



Mr Charles Donnelly  
General Secretary  
National Union of Workers  
PO Box 343  
NORTH MELBOURNE VIC 3051

Dear Mr Donnelly,

**National Union of Workers – National Office**  
**Financial Report for the Year Ended 30th June 2005 - FR2005/517**  
**Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial report of the National Office of the National Union of Workers for the year ended 30<sup>th</sup> June 2005. The documents were lodged in the Industrial Registry on 22 December 2005. Please excuse the delay in responding to you. Our attention in recent months had been diverted to the new Workchoices legislation.

The documents have been filed.

I make the following comments to assist you in preparing financial documents in the future. You do not need to take any further action in respect of the documents which have been lodged.

**Conference Costs and Attendance Fees**

Page 11 of the Notes to the Financial Statements shows that 'conference expenses' in 2004/2005 financial year totalled \$31,470. For future reference, I draw your attention to the fact that the Registrar's Reporting Guidelines require separate disclosure (where applicable) of:

- Fees or allowances paid to persons in respect of their attendance as representatives of the reporting unit at conferences or other meetings (guideline 11(i)); and
- Expenses incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible (guideline 11(k)).

**Statement of Donations**

A statement relating to donations made by the organisation during the year ended 30<sup>th</sup> June 2005 has also been received. The statement has been placed on a file that is not available to the general public in accordance with section 237(4) of the RAO Schedule.

There appears to be an inconsistency, however, between the accounts which have been lodged and the statement of donations. While the statement shows that three separate donations were made totalling \$13,550, the accounts show on page 3 of the Statement of Financial Performance that donations totalling \$12,740 were made. Would you please contact me regarding this issue. I can be contacted by email at [robert.pfeiffer@air.gov.au](mailto:robert.pfeiffer@air.gov.au) or on (03) 8661 7817.

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/080v>.

Yours sincerely,

Robert Pfeiffer  
Statutory Services Branch

14 June 2006



**National Union of Workers**

TK:RB

FR 2005/517

Our Ref: L17/05

Tuesday, 20 December, 2005

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

Rec'd 22/12/05

**Attention: Shane Ellard**

Dear Registrar,

**Re: National Union of Workers National Office Financial Reports for year ending 30 June 2005**

Please find attached a copy of the National Union of Workers National Office financial reports for the year ending 30 June 2005.

The financial reports were presented to a meeting of the National Committee of Management for approval on 19 December 2005.

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**

**Designated Officer's Certificate**

s268 of Schedule 1B Workplace Relations Act 1996

I Charlie Donnelly being the General Secretary of the National Union of Workers certify:

- that the documents lodged herewith are copies of the full report and the concise report referred to in s268 of the RAO Schedule; and
- that the concise report was provided to members on 17 November 2005; and
- that the full report was presented to a meeting of the National Committee of Management on 19 December 2005, in accordance with s266 of the RAO Schedule.

**DATED:** Tuesday, 20 December, 2005



**CHARLES DONNELLY**  
**GENERAL SECRETARY**  
**NATIONAL UNION OF WORKERS**

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

**CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2005**

**B.G.L. & ASSOCIATES  
Chartered Accountants  
Suite One, Ground Floor, 598 St Kilda Road Melbourne VIC 3004  
PO Box 6094 St Kilda Road Central 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 and Controlled Entities Concise Financial Report:**

The financial statements and disclosure in the concise financial report have been derived from the 2005 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 financial statements and the information contained in the concise financial report has been derived from the full 2005 Financial Report of National Union of Workers - National Office and Controlled Entities.

**Statement of Financial Performance:**

The surplus from ordinary activities attributable to members for the year is \$73,892 compared to a surplus of \$11,729 for the 2004 year. This result is mainly due to revenue growing at 6% over 2005 while expenses have only increased by 5% over the same period.

**Statement of Financial Position:**

Total assets decreased by \$108,423 from 30 June 2004 or 1.7% mainly due to an decrease in non-current assets. Total liabilities fell by \$182,315 or 12.8% mainly due to a repayment of bank loan. As a consequence members fund increased by \$73,892 from 30 June 2004.

Apart from the above, there has been no significant change in the composition of the assets and liabilities from the 2004 year.


**Statement of Cash Flows:**

Cash assets increased from \$1,914,427 at 30 June 2004 to \$2,154,969 as at 30 June 2005.

Cash flows provided by operations decreased by 80% during the year from \$548,219 at 30 June 2004 to \$109,901 at 30 June 2005. The change was caused by the timing effect of payments made to suppliers and receipts from the members.

The net increase in cash held during the year was lower when compared to the 2004 year. This is primarily due to the effect of the increased operating expenses.

Signed in accordance with a resolution of the Committee of Management.

  
\_\_\_\_\_  
Charles Donnelly

Dated this 11/11/05

**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 2005.

**Members of Committee**

The names of members of national committee of management (NCOM) in office at any time during or since the end of the financial year are:

Charles Donnelly

Derrick Belan

Gail Burmeister

Martin Pakula

Tim Kennedy

Martin Pritchard

Dani Shanahan (resigned on 24 February 2005)

Doug Stevens

Nick Thredgold

David Trenouth (resigned on 24 February 2005)

Marlene Wheatley

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

**Principal Activities**

The principal activities of the entity 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.

**Significant Changes**

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

**Operating Result**

The surplus of the entity for the financial year amounted to \$73,892.

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

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

OPERATING REPORT(Continued)

**Union's detail**

As at 30 June 2005, the union had 89,350 (30 June 2004: 89,500) members and 18 (30 June 2004: 14) employees.

**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 Committee of Management.



Charles Donnelly

Dated this 11/11/05



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

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE  
 FOR THE YEAR ENDED 30 JUNE 2005

	Note	Economic Entity	
		2005 \$	2004 \$
Revenues from ordinary activities	3	<u>3,911,409</u>	<u>3,760,098</u>
Administrative expenses		(352,820)	(263,301)
Affiliation fees		(298,322)	(274,349)
Conference and seminar expenses		(34,192)	(49,809)
Consulting fee		(18,685)	(3,453)
Depreciation and amortization		(142,891)	(167,846)
Donations		(12,740)	(4,071)
Employees expenses		(2,116,006)	(2,169,010)
Insurance expenses		(70,359)	(73,809)
Legal and professional fees		(53,652)	(52,652)
Motor vehicles expenses		(63,265)	(68,852)
Occupancy expenses		(98,739)	(93,337)
NUW Organising Fund		(96,292)	-
Printing and communication expenses		(183,693)	(158,671)
SA Organising Fund		(50,000)	(57,273)
Travel and accommodation expenses		(186,034)	(145,864)
Other expenses from ordinary activities		<u>(30,012)</u>	<u>(99,309)</u>
		<u>(3,807,702)</u>	<u>(3,681,606)</u>
Borrowing costs expense		<u>(19,133)</u>	<u>(18,269)</u>
<b>Profit from ordinary activities before income tax expense (income tax revenue)</b>		<b>84,574</b>	<b>60,223</b>
Income tax revenue (income tax expense) relating to ordinary activities		<u>(10,682)</u>	<u>(48,494)</u>
<b>Profit from ordinary activities after related income tax expense (income tax revenue)</b>		<b>73,892</b>	<b>11,729</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<u><b>73,892</b></u>	<u><b>11,729</b></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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2005

	Economic Entity	
	2005	2004
	\$	\$
<b>CURRENT ASSETS</b>		
Cash assets	2,154,969	1,914,427
Receivables	751,537	835,182
Other financial assets	51,500	74,679
Other	<u>10,932</u>	<u>30,761</u>
<b>TOTAL CURRENT ASSETS</b>	<u>2,968,938</u>	<u>2,855,049</u>
<b>NON-CURRENT ASSETS</b>		
Other financial assets	479,097	543,097
Property, plant and equipment	2,753,469	2,911,781
Intangible assets	<u>52,316</u>	<u>52,316</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>3,284,882</u>	<u>3,507,194</u>
<b>TOTAL ASSETS</b>	<u>6,253,820</u>	<u>6,362,243</u>
<b>CURRENT LIABILITIES</b>		
Payables	424,059	599,157
Current tax liabilities	2,350	30,382
Provisions	<u>398,753</u>	<u>359,408</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>825,162</u>	<u>988,947</u>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing liabilities	247,924	310,919
Provisions	<u>168,183</u>	<u>123,718</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>416,107</u>	<u>434,637</u>
<b>TOTAL LIABILITIES</b>	<u>1,241,269</u>	<u>1,423,584</u>
<b>NET ASSETS</b>	<u>5,012,551</u>	<u>4,938,659</u>
<b>EQUITY</b>		
Reserves	4,960	4,960
Accumulated surplus	<u>5,007,591</u>	<u>4,933,699</u>
<b>TOTAL EQUITY</b>	<u>5,012,551</u>	<u>4,938,659</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**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2005**

	Economic Entity	
	2005 \$	2004 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Sustentation fees received	2,548,286	2,409,837
Other income	204,131	375,235
Commission received	1,012,029	1,346,861
Payments to suppliers and employees	(3,729,294)	(3,686,042)
Interest received	143,496	124,963
Borrowing costs	(19,133)	(18,270)
Income tax paid	(49,614)	(4,365)
Net cash provided by operating activities	<u>109,901</u>	<u>548,219</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	24,545	89,818
Payment for property, plant and equipment	(22,588)	(145,799)
Proceeds (Payment) for investments	128,500	-
Payment for other non current assets	-	(69,983)
Net cash provided by/(used in) investing activities	<u>130,457</u>	<u>(125,964)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of bank loan	(62,995)	(60,710)
Fund held in trust	-	(120,012)
Loan repayment from NUW SA Branch	40,000	-
Net cash used in financing activities	<u>(22,995)</u>	<u>(180,722)</u>
Net increase in cash held	217,363	241,533
Cash at beginning of financial year	<u>1,989,106</u>	<u>1,747,573</u>
Cash at end of financial year	<u>2,206,469</u>	<u>1,989,106</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 2005**

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

The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: Concise Financial Report 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 financial report of National Union of Workers - National Office and Controlled Entities. 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 and Controlled Entities as the full financial report.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those of the previous financial year.

**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 2005

	Economic Entity	
	2005	2004
	\$	\$
<b>NOTE 3: REVENUE</b>		
<b>Operating activities</b>		
- sustentation fee	2,376,162	2,215,936
- interest	3(a) 143,496	131,476
- commission received	1,117,044	1,233,821
- directors' fee	118,920	71,700
- investment income	64,500	-
- other revenue	<u>66,742</u>	<u>17,347</u>
	<u>3,886,864</u>	<u>3,670,280</u>
<b>Non - operating activities</b>		
- proceeds on disposal of property, plant and equipment	<u>24,545</u>	<u>89,818</u>
<b>Total Revenue</b>	<u><u>3,911,409</u></u>	<u><u>3,760,098</u></u>
(a) Interest from:		
- other persons	<u>143,496</u>	<u>131,476</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 2005

**NOTE 4: SEGMENT REPORTING**

**Primary reporting - Business segments**

The economic entity has the following two business segments:

2005	Trade Union \$	Insurance & investment services \$	Eliminations \$	Total \$
<b>REVENUE</b>				
Segment revenue	2,584,805	1,326,604	-	3,911,409
Total Segment Revenue	<u>2,584,805</u>	<u>1,326,604</u>	<u>-</u>	<u>3,911,409</u>
Total revenue from ordinary activities				<u><u>3,911,409</u></u>
<b>RESULT</b>				
Segment result	31,146	53,428	-	84,574
Profit from ordinary activities before income tax expense				84,574
Income tax expense				<u>(10,682)</u>
Profit from ordinary activities after income tax expense				<u>73,892</u>
Net Profit				<u><u>73,892</u></u>
<b>ASSETS</b>				
Segment assets	4,249,349	2,635,410	(630,939)	6,253,820
Total assets				<u>6,253,820</u>
<b>LIABILITIES</b>				
Segment liabilities	797,722	446,794	(3,247)	1,241,269
Total liabilities				<u>1,241,269</u>
<b>OTHER</b>				
Acquisition of non-current segment assets	14,873	7,715	-	22,588
Depreciation and amortisation of segment assets	86,131	56,760	-	142,891
Net cash flow from operating activities	<u>(79,757)</u>	<u>189,658</u>	<u>-</u>	<u>109,901</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 2005**

**NOTE 4: SEGMENT REPORTING (Continued)**

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>	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><u>11,729</u></u>
<b>ASSETS</b>				
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>
<b>LIABILITIES</b>				
Segment liabilities	<u>869,625</u>	<u>553,959</u>	<u>-</u>	1,423,584
Total liabilities				<u>1,423,584</u>
<b>OTHER</b>				
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>

**Secondary reporting - Geographical segments**

The economic entity operates in only one geographical sector ie: Australia

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 2005 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to the Financial Statements and the Statement by Members of the Committee. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's 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 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 for the year ended 30 June 2005. Our audit report on the full financial report was signed on 15 November 2005, and was not subject to any qualification.

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

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 complies with Accounting Standard AASB 1039: Concise Financial Report - National Office as at 30 June 2005 and the results of its operations and its cash flows for the financial year then ended.

*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

15 November 2005

Melbourne



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

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2005**

**B.G.L. & ASSOCIATES  
Chartered Accountants  
Suite One, Ground Floor, 598 St Kilda Road Melbourne VIC 3004  
PO Box 6094 St Kilda Road Central 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  
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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 2005.

**Members of Committee**

The names of members of national committee of management (NCOM) in office at any time during or since the end of the financial year are:

Charles Donnelly

Derrick Belan

Gail Burmeister

Martin Pakula

Tim Kennedy

Martin Pritchard

Dani Shanahan (resigned on 24 February 2005)

Doug Stevens

Nick Thredgold

David Trenouth (resigned on 24 February 2005)

Marlene Wheatley

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

**Principal Activities**

The principal activities of the entity 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.

**Significant Changes**

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

**Operating Result**

The surplus of the entity for the financial year amounted to \$73,892.

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
ABN 19 834 341 836  
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OPERATING REPORT(Continued)

**Union's detail**

As at 30 June 2005, the union had 89,350 (30 June 2004: 89,500) members and 18 (30 June 2004: 14) employees.

**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.

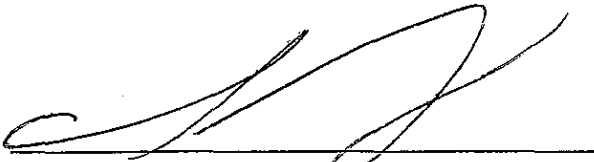
**Directorships of Superannuation Funds**

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 Fumer

Signed in accordance with a resolution of the Committee of Management.

  
\_\_\_\_\_  
Charles Donnelly

Dated this 11/11/2005

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

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Revenues from ordinary activities	3	<u>3,911,409</u>	<u>3,760,098</u>	<u>2,584,805</u>	<u>2,384,803</u>
Administrative expenses		(352,820)	(263,301)	(234,848)	(162,241)
Affiliation fees		(298,322)	(274,349)	(298,322)	(274,349)
Conference and seminar expenses		(34,192)	(49,809)	(34,192)	(49,809)
Consulting fee		(18,685)	(3,453)	-	(300)
Depreciation and amortisation		(142,891)	(167,846)	(86,131)	(99,844)
Donations		(12,740)	(4,071)	(12,740)	(4,071)
Employees expenses	5	(2,116,006)	(2,169,010)	(1,272,221)	(1,329,039)
Insurance expenses		(70,359)	(73,809)	(25,133)	(25,639)
Legal and professional fees		(53,652)	(52,652)	(18,705)	(25,646)
Motor vehicles expenses		(63,265)	(68,852)	(33,137)	(43,309)
Occupancy expenses		(98,739)	(93,337)	(72,023)	(67,377)
NUW Organising Fund		(96,292)	-	(96,292)	-
Printing and communication expenses		(183,693)	(158,671)	(133,975)	(108,613)
SA Organising Fund		(50,000)	(57,273)	(50,000)	(57,273)
Travel and accommodation expenses		(186,034)	(145,864)	(175,234)	(126,885)
Other expenses from ordinary activities		<u>(30,012)</u>	<u>(99,309)</u>	<u>(10,706)</u>	<u>(77,793)</u>
		<u>(3,807,702)</u>	<u>(3,681,606)</u>	<u>(2,553,659)</u>	<u>(2,452,188)</u>
Borrowing costs expense		<u>(19,133)</u>	<u>(18,269)</u>	<u>-</u>	<u>-</u>
<b>Profit from ordinary activities before income tax expense (income tax revenue)</b>		<b>84,574</b>	<b>60,223</b>	<b>31,146</b>	<b>(67,385)</b>
Income tax revenue (income tax expense) relating to ordinary activities	6	<u>(10,682)</u>	<u>(48,494)</u>	<u>-</u>	<u>-</u>
<b>Profit from ordinary activities after related income tax expense (income tax revenue)</b>		<b>73,892</b>	<b>11,729</b>	<b>31,146</b>	<b>(67,385)</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<u><b>73,892</b></u>	<u><b>11,729</b></u>	<u><b>31,146</b></u>	<u><b>(67,385)</b></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 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
<b>CURRENT ASSETS</b>					
Cash assets	7	2,154,969	1,914,427	819,522	713,382
Receivables	8	751,537	835,182	700,494	653,074
Other financial assets	10	51,500	74,679	51,500	74,679
Other	9	<u>10,932</u>	<u>30,761</u>	<u>10,932</u>	<u>30,761</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>2,968,938</b></u>	<u><b>2,855,049</b></u>	<u><b>1,582,448</b></u>	<u><b>1,471,896</b></u>
<b>NON-CURRENT ASSETS</b>					
Other financial assets	10	479,097	543,097	1,159,104	1,223,102
Property, plant and equipment	11	2,753,469	2,911,781	1,507,799	1,595,108
Intangible assets	12	<u>52,316</u>	<u>52,316</u>	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>3,284,882</b></u>	<u><b>3,507,194</b></u>	<u><b>2,666,903</b></u>	<u><b>2,818,210</b></u>
<b>TOTAL ASSETS</b>		<u><b>6,253,820</b></u>	<u><b>6,362,243</b></u>	<u><b>4,249,351</b></u>	<u><b>4,290,106</b></u>
<b>CURRENT LIABILITIES</b>					
Payables	13	424,059	599,157	344,368	508,523
Current tax liabilities	15	2,350	30,382	-	-
Provisions	16	<u>398,753</u>	<u>359,408</u>	<u>285,173</u>	<u>237,384</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>825,162</b></u>	<u><b>988,947</b></u>	<u><b>629,541</b></u>	<u><b>745,907</b></u>
<b>NON-CURRENT LIABILITIES</b>					
Interest-bearing liabilities	14	247,924	310,919	-	-
Provisions	16	<u>168,183</u>	<u>123,718</u>	<u>168,183</u>	<u>123,718</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>416,107</b></u>	<u><b>434,637</b></u>	<u><b>168,183</b></u>	<u><b>123,718</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>1,241,269</b></u>	<u><b>1,423,584</b></u>	<u><b>797,724</b></u>	<u><b>869,625</b></u>
<b>NET ASSETS</b>		<u><b>5,012,551</b></u>	<u><b>4,938,659</b></u>	<u><b>3,451,627</b></u>	<u><b>3,420,481</b></u>
<b>EQUITY</b>					
Reserves	17	4,960	4,960	-	-
Accumulated surplus	18	<u>5,007,591</u>	<u>4,933,699</u>	<u>3,451,627</u>	<u>3,420,481</u>
<b>TOTAL EQUITY</b>		<u><b>5,012,551</b></u>	<u><b>4,938,659</b></u>	<u><b>3,451,627</b></u>	<u><b>3,420,481</b></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 2005

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Sustentation fees received		2,548,286	2,409,837	2,548,286	2,409,837
Other income		204,131	375,235	204,131	367,196
Commission received		1,012,029	1,346,861	-	-
Payments to suppliers and employees		(3,729,294)	(3,686,042)	(2,840,664)	(2,190,372)
Interest received		143,496	124,963	8,490	12,876
Borrowing costs		(19,133)	(18,270)	-	-
Income tax paid		(49,614)	(4,365)	-	-
Net cash provided by operating activities	21(b)	<u>109,901</u>	<u>548,219</u>	<u>(79,757)</u>	<u>599,537</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment		24,545	89,818	9,091	71,636
Payment for property, plant and equipment		(22,588)	(145,799)	(14,873)	(142,238)
Proceeds (Payment) for investments		128,500	-	128,500	(330,000)
Payment for other non current assets		-	(69,983)	-	-
Net cash provided by/(used in) investing activities		<u>130,457</u>	<u>(125,964)</u>	<u>122,718</u>	<u>(400,602)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Repayment of bank loan		(62,995)	(60,710)	-	-
Fund held in trust		-	(120,012)	-	-
Loan repayment from NUW SA Branch		40,000	-	40,000	-
Net cash used in financing activities		<u>(22,995)</u>	<u>(180,722)</u>	<u>40,000</u>	<u>-</u>
Net increase in cash held		217,363	241,533	82,961	198,935
Cash at beginning of financial year		<u>1,989,106</u>	<u>1,747,573</u>	<u>788,061</u>	<u>589,126</u>
Cash at end of financial year	21 (a)	<u><u>2,206,469</u></u>	<u><u>1,989,106</u></u>	<u><u>871,022</u></u>	<u><u>788,061</u></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 2005**

**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-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, 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 or fair value less, where applicable, 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 Committee of Management 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.

Land and buildings are brought to account at cost or at independent or Committee of Management s' valuation.

*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 2005

**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 2005

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

**(h) Revenue**

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

Commission revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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.

**(k) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards**

The economic entity is preparing and managing the transition to Australian Equivalent of International Financial Reporting Standards (AIFRS) effective for financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the economic entity's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The economic entity's management, have assessed the significance of the expected changes and are preparing for their implementation.

The economic entity 's management is of the opinion that the key material differences in the economic entity's accounting policies on conversion to AIFRS and the financial effect of these differences where known are as follows. Users of the financial statements should, however, note that the amounts disclosed could change if there are any amendments to the current AIFRS by standard-setters, or interpretation of the AIFRS requirements changes due to the continuing transition work of the management of the economic entity.

– *Non-current investments*

Under AASB 139: Financial Instruments: Recognition and Measurement, financial assets are required to be classified into four categories, which determines the accounting treatment to the respective item. The entity's financial assets comprise those available for sale financial instruments. Under AASB 139, the measurement of available for sale instruments at fair value differs to current accounting policy which measures non-current investments at cost with an annual review by the National Committee of Management to ensure that the carrying amounts are not in excess of the recoverable value of the instrument. The impact of the change is likely to increase the value of non-current other financial assets in relation to available for sales instruments. AASB 1 provides an election whereby the requirements of AASB 139 dealing with financial instruments are not required to be applied to the first AIFRS comparative year, and the first time adoption of this standard will apply from 1 July 2005. The entity has decided that it will adopt this election and will not restate comparative information for the 30 June 2005 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 2005

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**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 2005

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
<b>NOTE 3: REVENUE</b>					
<b>Operating activities</b>					
- sustentation fee	4	2,376,162	2,215,936	2,376,162	2,215,936
- interest	3(a)	143,496	131,476	15,490	19,388
- commission received		1,117,044	1,233,821	-	-
- directors' fee		118,920	71,700	118,920	71,700
- investment income		64,500	-	64,500	-
- other revenue		66,742	17,347	642	6,143
		<u>3,886,864</u>	<u>3,670,280</u>	<u>2,575,714</u>	<u>2,313,167</u>
<b>Non - operating activities</b>					
- proceeds on disposal of property, plant and equipment		24,545	89,818	9,091	71,636
Total Revenue		<u>3,911,409</u>	<u>3,760,098</u>	<u>2,584,805</u>	<u>2,384,803</u>
(a) Interest from:					
- other persons		<u>143,496</u>	<u>131,476</u>	<u>15,490</u>	<u>19,388</u>
Profit (losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:					
(b) Expenses					
Borrowing costs:					
- other persons		19,133	18,269	-	-
Depreciation of non-current assets					
- capital assets		142,891	167,846	86,131	99,844
Remuneration of the auditors for					
- audit or review services		8,600	6,475	8,600	6,475
- other services		2,500	3,450	2,500	3,450
Remuneration for other auditors of controlled entities					
- auditing the financial report of controlled entities		24,400	14,000	-	-
(c) Revenue and Net Gains					
Net gain on disposal of non-current assets					
- property, plant and equipment		-	3,894	-	-

**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 2005**

Note	Economic Entity		Parent Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
<b>NOTE : PROFIT FROM ORDINARY ACTIVITIES (Continued)</b>				
(d) Significant Revenues and Expenses				
Conference expenses	31,470	48,446	31,470	48,446
Consulting fee	18,685	3,453	-	300
Legal fee	1,684	5,030	1,684	2,698
<b>NOTE 4: SUSTENTATION FEE</b>				
New South Wales	700,579	645,607	700,579	645,607
South Australia	112,886	109,170	112,886	109,170
Queensland	211,284	207,572	211,284	207,572
Victorian	1,317,136	1,166,539	1,317,136	1,166,539
NUW Central	-	50,000	-	50,000
Western Australia	34,277	37,048	34,277	37,048
	<u>2,376,162</u>	<u>2,215,936</u>	<u>2,376,162</u>	<u>2,215,936</u>
<b>NOTE 5: EMPLOYEE EXPENSES</b>				
Holiday pay	23,511	33,113	24,908	28,183
Long service leave	29,266	11,188	36,313	(2,834)
Staff training and welfare	22,769	22,471	7,436	3,913
Superannuation - staff	227,231	180,832	112,986	79,043
Superannuation - officers	50,989	47,587	50,989	47,587
Salaries and wages - staff	1,437,406	1,228,196	714,755	527,524
Salaries and wages - officers	324,834	346,500	324,834	346,500
Salaries - officer (retirement package)	-	299,123	-	299,123
	<u>2,116,006</u>	<u>2,169,010</u>	<u>1,272,221</u>	<u>1,329,039</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 2005

Note	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>NOTE 6: INCOME TAX EXPENSE</b>				
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:				
Prima facie income tax payable on profit from ordinary activities before income tax at 30.0% (2004 - 30.0%)	25,372	18,067	9,344	(20,216)
Add:				
Tax effect of:				
–other non-allowable items	-	13,887	-	-
	<u>25,372</u>	<u>31,954</u>	<u>9,344</u>	<u>(20,216)</u>
Less:				
Tax effect of:				
–non-taxable income	(9,344)	20,216	(9,344)	20,216
–other non-assessable items	<u>(5,346)</u>	<u>(3,676)</u>	<u>-</u>	<u>-</u>
Income tax expense attributable to profit from ordinary activities	<u><u>10,682</u></u>	<u><u>48,494</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>NOTE 7: CASH ASSETS</b>				
Cash on hand	622	620	500	500
Cash at bank	<u>2,154,347</u>	<u>1,913,807</u>	<u>819,022</u>	<u>712,882</u>
	<u><u>2,154,969</u></u>	<u><u>1,914,427</u></u>	<u><u>819,522</u></u>	<u><u>713,382</u></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 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
<b>NOTE 8: RECEIVABLES</b>					
CURRENT					
NUW Central Branch		24,537	24,537	24,537	24,537
NUW NSW Branch		213,825	62,477	213,825	62,477
NUW Queensland Branch		19,503	19,434	19,503	19,434
NUW SA Branch		32,492	11,112	32,492	11,112
NUW Victorian Branch		138,866	256,805	138,866	256,805
NUW WA Branch		18,685	26,363	18,685	26,363
Sundry debtors		<u>37,473</u>	<u>23,387</u>	<u>26,818</u>	<u>12,577</u>
		485,381	424,115	474,726	413,305
Less provision for doubtful debts		<u>(42,220)</u>	<u>(42,220)</u>	<u>(42,220)</u>	<u>(42,220)</u>
		<u>443,161</u>	<u>381,895</u>	<u>432,506</u>	<u>371,085</u>
Other debtors		111,999	234,810	82,511	63,512
Income tax refund		10,900	-	-	-
Amounts receivable from:					
- NUW SA Branch		-	40,000	-	40,000
- Newskills Limited		<u>185,477</u>	<u>178,477</u>	<u>185,477</u>	<u>178,477</u>
		<u>308,376</u>	<u>453,287</u>	<u>267,988</u>	<u>281,989</u>
		<u>751,537</u>	<u>835,182</u>	<u>700,494</u>	<u>653,074</u>
<b>NOTE 9: OTHER ASSETS</b>					
CURRENT					
Prepayments		<u>10,932</u>	<u>30,761</u>	<u>10,932</u>	<u>30,761</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 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
<b>NOTE 10: OTHER FINANCIAL ASSETS</b>					
<b>CURRENT</b>					
Short term deposit		-	23,179	-	23,179
Adelaide Bank		50,000	50,000	50,000	50,000
CBA Term deposit		<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
		<u>51,500</u>	<u>74,679</u>	<u>51,500</u>	<u>74,679</u>
<b>NON-CURRENT</b>					
Shares in other corporations					
- units in IPP Property Trust		75,250	75,250	75,250	75,250
- shares in IPP Pty Ltd		195,750	124,750	195,750	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	575,002
- shares in ACN 090 76 942 Pty Ltd		15,000	150,000	15,000	150,000
- shares in Labour Union Investment Services Ltd		-	-	105,003	105,003
- shares in Labour Union Insurance Co-operative Retirement Fund Pty Ltd		2	2	2	2
- shares in Australian Risk Insurance Services Pty Ltd		-	-	2	-
- shares in Bell Assets Managements Pty Ltd		<u>179,895</u>	<u>179,895</u>	<u>179,895</u>	<u>179,895</u>
		<u>479,097</u>	<u>543,097</u>	<u>1,159,104</u>	<u>1,223,102</u>
<b>NOTE 11: 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>(436,188)</u>	<u>(393,704)</u>	<u>(365,295)</u>	<u>(343,092)</u>
		<u>1,828,325</u>	<u>1,870,809</u>	<u>1,087,974</u>	<u>1,110,177</u>
Total property		<u>2,304,325</u>	<u>2,346,809</u>	<u>1,203,974</u>	<u>1,226,177</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 2005**

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		\$	\$	\$	\$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)</b>					
<b>PLANT AND EQUIPMENT</b>					
Motor vehicles					
At cost		446,054	511,299	275,858	309,507
Less accumulated depreciation		<u>(187,308)</u>	<u>(154,110)</u>	<u>(96,708)</u>	<u>(72,904)</u>
		<u>258,746</u>	<u>357,189</u>	<u>179,150</u>	<u>236,603</u>
Office equipment					
At cost		117,003	110,170	113,282	106,450
Less accumulated depreciation		<u>(84,445)</u>	<u>(81,278)</u>	<u>(84,445)</u>	<u>(81,278)</u>
		<u>32,558</u>	<u>28,892</u>	<u>28,837</u>	<u>25,172</u>
Computer equipment					
At cost		200,264	189,489	185,298	178,120
Less accumulated depreciation		<u>(163,604)</u>	<u>(150,464)</u>	<u>(155,938)</u>	<u>(143,976)</u>
		<u>36,660</u>	<u>39,025</u>	<u>29,360</u>	<u>34,144</u>
Furniture, fixtures and fittings					
At cost		505,077	500,097	287,507	286,644
Less accumulated depreciation		<u>(383,897)</u>	<u>(360,231)</u>	<u>(221,029)</u>	<u>(213,632)</u>
		<u>121,180</u>	<u>139,866</u>	<u>66,478</u>	<u>73,012</u>
Total plant and equipment		<u>449,144</u>	<u>564,972</u>	<u>303,825</u>	<u>368,931</u>
Total property, plant and equipment		<u>2,753,469</u>	<u>2,911,781</u>	<u>1,507,799</u>	<u>1,595,108</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
	\$	\$	\$	\$
<b>2005</b>				
Balance at the beginning of the year	476,000	116,000	1,870,809	1,110,177
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	-	<u>(42,484)</u>	<u>(22,203)</u>
Carrying amount at the end of the year	<u>476,000</u>	<u>116,000</u>	<u>1,828,325</u>	<u>1,087,974</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 2005

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)</b>					
		<b>Motor vehicles</b>		<b>Office equipment</b>	
		<b>Economic Entity</b>	<b>Parent Entity</b>	<b>Economic Entity</b>	<b>Parent Entity</b>
		\$	\$	\$	\$
<b>2005</b>					
Balance at the beginning of the year		357,189	236,603	28,893	25,172
Additions		-	-	6,832	6,832
Disposals		(38,009)	(16,051)	-	-
Depreciation expense		<u>(60,434)</u>	<u>(41,402)</u>	<u>(3,167)</u>	<u>(3,167)</u>
Carrying amount at the end of the year		<u>258,746</u>	<u>179,150</u>	<u>32,558</u>	<u>28,837</u>
		<b>Furniture, fixtures &amp; fittings</b>		<b>Computer equipment</b>	
		<b>Economic Entity</b>	<b>Parent Entity</b>	<b>Economic Entity</b>	<b>Parent Entity</b>
		\$	\$	\$	\$
<b>2005</b>					
Balance at the beginning of the year		139,865	73,012	39,025	34,144
Additions		4,981	863	10,775	7,178
Disposals		-	-	-	-
Depreciation expense		<u>(23,666)</u>	<u>(7,397)</u>	<u>(13,140)</u>	<u>(11,962)</u>
Carrying amount at the end of the year		<u>121,180</u>	<u>66,478</u>	<u>36,660</u>	<u>29,360</u>
		<b>Total</b>			
		<b>Economic Entity</b>	<b>Parent Entity</b>		
		\$	\$		
<b>2005</b>					
Balance at the beginning of the year		2,911,781	1,595,108		
Additions		22,588	14,873		
Disposals		(38,009)	(16,051)		
Depreciation expense		<u>(142,891)</u>	<u>(86,131)</u>		
Carrying amount at the end of the year		<u>2,753,469</u>	<u>1,507,799</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 2005**

Note	Economic Entity		Parent Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
<b>NOTE 12: INTANGIBLE ASSETS</b>				
Goodwill on consolidation at cost	<u>52,316</u>	<u>52,316</u>	<u>-</u>	<u>-</u>
<b>NOTE 13: PAYABLES</b>				
CURRENT				
Unsecured liabilities				
Other creditors	210,969	190,872	152,923	61,614
NUW Queensland Branch	20,000	20,000	20,000	20,000
NUW Victorian Branch	54,928	57,169	54,928	57,169
Net GST owed	128,364	148,139	106,717	103,594
Sundry creditors and accruals	<u>9,798</u>	<u>182,977</u>	<u>9,800</u>	<u>266,146</u>
	<u>424,059</u>	<u>599,157</u>	<u>344,368</u>	<u>508,523</u>
<b>NOTE 14: INTEREST BEARING LIABILITIES</b>				
NON-CURRENT				
Secured liabilities				
Bank loans	<u>247,924</u>	<u>310,919</u>	<u>-</u>	<u>-</u>
<b>NOTE 15: TAX LIABILITIES</b>				
CURRENT				
Income tax	<u>2,350</u>	<u>30,382</u>	<u>-</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	Note	Economic Entity		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
<b>NOTE 16: PROVISIONS</b>					
<b>CURRENT</b>					
Employee benefits - staff	16(a)	241,462	218,660	127,882	96,636
Employee benefits - officers		151,998	135,455	151,998	135,455
Other		<u>5,293</u>	<u>5,293</u>	<u>5,293</u>	<u>5,293</u>
		<u>398,753</u>	<u>359,408</u>	<u>285,173</u>	<u>237,384</u>
<b>NON-CURRENT</b>					
Employee benefits - staff	16(a)	87,294	54,071	87,294	54,071
Employee benefits - officers		<u>80,889</u>	<u>69,647</u>	<u>80,889</u>	<u>69,647</u>
		<u>168,183</u>	<u>123,718</u>	<u>168,183</u>	<u>123,718</u>
(a) Aggregate employee benefit liability		<u>561,643</u>	<u>477,833</u>	<u>448,063</u>	<u>355,809</u>
(b) Number of employees at year end		<u>32</u>	<u>30</u>	<u>18</u>	<u>13</u>
<b>NOTE 17: RESERVES</b>					
General reserve	(a)	<u>4,960</u>	<u>4,960</u>	<u>-</u>	<u>-</u>
(a) General reserve					
The general reserve was used in prior years to record amounts set aside of fund the future expansion of the company.					
<b>NOTE 18: ACCUMULATED SURPLUS</b>					
Accumulated surplus at the beginning of the financial year		4,933,699	4,921,970	3,420,481	3,487,866
Net surplus (deficit) attributable to members of the entity		<u>73,892</u>	<u>11,729</u>	<u>31,146</u>	<u>(67,385)</u>
Accumulated surplus at the end of the financial year		<u>5,007,591</u>	<u>4,933,699</u>	<u>3,451,627</u>	<u>3,420,481</u>

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
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NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2005

Note	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
<hr/>				
<b>NOTE 19: 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	2,561	2,561
- later than one year and not later than five years	<u>3,201</u>	<u>5,762</u>	<u>3,201</u>	<u>5,762</u>
	<u><u>5,762</u></u>	<u><u>8,323</u></u>	<u><u>5,762</u></u>	<u><u>8,323</u></u>

General description of leasing arrangement:

The lease is related to the rental of photocopier.

**NOTE 20: RELATED PARTY TRANSACTIONS**

(a) The members of the Committee of Management during the year are:

Charles Donnelly  
 Derrick Belan  
 Gail Burmeister  
 Martin Pakula  
 Tim Kennedy  
 Martin Pritchard  
 Dani Shanahan (resigned on 24 February 2005)  
 Doug Stevens  
 Nick Thredgold  
 David Trenouth (resigned on 24 February 2005)  
 Marlene Wheatley

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

Note	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>NOTE 21: 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	622	620	500	500
Cash at bank	2,154,347	1,913,807	819,022	712,882
At call deposits with financial institutions	51,500	74,679	51,500	74,679
	<u>2,206,469</u>	<u>1,989,106</u>	<u>871,022</u>	<u>788,061</u>
(b) Reconciliation of cash flow from operations with surplus from ordinary activities after income tax				
Surplus from ordinary activities after income tax	73,892	11,729	31,146	(67,385)
Non-cash flows in surplus from ordinary activities				
Depreciation	142,891	167,846	86,131	99,844
Net (gain) / loss on disposal of property, plant and equipment	13,463	5,528	6,960	9,422
Investment income	(64,500)	-	(64,500)	-
Changes in assets and liabilities				
Decrease in receivables	54,545	266,935	(87,420)	280,320
Decrease in other assets	19,829	24,455	19,829	24,455
Decrease in payables	(175,097)	(101,952)	(164,157)	142,283
Increase/(decrease) in income tax payable	(38,932)	44,129	-	-
Increase in provisions	83,810	129,549	92,254	110,598
Cash flows from operations	<u>109,901</u>	<u>548,219</u>	<u>(79,757)</u>	<u>599,537</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**NOTE 22: 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		Fixed Interest Rate Maturing		Floating Interest Rate		Non Interest Bearing	
	Interest Rate		Within 1 Year					
	2005	2004	2005	2004	2005	2004	2005	2004
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	1.70	2.00	-	-	2,154,347	1,913,807	622	620
Receivables	7.00	7.00	100,000	100,000	-	-	651,537	735,182
Investments	3.40	3.40	-	-	51,500	74,679	479,097	543,097
Total Financial Assets			<u>100,000</u>	<u>100,000</u>	<u>2,205,847</u>	<u>1,988,486</u>	<u>1,131,256</u>	<u>1,278,899</u>
Financial Liabilities:								
Bank loans and overdrafts	6.90	6.65	-	-	247,924	310,919	-	-
Trade and sundry creditors	-	-	-	-	-	-	424,059	599,157
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>247,924</u>	<u>310,919</u>	<u>424,059</u>	<u>599,157</u>

	Total	
	2005	2004
	\$	\$
Financial Assets:		
Cash	2,154,969	1,914,427
Receivables	751,537	835,182
Investments	<u>530,597</u>	<u>617,776</u>
Total Financial Assets	<u>3,437,103</u>	<u>3,367,385</u>
Financial Liabilities:		
Bank loans and overdrafts	247,924	310,919
Trade and sundry creditors	<u>220,767</u>	<u>373,849</u>
Total Financial Liabilities	<u>468,691</u>	<u>684,768</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  
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AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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**NOTE 22: FINANCIAL INSTRUMENTS (Continued)**

**(c) Net Fair Values**

For unlisted investments where there is no organised financial market the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment. For other assets and other liabilities the net fair value approximates their carrying value.

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 23: CONTROLLED ENTITIES**

Subsidiary: Labour Union Investment Services Limited  
Country of incorporation: Australia  
Percentage owned: 100% (2004 100%)

Subsidiary: Labour Union Insurance (Brokers) Pty Ltd  
Country of incorporation: Australia  
Percentage owned: 100% (2004 100%)

Subsidiary: Australian Risk Insurance Services Pty Ltd  
Country of incorporation: Australia  
Percentage owned: 100% (2004 -%)



NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
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NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 24: SEGMENT REPORTING**

**Primary reporting - Business segments**

The economic entity has the following two business segments:

2005	Trade Union	Insurance & investment services	Eliminations	Total
	\$	\$	\$	\$
<b>REVENUE</b>				
Segment revenue	<u>2,584,805</u>	<u>1,326,604</u>	-	<u>3,911,409</u>
Total Segment Revenue	<u>2,584,805</u>	<u>1,326,604</u>	-	<u>3,911,409</u>
Total revenue from ordinary activities				<u>3,911,409</u>
<b>RESULT</b>				
Segment result	<u>31,146</u>	<u>53,428</u>	-	84,574
Profit from ordinary activities before income tax expense				84,574
Income tax expense				<u>(10,682)</u>
Profit from ordinary activities after income tax expense				<u>73,892</u>
Net Profit				<u>73,892</u>
<b>ASSETS</b>				
Segment assets	<u>4,249,349</u>	<u>2,635,410</u>	<u>(630,939)</u>	6,253,820
Total assets				<u>6,253,820</u>
<b>LIABILITIES</b>				
Segment liabilities	<u>797,722</u>	<u>446,794</u>	<u>(3,247)</u>	1,241,269
Total liabilities				<u>1,241,269</u>
<b>OTHER</b>				
Acquisition of non-current segment assets	14,873	7,715	-	22,588
Depreciation and amortisation of segment assets	86,131	56,760	-	142,891
Net cash flow from operating activities	<u>(79,757)</u>	<u>189,658</u>	-	<u>109,901</u>

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

**NOTE 24: SEGMENT REPORTING (Continued)**

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>	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><u>11,729</u></u>
<b>ASSETS</b>				
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>
<b>LIABILITIES</b>				
Segment liabilities	<u>869,625</u>	<u>553,959</u>	<u>-</u>	1,423,584
Total liabilities				<u>1,423,584</u>
<b>OTHER</b>				
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>

**Secondary reporting - Geographical segments**

The economic entity operates in only one geographical sector ie: Australia

**NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

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**NOTE 25: ENTITY DETAILS**

The principal place of business of the entity is:

National Union of Workers - National Office

552-568 Victoria Street

NORTH MELBOURNE VIC 3051

NATIONAL UNION OF WORKERS - NATIONAL OFFICE  
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STATEMENT BY MEMBERS OF THE COMMITTEE

On 11<sup>th</sup> November 2005 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 2005:

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 25 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 3 to 25 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 economic 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 2005:
  - 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:



Charles Donnelly

Dated this 11/11/05

## 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 2005 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to the Financial Statements and the Statement by Members of the Committee. The financial report includes the consolidated financial statements of the consolidated entity comprising the union and the entities it controlled at the year's 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's 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 financial report of National Union of Workers - National Office presents a true and fair view in accordance with applicable Accounting Standards in Australia and other mandatory professional reporting requirements as well as the requirements of the RAO Schedule of the Workplace Relations Act 1996, the financial position of National Union of Workers - National Office as at 30 June 2005 and the results of its operations and its cash flows for the financial year then ended.

*BGL Associates*

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*I. A. Hinds*

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

15 November 2005  
Melbourne