\$
<b>RESULT</b>				
Segment result	<u>(67,385)</u>	<u>127,608</u>	<u>-</u>	60,223
Profit from ordinary activities before income tax expense				60,223
Income tax expense				<u>(48,494)</u>
Profit from ordinary activities after income tax expense				<u>11,729</u>
Net Profit				<u>11,729</u>
Segment assets	<u>4,290,106</u>	<u>2,699,824</u>	<u>(627,687)</u>	6,362,243
Total assets				<u>6,362,243</u>
Segment liabilities	<u>869,625</u>	<u>553,959</u>	<u>-</u>	1,423,584
Total liabilities				<u>1,423,584</u>
Acquisition of non-current segment assets	142,238	8,406	-	150,644
Depreciation and amortisation of segment assets	99,843	68,003	-	167,846
Net cash flow from operating activities	<u>599,537</u>	<u>(51,318)</u>	<u>-</u>	<u>548,219</u>
2003	Trade Union	Insurance & investment services	Eliminations	Total
	\$	\$	\$	\$
<b>REVENUE</b>				
Segment revenue	<u>2,302,868</u>	<u>1,421,045</u>	<u>(89,289)</u>	<u>3,634,624</u>
Total Segment Revenue	<u>2,302,868</u>	<u>1,421,045</u>	<u>(89,289)</u>	<u>3,634,624</u>
Total revenue from ordinary activities				<u>3,634,624</u>

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

NOTE 26: SEGMENT REPORTING (Continued)

2003	Trade Union	Insurance & investment services	Eliminations	Total
	\$	\$	\$	\$
<b>RESULT</b>				
Segment result	<u>22,828</u>	<u>85,550</u>	<u>-</u>	108,378
Profit from ordinary activities before income tax expense				108,378
Income tax expense				<u>(37,413)</u>
Profit from ordinary activities after income tax expense				<u>70,965</u>
Net Profit				<u>70,965</u>
Segment assets	<u>4,104,609</u>	<u>2,577,312</u>	<u>(350,002)</u>	6,331,919
Total assets				<u>6,331,919</u>
Segment liabilities	<u>616,743</u>	<u>788,246</u>	<u>-</u>	1,404,989
Total liabilities				<u>1,404,989</u>
Acquisition of non-current segment assets	207,413	166,629	-	374,042
Depreciation and amortisation of segment assets	103,855	71,649	-	175,504
Net cash flow from operating activities	<u>222,222</u>	<u>(147,725)</u>	<u>-</u>	<u>74,497</u>

Secondary reporting - Geographical segments

The Union operates in only one geographical sector ie: Australia

NOTE 27: UNION DETAILS

The principal place of business of the union is:  
 National Union of Workers - National Office  
 552-568 Victoria Street  
 NORTH MELBOURNE VIC 3051



NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

STATEMENT BY MEMBERS OF THE COMMITTEE

On 26/10/04 the Committee of Management of National Union of Workers - National Office pass the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2004:

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

1. the financial statements and notes, as set out on pages 3 to 24 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 3 to 24 comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of National Union of Workers - National Office for the financial year to which they relate;
4. there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 30 June 2004:
  - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - b. the financial affairs of National Union of Workers - National Office have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of National Union of Workers - National Office have been kept and maintained in accordance with the Registration and Accountability of Organisations (RAO) Schedule and the RAO Regulations; and
  - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
  - e. the information sought in any request of a member of National Union of Workers - National Office or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the members or Registrar; and
  - f. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:

Designated Officer .....

  
Charles Donnelly

Dated this

26/10/04

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
NATIONAL UNION OF WORKERS - NATIONAL OFFICE

Scope

We have audited the financial report of National Union of Workers - National Office for the financial year ended 30 June 2004 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to the Financial Statements and the Committee of Management Statement. The financial report includes the consolidated financial statements of the consolidated entity comprising the union and the entities it controlled at the year end or from time to time during the financial year. The committee is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the union and consolidated entities' financial position and performance as represented by the results of its operations and its cash flows.

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

Audit Opinion

In our opinion, the general purpose financial report of National Union of Workers - National Office presents fairly the financial position of National Union of Workers - National Office as at 30 June 2004 and the results of its operations and its cash flows for the financial year then ended, in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards; and
- (b) any other requirements by Reporting Guidelines or Part 3 of Chapter 8 of the Registration and Accountability of Organisations (RAO) Schedule of the Workplace Relations Acts 1996.

*BGL + Associates*

BGL & Associates  
Chartered Accountants  
Suite One, Ground Floor  
598 St Kilda Road  
Melbourne VIC 3004

*I. A. Hinds*

I. A. Hinds - A.C.A.

Partner

27 October 2004

Melbourne

**NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
AND CONTROLLED ENTITIES**

**CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2004**

**BGL & ASSOCIATES**

**Chartered Accountants**

**Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004**

**PO Box 6094 St Kilda Road Melbourne VIC 8008**

**Tel: (03) 9525 2511 Fax: (03) 9525 2829**

**Email: [bgl@bglassociates.com.au](mailto:bgl@bglassociates.com.au)**

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

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NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

**Information on National Union of Workers - National Office Concise Financial Report:**

The financial statements and disclosure in the concise financial report have been derived from the 2004 financial report of National Union of Workers - National Office and controlled entities

A copy of the full financial report and auditors report can be sent to any member, free of charge, upon request.

This discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on National Union of Workers - National Office and Controlled Entities consolidated financial statements and the information contained in the concise financial report has been derived from the full 2004 Financial Report of National Union of Workers - National Office and Controlled Entities.

**Statement of Financial Performance:**

The consolidated surplus from ordinary activities after income tax attributable to members for the year is \$ \$11,729 compared with a surplus of \$70,965 for the 2003 year. This result is mainly due to revenue growing at 6% over 2004 while expenses have increased by 7% over the same period.

**Statement of Financial Position:**

Total assets increased by \$30,324 from 30 June 2003 or 0.48% mainly due to an increased in intangible assets. Total liabilities increased by \$18,595 or 1.32% mainly due to an increase in payables and employees entitlements. As a consequence members fund increased by \$11,729 from the 2003 year.

Apart from the above, there has been no significant change in the composition of the assets and liabilities from the 2003 year.

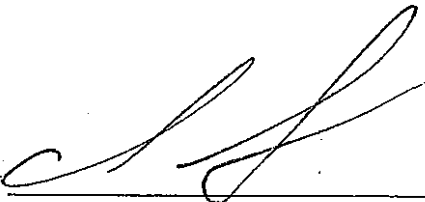
**Statement of Cash Flows:**

Cash assets increased from \$1,544,758 at 30 June 2003 to \$1,914,427 at 30 June 2004.

Cash flows provided by operations increased by 635% during the year from \$ 74,497 in 2003 to \$548,219 in 2004. This increase was caused by the timing effect of payments made to suppliers and is reflected by the higher total liabilities at the end of 2004 when compared to 2003.

The net increase in cash held during the year was significantly higher than Year 2003. This is primarily due to the effect of the increased sustentation fees received as well as the decreased total payments to suppliers and employees.

Designated Officer



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Charles Donnelly

Dated this 26/11/04

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

OPERATING REPORT

Your committee members submit the financial report of the National Union of Workers - National Office for the financial year ended 30 June 2004.

**Members of Committee**

The names of the members of committee of management throughout the financial year and at the date of this report are:

Charles Donnelly (appointed on 31 March 2004)

Derrick Belan (appointed on 11 November 2003)

Gail Burmeister

Lloyd Freeburn (resigned on 11 September 2003)

Tim Kennedy (appointed on 11 November 2003)

Martin Pritchard

Paul Richardson (resigned on 10 November 2003)

Dani Shanahan

Paul Stafford (resigned on 2 October 2003)

Doug Stevens (appointed on 11 November 2003)

Greg Sword (resigned on 31 March 2004)

Nick Thredgold

David Trenouth

Marlene Wheatley

Martin Pakula (appointed on 31 March 2004)

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

**Operating Result**

The surplus from ordinary activities after providing for income tax amounted to \$11,729.

**Review of Operations**

A review of the operations of the entity during the financial year and the results of those operations found that during the year, the entity continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

**Significant Changes in State of Affairs**

No significant changes in the state of affairs of the National Union of Workers - National Office and controlled entities occurred during the financial year.

**Principal Activities**

The principal activities of the union during the financial year were overseeing the overall management and development of the Union and providing support to the Branches in their role of looking after members' needs.

No significant change in the nature of these activities occurred during the year.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

OPERATING REPORT (Continued)

**Union details**

The union has 14 employees at year end.

The number of members at 30 June 2004 was 87,350.

**Members' Right**

The rules of the Union provide at Rule 59 - resignation from membership, that a member of the Union may resign from the Union in accordance with the Rule. The Rules itself is in similar terms to s.174, and meets the requirements of the Act.

**Directorships of Superannuation Funds**

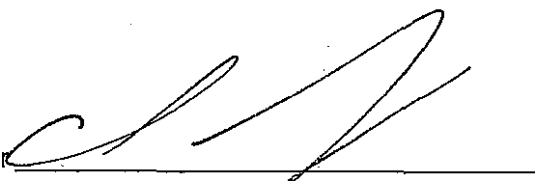
Charles Donnelly and Martin Pakula are both shareholders and directors of Labour Union Insurance Co-operative Retirement Fund Pty Ltd (LUCRF)

The following NCOM members are Directors of LUCRF:

Charles Donnelly  
Tim Kennedy  
Martin Pakula  
Derrick Belan  
Nick Thredgold  
Mark Furner

Signed in accordance with a resolution of the Members of the Committee:

Designated Officer

  
Charles Donnelly

Dated this 26/10/04

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL PERFORMANCE  
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
Revenues from ordinary activities	3	<u>3,756,204</u>	<u>3,634,624</u>	<u>2,384,803</u>	<u>2,302,868</u>
Administrative expenses		(263,301)	(260,766)	(162,241)	(267,006)
Advance to Tasmanian Branch		-	(76,724)	-	(76,724)
Affiliation fees		(274,349)	(267,632)	(274,349)	(267,632)
Conference and seminar expenses		(49,809)	(43,382)	(49,809)	(40,362)
Consulting fees		(3,453)	(12,215)	(300)	(11,465)
Depreciation and amortisation		(167,846)	(175,504)	(99,844)	(103,855)
Donations		(4,071)	(3,223)	(4,071)	(3,223)
Employees benefit expenses		(2,169,010)	(1,860,629)	(1,329,039)	(1,046,390)
Insurance expenses		(73,809)	(61,315)	(25,639)	(33,010)
Legal and professional fees		(52,652)	(77,387)	(25,646)	(50,312)
Motor vehicle expenses		(68,852)	(64,076)	(43,309)	(36,835)
Occupancy expenses		(93,337)	(93,112)	(67,377)	(67,078)
Printing and communication expenses		(158,671)	(150,515)	(108,613)	(97,690)
SA Organising Fund		(57,273)	-	(57,273)	-
Travel and accommodation expenses		(145,864)	(175,828)	(126,885)	(173,053)
Other expenses from ordinary activities		<u>(95,415)</u>	<u>(183,463)</u>	<u>(77,793)</u>	<u>(5,406)</u>
		<u>(3,677,712)</u>	<u>(3,505,771)</u>	<u>(2,452,188)</u>	<u>(2,280,040)</u>
Borrowing costs expense		<u>(18,269)</u>	<u>(20,475)</u>	-	-
<b>Surplus (Deficit) from ordinary activities before income tax expense (income tax revenue)</b>		<b>60,223</b>	<b>108,378</b>	<b>(67,385)</b>	<b>22,828</b>
Income tax revenue (income tax expense) relating to ordinary activities		<u>(48,494)</u>	<u>(37,413)</u>	-	-
<b>Surplus (Deficit) from ordinary activities after related income tax expense (income tax revenue)</b>		<b>11,729</b>	<b>70,965</b>	<b>(67,385)</b>	<b>22,828</b>
<b>Total changes in accumulated fund</b>		<b><u>11,729</u></b>	<b><u>70,965</u></b>	<b><u>(67,385)</u></b>	<b><u>22,828</u></b>

The accompanying notes form part of this concise financial report.



NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2004

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash assets	1,914,427	1,544,758	713,382	386,311
Receivables	835,182	961,893	653,074	933,394
Other financial assets	74,679	202,815	74,679	202,815
Other	<u>30,761</u>	<u>55,215</u>	<u>30,761</u>	<u>55,216</u>
<b>TOTAL CURRENT ASSETS</b>	<u>2,855,049</u>	<u>2,764,681</u>	<u>1,471,896</u>	<u>1,577,736</u>
<b>NON-CURRENT ASSETS</b>				
Other financial assets	543,097	543,100	1,223,102	893,102
Property, plant and equipment	2,911,781	3,024,138	1,595,108	1,633,771
Intangible assets	<u>52,316</u>	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<u>3,507,194</u>	<u>3,567,238</u>	<u>2,818,210</u>	<u>2,526,873</u>
<b>TOTAL ASSETS</b>	<u>6,362,243</u>	<u>6,331,919</u>	<u>4,290,106</u>	<u>4,104,609</u>
<b>CURRENT LIABILITIES</b>				
Payables	599,157	693,531	508,523	366,239
Current tax liabilities	30,382	(13,747)	-	-
Provisions	<u>359,408</u>	<u>253,047</u>	<u>237,384</u>	<u>149,975</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>988,947</u>	<u>932,831</u>	<u>745,907</u>	<u>516,214</u>
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing liabilities	310,919	371,629	-	-
Provisions	<u>123,718</u>	<u>100,529</u>	<u>123,718</u>	<u>100,529</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>434,637</u>	<u>472,158</u>	<u>123,718</u>	<u>100,529</u>
<b>TOTAL LIABILITIES</b>	<u>1,423,584</u>	<u>1,404,989</u>	<u>869,625</u>	<u>616,743</u>
<b>NET ASSETS</b>	<u>4,938,659</u>	<u>4,926,930</u>	<u>3,420,481</u>	<u>3,487,866</u>
<b>ACCUMULATED FUND</b>				
Reserves	4,960	4,960	-	-
Accumulated surplus	<u>4,933,699</u>	<u>4,921,970</u>	<u>3,420,481</u>	<u>3,487,866</u>
<b>TOTAL ACCUMULATED FUND</b>	<u>4,938,659</u>	<u>4,926,930</u>	<u>3,420,481</u>	<u>3,487,866</u>

The accompanying notes form part of this concise financial report.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2004

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Sustentation fees received	2,409,837	2,135,287	2,409,837	2,135,287
Other income	375,235	374,770	367,196	371,317
Commission received	1,346,861	1,386,603	-	-
Payments to suppliers and employees	(3,686,042)	(3,770,298)	(2,190,372)	(2,300,541)
Interest received	124,963	100,867	12,876	16,159
Borrowing costs	(18,270)	(20,475)	-	-
Income tax paid	(4,365)	(132,257)	-	-
Net cash provided by operating activities	<u>548,219</u>	<u>74,497</u>	<u>599,537</u>	<u>222,222</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of property, plant and equipment	89,818	173,930	71,636	123,688
Payment for property, plant and equipment	(145,799)	(374,042)	(142,238)	(207,413)
Payment for investments	-	-	(330,000)	(150,000)
Payment for other non current assets	(69,983)	-	-	-
Net cash used in investing activities	<u>(125,964)</u>	<u>(200,112)</u>	<u>(400,602)</u>	<u>(233,725)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of bank loan	(60,710)	(61,114)	-	-
Fund held in trust	(120,012)	-	-	-
Loan advanced to Newskills Ltd	-	(100,000)	-	(100,000)
Net cash used in financing activities	<u>(180,722)</u>	<u>(161,114)</u>	<u>-</u>	<u>(100,000)</u>
Net increase/(decrease) in cash held	241,533	(286,729)	198,935	(111,503)
Cash at beginning of financial year	<u>1,747,573</u>	<u>2,034,302</u>	<u>589,126</u>	<u>700,629</u>
Cash at end of financial year	<u>1,989,106</u>	<u>1,747,573</u>	<u>788,061</u>	<u>589,126</u>

The accompanying notes form part of this concise financial report.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

**NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT**

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full report of National Union of Workers - National Office. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of National Union of Workers - National Office as the full financial report.

The accounting policies have been consistently applied by the entity and are consistent with those of the previous financial year, unless otherwise stated.

**(i) Change in Accounting Policy**

The controlled entity changed its a accounting policy in regard to commission income whereby all commission and brokers were recognised when received into its Brokers Trust Account as the Committee of Management believe the change will improve the relevance and reliability of the controlled entity's financial report. The financial effect of this change in accounting policy has given rise to an increase in operating profit of \$118,929

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of subsection (1), (2) and (3) of sections 272, which read as follows:

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

(2) the application must be in writing and 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).

**NOTE 3: REVENUE**

**Operating activities**

- sustentation fee	5	2,215,936	1,990,528	2,215,936	1,990,528
- reimbursement from LUI for support services		-	-	-	83,153
- interest	3(a)	131,476	99,695	19,388	14,988
- commission received		1,233,821	1,276,821	-	-
- other revenue		<u>85,153</u>	<u>93,650</u>	<u>77,843</u>	<u>90,511</u>
		<u>3,666,386</u>	<u>3,460,694</u>	<u>2,313,167</u>	<u>2,179,180</u>

**Non - operating activities**

- proceeds on disposal of property, plant and equipment		<u>89,818</u>	<u>173,930</u>	<u>71,636</u>	<u>123,688</u>
Total Revenue		<u>3,756,204</u>	<u>3,634,624</u>	<u>2,384,803</u>	<u>2,302,868</u>

(a) Interest from:

- other persons		131,476	99,695	19,388	14,988
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NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
 AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

NOTE 4: SEGMENT REPORTING

Primary reporting - Business segments

The association has the following two business segments:

2004	Trade Union	Insurance & investment services	Eliminations	Total
	\$	\$	\$	\$
<b>REVENUE</b>				
Segment revenue	<u>2,384,803</u>	<u>1,476,270</u>	<u>(104,869)</u>	<u>3,756,204</u>
Total Segment Revenue	<u>2,384,803</u>	<u>1,476,270</u>	<u>(104,869)</u>	<u>3,756,204</u>
Total revenue from ordinary activities				<u><u>3,756,204</u></u>
<b>RESULT</b>				
Segment result	<u>(67,385)</u>	<u>127,608</u>	<u>-</u>	<u>60,223</u>
Profit from ordinary activities before income tax expense				<u>60,223</u>
Income tax expense				<u>(48,494)</u>
Profit from ordinary activities after income tax expense				<u>11,729</u>
Net Profit				<u><u>11,729</u></u>
Segment assets	<u>4,290,106</u>	<u>2,699,824</u>	<u>(627,687)</u>	<u>6,362,243</u>
Total assets				<u>6,362,243</u>
Segment liabilities	<u>869,625</u>	<u>553,959</u>	<u>-</u>	<u>1,423,584</u>
Total liabilities				<u>1,423,584</u>
Acquisition of non-current segment assets	142,238	8,406	-	150,644
Depreciation and amortisation of segment assets	99,843	68,003	-	167,846
Net cash flow from operating activities	<u>599,537</u>	<u>(51,318)</u>	<u>-</u>	<u>548,219</u>

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
 ABN 19 834 341 836  
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NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2004

NOTE 4: SEGMENT REPORTING (Continued)

2003	Trade Union \$	Insurance & investment services \$	Eliminations \$	Total \$
<b>REVENUE</b>				
Segment revenue	2,302,868	1,421,045	(89,289)	3,634,624
Total Segment Revenue	2,302,868	1,421,045	(89,289)	3,634,624
Total revenue from ordinary activities				<u>3,634,624</u>
<b>RESULT</b>				
Segment result	22,828	85,550	-	108,378
Profit from ordinary activities before income tax expense				108,378
Income tax expense				<u>(37,413)</u>
Profit from ordinary activities after income tax expense				<u>70,965</u>
Net Profit				<u>70,965</u>
Segment assets	4,104,609	2,577,312	(350,002)	6,331,919
Total assets				<u>6,331,919</u>
Segment liabilities	616,743	788,246	-	1,404,989
Total liabilities				<u>1,404,989</u>
Acquisition of non-current segment assets	207,413	166,629	-	374,042
Depreciation and amortisation of segment assets	103,855	71,649	-	175,504
Net cash flow from operating activities	<u>222,222</u>	<u>(147,725)</u>	<u>-</u>	<u>74,497</u>

Secondary reporting - Geographical segments

The Union operates in only one geographical sector ie: Australia

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
AND CONTROLLED ENTITIES

STATEMENT BY MEMBERS OF THE COMMITTEE

On 26/10/04 the Committee of Management of National Union of Workers - National Office pass the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2004:

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

1. the financial statements and notes, as set out on pages 3 to 24 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 3 to 24 comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of National Union of Workers - National Office for the financial year to which they relate;
4. there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 30 June 2004:
  - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - b. the financial affairs of National Union of Workers - National Office have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of National Union of Workers - National Office have been kept and maintained in accordance with the Registration and Accountability of Organisations (RAO) Schedule and the RAO Regulations; and
  - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
  - e. the information sought in any request of a member of National Union of Workers - National Office or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the members or Registrar; and
  - f. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:

Designated Officer

  
Charles Donnelly

Dated this

26/10/04

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
NATIONAL UNION OF WORKERS - NATIONAL OFFICE AND CONTROLLED ENTITIES**

**Scope**

We have audited the concise financial report of National Union of Workers - National Office and Controlled Entities for the financial year ended 30 June 2004 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to the Financial Statements and the Committee of Management Statement in order to express an opinion on it to the members. The committee is responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of National Union of Workers – National Office and Controlled Entities for the year ended 30 June 2004. Our audit report on the full financial report was signed on 27 October 2004, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

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

**Audit Opinion**

In our opinion, the concise financial report of National Union of Workers - National Office and Controlled Entities complies with Accounting Standard AASB:1039: Concise Financial Reports and Workplace Relations Act 1996.

*BGL + Associates*

BGL & Associates  
Chartered Accountants  
Suite One, Ground Floor  
598 St Kilda Road  
Melbourne VIC 3004

*I Hinds*

I. A. Hinds – A.C.A.  
Partner

27 October 2004  
Melbourne