



National Union of Workers

TK:RB

Our Ref: L40/07

Friday, 14 December 2007



The Registrar
Australian Industrial Relations Commission
GPO Box 1994
Melbourne VIC 3001

Dear Registrar,

Re: National Union of Workers National Office Financial Reports for year ending 30 June 2007

Please find attached a copy of the National Union of Workers National Office financial reports for the year ending 30 June 2007.

The financial reports were presented to a meeting of the National Committee of Management for approval on 14 December 2007.

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,

A handwritten signature in black ink, appearing to read 'Charles Donnelly', written over a horizontal line.

CHARLES DONNELLY
GENERAL SECRETARY

NATIONAL OFFICE

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Telephone: 03 9287 1850 Facsimile: 03 9287 1818 Email: nuwnat@nuw.org.au

ABN 19 834 341 836


Workplace Relations Act 1996

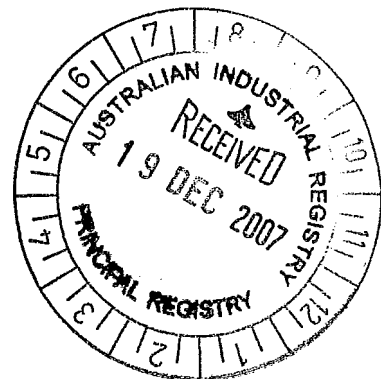
s268 of Schedule 1B Workplace Relations Act 1996

I Charles 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 22 November 2007; and
- that the full report was presented to a meeting of the National Committee of Management of the reporting unit on 1 November 2007; in accordance with section 266 of the RAO Schedule.

DATED: Friday, 14 December 2007


CHARLES DONNELLY
GENERAL SECRETARY



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

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**



National Union of Workers

NATIONAL OFFICE

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

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Relationship of the concise financial report to the full financial report

The concise financial report is an extract from the full financial report for the year ended 30 June 2007. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report. This concise financial report is being provided to members in accordance with a National Committee of Management resolution dated 1st November 2007.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of National Union of Workers - National Office and its subsidiaries as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. This financial report covers National Union of Workers - National Office as an individual entity and the consolidated entity consisting of National Union of Workers - National Office and its subsidiaries.

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

OPERATING REPORT

Your Committee present their report on the National Union of Workers - National Office and its controlled entities (the group) for the financial year ended 30 June 2007.

Members of National Committee of Management

The names of the 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 Burnmeister
Tim Kennedy
Martin Pritchard
Mark Furner
Ron Herbert
Marisa Bernardi
Doug Stevens
Antony Thow
Nick Thredgold
Antonia Parkes

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

Operating Results

The consolidated surplus for the financial year amounted to \$634,685 (30 June 2006 : surplus of \$690,475).

Review of Operations

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

Significant Changes in State of Affairs

No significant changes in the state of affairs of the group occurred during the financial year.

Principal Activities

The principal activities of the group during the financial year were the protection and improvement of employment conditions for its members.

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

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 group, the results of those operations, or the state of affairs of the group in future financial years.

Union details

The number of employees at 30 June 2007 was 18 (2006: 17)

The number of financial members at 30 June 2007 was 89,050 (2006: 89,050).^{*}

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

OPERATING REPORT (Continued)

Right of members to resign

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 Rule itself is in similar terms to s. 174 and meets the requirements of the Workplace Relations Act 1996.

Directorships of Superannuation Funds

Charles Donnelly and Antony Thow are both non-beneficial shareholders and directors of Labour Union Insurance Co-operative Retirement Fund Pty Ltd (LUCRF)

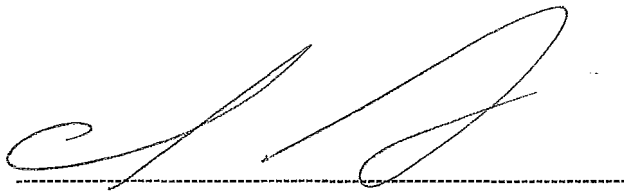
The following NCOM members are directors of LUCRF:

Charles Donnelly

Tim Kennedy

Antony Thow

Signed in accordance with a resolution of the National Committee of Management:



Secretary - Charles Donnelly

Dated this 1st day of NOVEMBER 2007

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

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

The concise financial report is an extract from the full financial report for the year ended 30 June 2007. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report of National Union of Workers - National Office and Controlled Entities.

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 report has been derived from the full 2007 Financial Report of National Union of Workers - National Office and Controlled Entities.

Income Statements

The consolidated surplus attributable to members for the year ended 30 June 2007 was \$481,529 which is 30% lower than the results of 2006 where a surplus of \$ 691,441 was made. This is mainly due to revenue growth with fees from continuing operations growing by 6% which was combined with a 7% increase in total expenses.

Balance Sheet

Total assets increased by \$ 3,579,501 to \$ 10,684,678 at 30 June 2007 representing an increase of 50% from 2006 where total assets were \$7,105,177. This increase was attributable to the following:

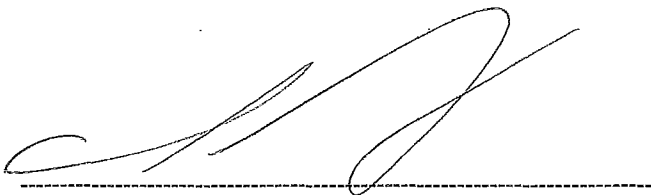
- Increase in cash and cash equivalents.
- Increase in trade and other receivables.

Total liabilities increased over the year by \$2,950,622 to \$4,346,968 at 30 June 2007. This represents an increase of 211% from the 2006 total liabilities of \$1,396,346. This increase was attributable to increase of trade and other payables.

Total members fund of the Group increased by \$ 634,685 due to the net increase in accumulated surplus.

Cash Flows

Net cash flows from operating activities for the year ended 30 June 2007 were \$587,836 (30 June 2006: \$583,403). These surplus cash flows were mainly used to finance the purchase of new assets and making a new investment. Overall there was a net increase in cash and cash equivalents for the year ended 30 June 2007 of \$1,021,407 (30 June 2006: \$526,083).



Secretary - Charles Donnelly

Dated this 15th day of NOVEMBER 2007

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

CONSOLIDATED INCOME STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2007

	Note	Economic Entity		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
Revenue from continuing operations	3	<u>5,469,117</u>	<u>5,167,387</u>	<u>4,010,342</u>	<u>3,931,424</u>
Administrative expenses		(260,475)	(134,372)	(207,519)	(42,308)
Affiliation and capitation fee		(299,568)	(285,902)	(299,568)	(285,902)
Campaign expenses		(484,322)	(527,545)	(484,322)	(527,545)
Conference and seminar expenses		(54,035)	(29,986)	(54,035)	(29,986)
Depreciation and amortisation		(146,400)	(138,412)	(92,866)	(81,173)
Donations		(30,500)	(33,000)	(30,500)	(33,000)
Finance costs		(11,026)	(12,919)	-	-
Insurance expenses		(103,651)	(104,005)	(55,691)	(47,236)
Legal and Professional fees		(123,769)	(89,422)	(18,475)	(22,153)
Motor vehicles expenses		(61,132)	(58,654)	(37,018)	(34,354)
Occupancy expenses		(112,254)	(98,614)	(82,823)	(72,227)
Printing and communication		(265,582)	(260,684)	(225,040)	(225,389)
SA Organising Fund		(30,000)	(54,500)	(30,000)	(54,500)
Salaries and related expenses		(2,537,909)	(2,431,881)	(1,693,822)	(1,611,223)
Travel and accommodation expenses		(218,781)	(178,691)	(212,382)	(170,906)
Other expenses		(5,162)	(10,566)	(4,752)	(2,081)
		<u>(4,744,566)</u>	<u>(4,449,153)</u>	<u>(3,528,813)</u>	<u>(3,239,983)</u>
Surplus for the year		724,551	718,234	481,529	691,441
Income tax expense		(89,866)	(27,759)	-	-
Surplus attributable to members of the entity		<u>634,685</u>	<u>690,475</u>	<u>481,529</u>	<u>691,441</u>

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

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

CONSOLIDATED BALANCE SHEET
 AS AT 30 JUNE 2007

	Note	Economic Entity		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		3,703,959	2,682,552	2,183,890	1,343,584
Trade and other receivables		<u>1,251,922</u>	<u>989,442</u>	<u>1,220,759</u>	<u>978,224</u>
TOTAL CURRENT ASSETS		<u>4,955,881</u>	<u>3,671,994</u>	<u>3,404,649</u>	<u>2,321,808</u>
NON-CURRENT ASSETS					
Available for sale financial assets		3,050,807	684,451	3,625,811	1,364,458
Property, plant and equipment		2,677,990	2,696,416	1,492,134	1,456,483
Intangible assets		<u>-</u>	<u>52,316</u>	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		<u>5,728,797</u>	<u>3,433,183</u>	<u>5,117,945</u>	<u>2,820,941</u>
TOTAL ASSETS		<u>10,684,678</u>	<u>7,105,177</u>	<u>8,522,594</u>	<u>5,142,749</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables		3,375,195	492,231	3,250,789	398,669
Current tax liabilities		71,942	1,576	-	-
Provisions		<u>782,923</u>	<u>718,261</u>	<u>647,208</u>	<u>595,206</u>
TOTAL CURRENT LIABILITIES		<u>4,230,060</u>	<u>1,212,068</u>	<u>3,897,997</u>	<u>993,875</u>
NON-CURRENT LIABILITIES					
Borrowings		<u>116,908</u>	<u>184,278</u>	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>116,908</u>	<u>184,278</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>4,346,968</u>	<u>1,396,346</u>	<u>3,897,997</u>	<u>993,875</u>
NET ASSETS		<u>6,337,710</u>	<u>5,708,831</u>	<u>4,624,597</u>	<u>4,148,874</u>
MEMBERS' FUND					
Reserves		4,960	10,766	-	5,806
Accumulated surplus		<u>6,332,750</u>	<u>5,698,065</u>	<u>4,624,597</u>	<u>4,143,068</u>
TOTAL MEMBERS' FUND		<u>6,337,710</u>	<u>5,708,831</u>	<u>4,624,597</u>	<u>4,148,874</u>

The above balance sheet should be read in conjunction with the accompanying notes.

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

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
 FOR THE YEAR ENDED 30 JUNE 2007

	Accumulated surplus	Reserves	Total
	\$	\$	\$
Balance at 1 July 2005	5,006,624	4,960	5,011,584
Surplus for the year	691,441	-	691,441
Available for sale financial assets	<u>-</u>	<u>5,806</u>	<u>5,806</u>
Balance at 30 June 2006	<u>5,698,065</u>	<u>10,766</u>	<u>5,708,831</u>
Balance at 1 July 2006	5,698,065	10,766	5,708,831
Surplus for the year	634,685	-	634,685
Available for sale financial assets	<u>-</u>	<u>(5,806)</u>	<u>(5,806)</u>
Balance at 30 June 2007	<u><u>6,332,750</u></u>	<u><u>4,960</u></u>	<u><u>6,337,710</u></u>

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

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

CONSOLIDATED CASH FLOW STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006	2007	2006
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Sustentation fee received	2,796,192	2,768,300	2,796,192	2,768,300
Other receipts	446,516	294,239	547,846	313,458
Campaign income	824,271	588,386	824,271	588,386
Commission received	1,382,875	1,294,856	-	-
Payments to suppliers and employees	(5,047,860)	(4,635,325)	(3,908,377)	(3,423,543)
Investment income received	40,753	151,967	40,753	151,967
Interest received	173,653	156,115	35,435	48,783
Finance costs	(11,026)	(12,919)	-	-
Income tax paid	(17,538)	(22,216)	-	-
Net cash inflow from operating activities	587,836	583,403	336,120	447,351
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	27,464	129,244	22,919	82,037
Proceeds from sale of investments	1,072,992	577,080	1,072,992	577,080
Money received from NUW Central Branch	100,000	100,000	100,000	100,000
Payment for property, plant and equipment	(167,608)	(254,555)	(159,818)	(138,463)
Payment for investments	(531,907)	(400,443)	(531,907)	(400,443)
Net cash (outflow) from investing activities	500,941	151,326	504,186	220,211
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan to Newskills Ltd	-	(145,000)	-	(145,000)
Repayments of bank loan	(67,370)	(63,646)	-	-
Net cash (outflow) financing activities	(67,370)	(208,646)	-	(145,000)
Net increase/(decrease) in cash and cash equivalents	1,021,407	526,083	840,306	522,562
Cash and cash equivalents at beginning of financial year	2,682,552	2,156,469	1,343,584	821,022
Cash and cash equivalents at end of financial year	3,703,959	2,682,552	2,183,890	1,343,584

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

**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 2007**

This concise financial report relates to National Union of Workers - National Office as an individual entity and the consolidated entity consisting of National Union of Workers - National Office and the entities it controlled at the end of, or during, the year ended 30 June 2007. The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated in note 1 below.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. 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 financial report includes separate financial statements for National Union of Workers - National Office (entity) as an individual parent entity and the consolidated entity consisting of entity and its subsidiaries.

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the requirements of The Workplace Relations Act 1996.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of full compliance with IFRS cannot be made due to the group applying the not for profit sector requirements contained in AIFRS.

The presentation currency used in this concise financial report is Australian dollars.

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 section 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 made 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 2007

NOTE 3: REVENUE	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
From continuing operations				
<i>Service revenue</i>				
- sustentation fees	2,536,451	2,516,143	2,536,451	2,516,143
- campaign funds	749,337	536,715	749,337	536,715
- commission received	<u>1,270,808</u>	<u>1,166,512</u>	<u>-</u>	<u>-</u>
	<u>4,556,596</u>	<u>4,219,370</u>	<u>3,285,788</u>	<u>3,052,858</u>
<i>Other revenue</i>				
- interest	195,703	170,423	57,485	63,092
- director fees	233,966	215,849	233,966	215,849
- investment income	11,212	151,967	11,212	151,967
- profit on sale of investments	222,258	326,185	222,258	326,185
- mailouts	62,892	-	62,892	-
- dividends	29,541	-	29,541	-
- management fee	111,947	44,250	95,711	104,954
- other revenue	<u>45,002</u>	<u>39,343</u>	<u>11,489</u>	<u>16,519</u>
	<u>5,469,117</u>	<u>5,167,387</u>	<u>4,010,342</u>	<u>3,931,424</u>
(a) Dividends from:				
- other corporations	<u>29,541</u>	<u>-</u>	<u>29,541</u>	<u>-</u>

NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the financial year, properties owned by the parent entity are on the market for sale to generate sufficient capital for the payment of investment in an unit trust. The financial effects of the above transaction have not been brought to account at 30 June 2007.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE
ABN 19 834 341 836
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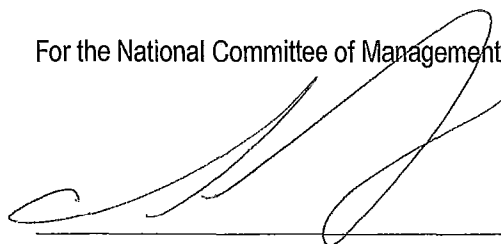
STATEMENT BY COMMITTEE OF MANAGEMENT

On 1st November 2007 the Committee of Management of the National Union of Workers - National Office passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2007:

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

1. the financial statements and notes, as set out on pages 4 to 9 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 4 to 9 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 group 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 2007:
 - a. meetings of the National Committee of Management were held in accordance with the rules of the organisation including the rules of branches 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 has been furnished and no order have been made under section 272 of the RAO Schedule by the Commission during the period.
 - f. No order have been made by the Commission under section 273 of the RAO Schedule during the period.

For the National Committee of Management.



Secretary - Charles Donnelly

Dated this

1st

day of

NOVEMBER

2007



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Incorporating BGL & Associates

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS - NATIONAL OFFICE

Report on the Concise Financial Report

We have audited the accompanying financial report of National Union of Workers - National Office and its subsidiaries ("group") which comprises the balance sheet as at 30 June 2007 and the income statement, statement of recognised income and expense and cash flow statement for the year then ended and related notes derived from the audited financial report of National Union of Workers - National Office and its subsidiaries for the year ended 30 June 2007 and the discussion and analysis. The concise financial report does not contain all of the disclosures required by Australian Accounting Standards.

National Committee of Management's Responsibility for the Financial Report

The National Committee of Management is responsible for the preparation and fair presentation of the financial report, in accordance with the Australian Accounting Standards AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standard of the financial report of National Union of Workers - National Office for the year ended 30 June 2007. Our audit report on the financial report for the year was signed on 1 November 2007 and was not subject to any modification. Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from and is consistent with, the financial report for the year, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. The procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in Australian Accounting Standard AASB 1039: *Concise Financial Reports*

Our audit did not involve an analysis of the prudence of business decisions made by the National Committee of Management.

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





B.G.L. & Associates Pty. Ltd.

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Incorporating BGL & Associates

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NATIONAL UNION OF WORKERS - NATIONAL OFFICE (Continued)**

Independence

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

Auditor's Opinion

In our opinion, the concise financial report including the discussion and analysis of National Union of Workers - National Office and its subsidiaries for the year ended 30 June 2007 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

BGL + Associates

BGL & Associates
Chartered Accountants

I Hinds

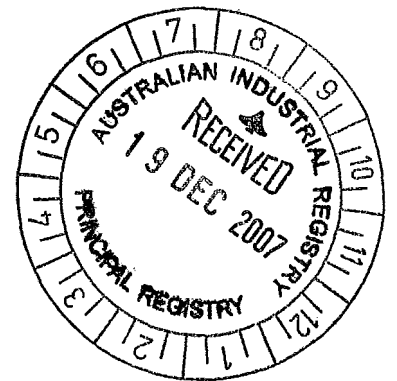
I. A. Hinds - A.C.A.
Partner

1 November 2007
Melbourne



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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**



National Union of Workers

NATIONAL OFFICE
552 - 568 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 19 834 341 836

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

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This financial report covers both National Union of Workers - National Office as an individual entity and the consolidated entity consisting of National Union of Workers - National Office and its subsidiaries. The financial report is presented in the Australian currency.

The National Union of Workers - National Office is a registered body under the Workplace Relations Act 1996.

The principal place of business is:

National Union of Workers - National Office
552-568 Victoria Street
NORTH MELBOURNE VIC 3051

The financial report was authorised for issue by the committee of management on 1st day of November 2007.

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

OPERATING REPORT

Your Committee present their report on the National Union of Workers - National Office and its controlled entities (the group) for the financial year ended 30 June 2007.

Members of National Committee of Management

The names of the 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
Tim Kennedy
Martin Pritchard
Mark Fumer
Ron Herbert
Marisa Bernardi
Doug Stevens
Antony Thow
Nick Thredgold
Antonia Parkes

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

Operating Results

The consolidated surplus for the financial year amounted to \$634,685 (30 June 2006 : surplus of \$690,475).

Review of Operations

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

Significant Changes in State of Affairs

No significant changes in the state of affairs of the group occurred during the financial year.

Principal Activities

The principal activities of the group during the financial year were the protection and improvement of employment conditions for its members.

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

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 group, the results of those operations, or the state of affairs of the group in future financial years.

Union details

The number of employees at 30 June 2007 was 18 (2006: 17)

The number of financial members at 30 June 2007 was 89,050 (2006: 89,050).

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

OPERATING REPORT (Continued)

Right of members to resign

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 Rule itself is in similar terms to s. 174 and meets the requirements of the Workplace Relations Act 1996.

Directorships of Superannuation Funds

Charles Donnelly and Antony Thow are both non-beneficial shareholders and directors of Labour Union Insurance Co-operative Retirement Fund Pty Ltd (LUCRF)

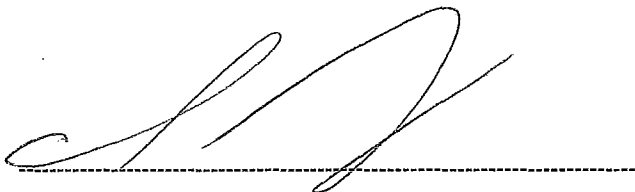
The following NCOM members are directors of LUCRF:

Charles Donnelly

Tim Kennedy

Antony Thow

Signed in accordance with a resolution of the National Committee of Management:



Secretary - Charles Donnelly

Dated this

1st day of NOVEMBER

2007

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	Economic Entity		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
Revenue from continuing operations	5	<u>5,469,117</u>	<u>5,167,387</u>	<u>4,010,342</u>	<u>3,931,424</u>
Administrative expenses		(260,475)	(134,372)	(207,519)	(42,308)
Affiliation and capitation fee		(299,568)	(285,902)	(299,568)	(285,902)
Campaign expenses		(484,322)	(527,545)	(484,322)	(527,545)
Conference and seminar expenses		(54,035)	(29,986)	(54,035)	(29,986)
Depreciation and amortisation		(146,400)	(138,412)	(92,866)	(81,173)
Donations		(30,500)	(33,000)	(30,500)	(33,000)
Finance costs		(11,026)	(12,919)	-	-
Insurance expenses		(103,651)	(104,005)	(55,691)	(47,236)
Legal and Professional fees		(123,769)	(89,422)	(18,475)	(22,153)
Motor vehicles expenses		(61,132)	(58,654)	(37,018)	(34,354)
Occupancy expenses		(112,254)	(98,614)	(82,823)	(72,227)
Printing and communication		(265,582)	(260,684)	(225,040)	(225,389)
SA Organising Fund		(30,000)	(54,500)	(30,000)	(54,500)
Salaries and related expenses	8	(2,537,909)	(2,431,881)	(1,693,822)	(1,611,223)
Travel and accommodation expenses		(218,781)	(178,691)	(212,382)	(170,906)
Other expenses		<u>(5,162)</u>	<u>(10,566)</u>	<u>(4,752)</u>	<u>(2,081)</u>
		<u>(4,744,566)</u>	<u>(4,449,153)</u>	<u>(3,528,813)</u>	<u>(3,239,983)</u>
Surplus for the year	7	724,551	718,234	481,529	691,441
Income tax expense	10	<u>(89,866)</u>	<u>(27,759)</u>	<u>-</u>	<u>-</u>
Surplus attributable to members of the entity		<u>634,685</u>	<u>690,475</u>	<u>481,529</u>	<u>691,441</u>

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

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

BALANCE SHEET
 AS AT 30 JUNE 2007

	Note	Economic Entity		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	11	3,703,959	2,682,552	2,183,890	1,343,584
Trade and other receivables	12	<u>1,251,922</u>	<u>989,442</u>	<u>1,220,759</u>	<u>978,224</u>
TOTAL CURRENT ASSETS		<u>4,955,881</u>	<u>3,671,994</u>	<u>3,404,649</u>	<u>2,321,808</u>
NON-CURRENT ASSETS					
Available for sale financial assets	13	3,050,807	684,451	3,625,811	1,364,458
Property, plant and equipment	14	2,677,990	2,696,416	1,492,134	1,456,483
Intangible assets	15	<u>-</u>	<u>52,316</u>	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		<u>5,728,797</u>	<u>3,433,183</u>	<u>5,117,945</u>	<u>2,820,941</u>
TOTAL ASSETS		<u>10,684,678</u>	<u>7,105,177</u>	<u>8,522,594</u>	<u>5,142,749</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	16	3,375,195	492,231	3,250,789	398,669
Current tax liabilities	17	71,942	1,576	-	-
Provisions	19	<u>782,923</u>	<u>718,261</u>	<u>647,208</u>	<u>595,206</u>
TOTAL CURRENT LIABILITIES		<u>4,230,060</u>	<u>1,212,068</u>	<u>3,897,997</u>	<u>993,875</u>
NON-CURRENT LIABILITIES					
Borrowings	18	<u>116,908</u>	<u>184,278</u>	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>116,908</u>	<u>184,278</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>4,346,968</u>	<u>1,396,346</u>	<u>3,897,997</u>	<u>993,875</u>
NET ASSETS		<u>6,337,710</u>	<u>5,708,831</u>	<u>4,624,597</u>	<u>4,148,874</u>
MEMBERS' FUND					
Reserves	20	4,960	10,766	-	5,806
Accumulated surplus	21	<u>6,332,750</u>	<u>5,698,065</u>	<u>4,624,597</u>	<u>4,143,068</u>
TOTAL MEMBERS' FUND		<u>6,337,710</u>	<u>5,708,831</u>	<u>4,624,597</u>	<u>4,148,874</u>

The above balance sheet should be read in conjunction with the accompanying notes.

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

STATEMENT OF RECOGNISED INCOME AND EXPENSE
 FOR THE YEAR ENDED 30 JUNE 2007

	Accumulated surplus	Reserves	Total
	\$	\$	\$
Balance at 1 July 2005	5,006,624	4,960	5,011,584
Surplus for the year	691,441	-	691,441
Available for sale financial assets	<u>-</u>	<u>5,806</u>	<u>5,806</u>
Balance at 30 June 2006	<u>5,698,065</u>	<u>10,766</u>	<u>5,708,831</u>
Balance at 1 July 2006	5,698,065	10,766	5,708,831
Surplus for the year	634,685	-	634,685
Available for sale financial assets	<u>-</u>	<u>(5,806)</u>	<u>(5,806)</u>
Balance at 30 June 2007	<u>6,332,750</u>	<u>4,960</u>	<u>6,337,710</u>

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

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Sustentation fee received		2,796,192	2,768,300	2,796,192	2,768,300
Other receipts		446,516	294,239	547,846	313,458
Campaign income		824,271	588,386	824,271	588,386
Commission received		1,382,875	1,294,856	-	-
Payments to suppliers and employees		(5,047,860)	(4,635,325)	(3,908,377)	(3,423,543)
Investment income received		40,753	151,967	40,753	151,967
Interest received		173,653	156,115	35,435	48,783
Finance costs		(11,026)	(12,919)	-	-
Income tax paid		(17,538)	(22,216)	-	-
Net cash inflow from operating activities	25	<u>587,836</u>	<u>583,403</u>	<u>336,120</u>	<u>447,351</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		27,464	129,244	22,919	82,037
Proceeds from sale of investments		1,072,992	577,080	1,072,992	577,080
Money received from NUW Central Branch		100,000	100,000	100,000	100,000
Payment for property, plant and equipment		(167,608)	(254,555)	(159,818)	(138,463)
Payment for investments		(531,907)	(400,443)	(531,907)	(400,443)
Net cash (outflow) from investing activities		<u>500,941</u>	<u>151,326</u>	<u>504,186</u>	<u>220,211</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan to Newskills Ltd		-	(145,000)	-	(145,000)
Repayments of bank loan		(67,370)	(63,646)	-	-
Net cash (outflow) financing activities		<u>(67,370)</u>	<u>(208,646)</u>	<u>-</u>	<u>(145,000)</u>
Net increase/(decrease) in cash and cash equivalents		1,021,407	526,083	840,306	522,562
Cash and cash equivalents at beginning of financial year		<u>2,682,552</u>	<u>2,156,469</u>	<u>1,343,584</u>	<u>821,022</u>
Cash and cash equivalents at end of financial year	11(a)	<u>3,703,959</u>	<u>2,682,552</u>	<u>2,183,890</u>	<u>1,343,584</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes separate financial statements for National Union of Workers - National Office (entity) as an individual parent entity and the consolidated entity consisting of entity and its subsidiaries.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the requirements of The Workplace Relations Act 1996.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of full compliance with IFRS cannot be made due to the group applying the not for profit sector requirements contained in AIFRS.

Early adoption of standards

The group has elected to apply the following pronouncement to the annual reporting period beginning 1 July 2006:

- revised AASB 101 Presentation of Financial Statements (issued October 2006)

This includes applying the pronouncements to the comparatives in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. No adjustments to any of the financial statements were required for the above pronouncement, but certain disclosures are no longer required and have been omitted.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying The group's accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of National Union of Workers - National Office ("parent entity") as at 30 June 2007 and the results of all subsidiaries for the year then ended. National Union of Workers - National Office and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Inter-entity transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of National Union of Workers - National Office.

(c) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised to the extent that it is probable that the economic benefits will flow to group and that it can be reliably measured.

Revenue is recognised for the major operating activities as follows:

Sustentation Fees

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

Campaign funds

Campaign funds are recognised when the right to receive the fees has been established.

Commission revenue

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

Investment revenue

Investment revenue is recognised in the period in which it is earned.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Other revenue

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)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

In accordance with section 50-15 of the Income Tax Assessment Act, the parent entity is exempt from income tax.

(f) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(g) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case 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 balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial assets

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its assets at initial recognition and re-evaluates this designation at each reporting date.

The group does not hold any assets in the following categories: financial assets at fair value through profit or loss and held-to-maturity investments.

(i) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Recognition and derecognition

Regular purchases and sales of investments are recognised on trade-date - the date on which group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The group assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

(j) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation

The depreciable amount of all fixed assets including buildings are depreciated over their estimated useful lives to the group commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rate/useful lives	Depreciation basis
Buildings	2.5%	Diminishing Value
Motor vehicles	18.75 - 25%	Diminishing Value
Office equipment	7.5 - 40%	Diminishing Value
Furniture and Fittings	10 - 11.25%	Diminishing Value
Computer equipment	37.5 - 66.66%	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows

(l) Comparative figures

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

(m) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038] AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The entity has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the group's financial instruments.

(ii) AASB-I 10 Interim Financial Reporting and Impairment

AASB-I 10 is applicable to reporting periods commencing on or after 1 November 2006. This standard is not applicable to the group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollected are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement in other expenses.

(o) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Critical judgments in applying the entity's accounting policies

No critical judgments have been made in applying the entity's accounting policies.

NOTE 3: 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 section 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 made 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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 4: FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. group overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of group.

Risk management is carried out by the Executive under policies approved by Committee of Management. The Committee of Management identify, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

The financial instruments of the group consist mainly of deposits with banks, short term investments, accounts payable and receivable.

(a) Market risk

(i) Price risk

Market risk for the group is mainly price risk. Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or to factors affecting all instruments traded in the market.

The group is not exposed to commodity price risk.

(ii) Foreign exchange risk

The group is not exposed to foreign exchange risk.

(iii) Fair value interest rate risk

Refer to (d) below.

(b) Credit risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements.

The group has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions.

(d) Cash flow and fair value interest rate risk

The group's income and operating cash flows are not materially exposed to changes in market interest rates.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5: REVENUE

	Economic Entity		Parent Entity		
	2007	2006	2007	2006	
	\$	\$	\$	\$	
From continuing operations					
<i>Service revenue</i>					
- sustentation fees	6	2,536,451	2,516,143	2,536,451	2,516,143
- campaign funds		749,337	536,715	749,337	536,715
- commission received		<u>1,270,808</u>	<u>1,166,512</u>	-	-
		<u>4,556,596</u>	<u>4,219,370</u>	<u>3,285,788</u>	<u>3,052,858</u>
<i>Other revenue</i>					
- interest		195,703	170,423	57,485	63,092
- director fees		233,966	215,849	233,966	215,849
- investment income		11,212	151,967	11,212	151,967
- profit on sale of investments		222,258	326,185	222,258	326,185
- mailouts		62,892	-	62,892	-
- dividends		29,541	-	29,541	-
- management fee		111,947	44,250	95,711	104,954
- other revenue		<u>45,002</u>	<u>39,343</u>	<u>11,489</u>	<u>16,519</u>
		<u>5,469,117</u>	<u>5,167,387</u>	<u>4,010,342</u>	<u>3,931,424</u>
(a) Dividends from:					
- other corporations		<u>29,541</u>	-	<u>29,541</u>	-

NOTE 6: SUSTENTATION FEES

	Economic Entity		Parent Entity		
	2007	2006	2007	2006	
	\$	\$	\$	\$	
New South Wales		738,280	726,157	738,280	726,156
South Australia		127,044	131,303	127,044	131,303
Queensland		235,423	241,055	235,423	241,055
Victorian		1,392,177	1,381,846	1,392,177	1,381,846
Western Australia		<u>43,527</u>	<u>35,783</u>	<u>43,527</u>	<u>35,783</u>
		<u>2,536,451</u>	<u>2,516,144</u>	<u>2,536,451</u>	<u>2,516,143</u>

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NOTE 7: SURPLUS FOR THE YEAR

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
The surplus for the year includes the following specific expenses:				
<i>Depreciation of non-current assets</i>				
- building	41,605	42,484	21,324	21,760
- Motor vehicles	53,514	60,434	38,126	36,997
- Furniture, fixtures and fittings	20,469	23,666	6,010	6,686
- computer equipment	26,376	15,044	22,970	11,454
- office equipment	4,436	3,167	4,436	4,276
	<u>146,400</u>	<u>137,300</u>	<u>92,866</u>	<u>81,173</u>
<i>Finance costs</i>				
Interest paid	11,026	12,919	-	-
	<u>11,026</u>	<u>12,919</u>	<u>-</u>	<u>-</u>
<i>Rental expenses relating to operating leases</i>				
Minimum lease payments	87,023	72,227	82,823	72,227
Total	<u>87,023</u>	<u>72,227</u>	<u>82,823</u>	<u>72,227</u>
<i>Conference and meeting expenses</i>	11,713	25,942	11,713	25,942
<i>Conference allowances</i>	42,322		42,322	-
<i>Legal fees</i>	455	8,045	455	6,053
<i>Net loss (Gain) on disposal of property, plant and equipment</i>	31,380	7,298	27,592	(7,186)
Loss (Gain) on disposal of listed investments	(222,258)	-	-	-
Loss (Gain) on disposal of unlisted investment	105,422	(326,185)	105,018	(326,185)

NOTE 8: SALARIES AND RELATED EXPENSES

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Employee benefit - official	999,058	877,203	999,058	877,203
Employee benefit - staff	1,416,907	1,420,651	572,820	599,993
Other staff costs	121,944	134,027	121,944	134,027
	<u>2,537,909</u>	<u>2,431,881</u>	<u>1,693,822</u>	<u>1,611,223</u>

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NOTE 9: AUDITORS' REMUNERATION

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
During the year the following fees were paid or payable for services provided by the auditor and its related practices:				
Audit or review of the financial report	9,900	8,900	9,900	8,900
Other services	<u>6,900</u>	<u>2,450</u>	<u>2,450</u>	<u>2,450</u>
	<u>16,800</u>	<u>11,350</u>	<u>12,350</u>	<u>11,350</u>
Remuneration of other auditors of subsidiaries for:				
Audit or review of the financial report	19,970	20,500	-	-
Other services	<u>13,167</u>	<u>10,229</u>	-	-
	<u>33,137</u>	<u>30,729</u>	-	-

NOTE 10: INCOME TAX EXPENSE

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
(a) Income of tax expenses:				
Current tax	88,484	23,492	-	-
Under/(over) provision in respect of prior years	<u>1,382</u>	<u>4,267</u>	-	-
	<u>89,866</u>	<u>27,759</u>	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable:				
Surplus from continuing operations before income tax expense	<u>724,551</u>	<u>718,234</u>	<u>481,529</u>	<u>691,441</u>
Prima facie income tax payable on loss from continuing operations before income tax at 30.0% (2006 - 30.0%)	217,365	215,470	144,459	207,432
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
non-taxable income	(144,459)	(207,443)	(144,459)	(207,432)
Under provision for income tax in prior year	1,382	4,267	-	-
Other non allowable items	<u>15,578</u>	<u>15,465</u>	-	-
Income tax expense attributable to loss from continuing operation	<u>89,866</u>	<u>27,759</u>	-	-

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11: CASH AND CASH EQUIVALENTS

		Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Cash on hand	(b)	1,002	622	1,000	500
Cash at bank	(c)	<u>3,702,957</u>	<u>2,681,930</u>	<u>2,182,890</u>	<u>1,343,084</u>
		<u>3,703,959</u>	<u>2,682,552</u>	<u>2,183,890</u>	<u>1,343,584</u>

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	<u>3,703,959</u>	<u>2,682,552</u>	<u>2,183,890</u>	<u>1,343,584</u>
Balances per cash flow statement	<u>3,703,959</u>	<u>2,682,552</u>	<u>2,183,890</u>	<u>1,343,584</u>

(b) Cash on hand

These balances are non-interest bearing.

(c) Cash at bank

These balances have floating interest rates between 0 % to 6.25% (2006: 0.00% and 5.75%).

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NOTE 12: TRADE AND OTHER RECEIVABLES

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Branches				
NUW Central Branch	59,280	58,665	59,280	58,665
NUW NSW Branch	274,286	186,278	274,286	186,278
NUW Queensland Branch	37,796	40,177	37,796	40,177
NUW SA Branch	12,113	74,768	12,113	74,768
NUW Victorian Branch	167,862	175,720	167,862	175,720
NUW WA Branch	11,159	10,456	11,159	10,456
	<u>562,496</u>	<u>546,064</u>	<u>562,496</u>	<u>546,064</u>
Less provision for impairment of receivables	<u>(42,220)</u>	<u>(42,220)</u>	<u>(42,220)</u>	<u>(42,220)</u>
	<u>520,276</u>	<u>503,844</u>	<u>520,276</u>	<u>503,844</u>
Other				
Prepayments	301,062	40,502	301,062	40,502
Other receivables (a)	61,128	95,728	32,586	89,093
Income tax refund	2,621	4,583	-	-
Loan to Newskills Ltd	366,835	344,785	366,835	344,785
	<u>731,646</u>	<u>485,598</u>	<u>700,483</u>	<u>474,380</u>
	<u>1,251,922</u>	<u>989,442</u>	<u>1,220,759</u>	<u>978,224</u>

(a) Other receivables

These amounts generally arise from transactions outside the usual operating activities of group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

(b) Interest rate risk

All trade and other receivables (except the loan to Newskills Ltd) are non-interest bearing.

(c) Credit risk

There is no concentration of credit risk with respect to current and non-current receivables, Refer to note 3 for more information on the risk management policy of group.

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NOTE 13: AVAILABLE FOR SALE FINANCIAL
 ASSETS

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
NON-CURRENT				
<i>Listed investments</i>	a <u>137,272</u>	<u>456,249</u>	<u>137,272</u>	<u>456,249</u>
<i>Unlisted investments:</i>				
- shares in controlled companies	-	-	575,004	680,007
- shares in other related parties	124,752	139,752	124,752	139,752
- units in unit trusts	<u>2,788,783</u>	<u>88,450</u>	<u>2,788,783</u>	<u>88,450</u>
Total unlisted investments	<u>2,913,535</u>	<u>228,202</u>	<u>3,488,539</u>	<u>908,209</u>
	<u>3,050,807</u>	<u>684,451</u>	<u>3,625,811</u>	<u>1,364,458</u>

The fair value of unlisted investments cannot be reliably measured as variability in the range of reasonable fair value is significant. As a result, all unlisted investments are reflected at cost. All listed investments are carried at fair value.

(a) *Movements in fair value during the financial year:*

Opening balance	456,249	-	456,249	-
Additions	530,907	450,443	530,907	450,443
Disposals	(835,749)	-	(835,749)	-
Revaluation for year	<u>(14,135)</u>	<u>5,806</u>	<u>(14,135)</u>	<u>5,806</u>
Closing balance	<u>137,272</u>	<u>456,249</u>	<u>137,272</u>	<u>456,249</u>

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NOTE 14: PROPERTY, PLANT AND EQUIPMENT

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
LAND				
Freehold land:				
At cost	<u>476,000</u>	<u>476,000</u>	<u>116,000</u>	<u>116,000</u>
BUILDINGS				
At cost	2,264,513	2,264,513	1,453,269	1,453,269
Less accumulated depreciation	<u>(519,834)</u>	<u>(478,229)</u>	<u>(408,379)</u>	<u>(387,055)</u>
	<u>1,744,679</u>	<u>1,786,284</u>	<u>1,044,890</u>	<u>1,066,214</u>
Total property	<u>2,220,679</u>	<u>2,262,284</u>	<u>1,160,890</u>	<u>1,182,214</u>
PLANT AND EQUIPMENT				
Motor vehicles				
At cost	317,660	365,749	224,819	223,417
Less accumulated depreciation	<u>(100,131)</u>	<u>(111,851)</u>	<u>(73,949)</u>	<u>(59,900)</u>
	<u>217,529</u>	<u>253,898</u>	<u>150,870</u>	<u>163,517</u>
Office equipment				
At cost	119,953	119,501	119,953	115,781
Less accumulated depreciation	<u>(93,157)</u>	<u>(88,721)</u>	<u>(93,157)</u>	<u>(88,721)</u>
	<u>26,796</u>	<u>30,780</u>	<u>26,796</u>	<u>27,060</u>
Computer equipment and software				
At cost	290,158	206,258	290,158	191,292
Less accumulated depreciation	<u>(190,362)</u>	<u>(178,648)</u>	<u>(190,362)</u>	<u>(167,392)</u>
	<u>99,796</u>	<u>27,610</u>	<u>99,796</u>	<u>23,900</u>
Furniture, fixtures and fittings				
At cost	505,860	494,830	287,507	287,507
Less accumulated depreciation	<u>(392,670)</u>	<u>(372,986)</u>	<u>(233,725)</u>	<u>(227,715)</u>
	<u>113,190</u>	<u>121,844</u>	<u>53,782</u>	<u>59,792</u>
Total plant and equipment	<u>457,311</u>	<u>434,132</u>	<u>331,244</u>	<u>274,269</u>
Total property, plant and equipment	<u>2,677,990</u>	<u>2,696,416</u>	<u>1,492,134</u>	<u>1,456,483</u>

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NOTE 14: PROPERTY, PLANT AND EQUIPMENT (Continued)

(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.

Economic Entity	Freehold land	Buildings	Motor Vehicles	Office Equipment	Furniture, fixtures & fittings	Computer equipment	Total
2006	\$	\$	\$	\$	\$	\$	\$
Opening net book amount	476,000	1,828,325	258,746	32,557	121,180	36,660	2,753,468
Additions	-	-	222,809	2,499	23,252	5,994	254,554
Disposals	-	-	(172,331)	-	(863)	-	(173,194)
Depreciation	-	(42,041)	(55,326)	(4,276)	(21,725)	(15,044)	(138,412)
Closing net book amount	<u>476,000</u>	<u>1,786,284</u>	<u>253,898</u>	<u>30,780</u>	<u>121,844</u>	<u>27,610</u>	<u>2,696,416</u>
2007	\$	\$	\$	\$	\$	\$	\$
Opening net book amount	476,000	1,786,284	253,898	30,780	121,844	27,610	2,696,416
Additions	-	-	56,780	4,172	11,815	98,866	171,633
Disposals	-	-	(39,635)	(3,720)	-	(304)	(43,659)
Depreciation	-	(41,605)	(53,514)	(4,436)	(20,469)	(26,376)	(146,400)
Closing net book amount	<u>476,000</u>	<u>1,744,679</u>	<u>217,529</u>	<u>26,796</u>	<u>113,190</u>	<u>99,796</u>	<u>2,677,990</u>
Parent							
2006	\$	\$	\$	\$	\$	\$	\$
Opening net book amount	116,000	1,087,974	179,149	28,837	66,478	29,360	1,507,798
Additions	-	-	129,970	2,499	-	5,994	138,463
Disposals	-	-	(108,605)	-	-	-	(108,605)
Depreciation	-	(21,760)	(36,997)	(4,276)	(6,686)	(11,454)	(81,173)
Closing net book amount	<u>116,000</u>	<u>1,066,214</u>	<u>163,517</u>	<u>27,060</u>	<u>59,792</u>	<u>23,900</u>	<u>1,456,483</u>
2007	\$	\$	\$	\$	\$	\$	\$
Opening net book amount	116,000	1,066,214	163,517	27,060	59,792	23,900	1,456,483
Additions	-	-	56,780	4,172	-	98,866	159,818
Disposals	-	-	(31,301)	-	-	-	(31,301)
Depreciation	-	(21,324)	(38,126)	(4,436)	(6,010)	(22,970)	(92,866)
Closing net book amount	<u>116,000</u>	<u>1,044,890</u>	<u>150,870</u>	<u>26,796</u>	<u>53,782</u>	<u>99,796</u>	<u>1,492,134</u>

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NOTE 15: INTANGIBLE ASSETS

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Goodwill on consolidation at cost	-	52,316	-	-

NOTE 16: TRADE AND OTHER PAYABLES

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
<i>Unsecured</i>				
Trade creditors	244,573	162,693	114,279	84,743
NUW Queensland Branch	20,000	20,000	20,000	20,000
NUW Victorian Branch	64,782	57,326	64,782	57,326
Money held in trust for NUW Central Branch	200,000	100,000	200,000	100,000
Amount due to other related party	2,699,333	-	2,699,333	-
Other payables	<u>146,507</u>	<u>152,212</u>	<u>152,395</u>	<u>136,600</u>
	<u>3,375,195</u>	<u>492,231</u>	<u>3,250,789</u>	<u>398,669</u>

NOTE 17: CURRENT TAX LIABILITY

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Income tax	<u>71,942</u>	<u>1,576</u>	-	-

NOTE 18: BORROWINGS

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
NON-CURRENT				
Secured liabilities				
Bank loans	<u>116,908</u>	<u>184,278</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 2007

NOTE 18: BORROWINGS (Continued)

(a) Secured liabilities	Economic Entity		Parent Entity	
	2007	2006	2007	2006
The total secured liabilities (current and non-current) are as follows:	\$	\$	\$	\$
Bank loans	<u>116,908</u>	<u>184,278</u>	<u>-</u>	<u>-</u>
Total secured liabilities	<u>116,908</u>	<u>184,278</u>	<u>-</u>	<u>-</u>

(b) Assets pledged as security

The bank loans of the Group are secured by a letter of set off between the Bank and the subsidiary, secured over the subsidiary's term deposit from time to time.

(c) Interest rate risk exposures

The following table sets out the Group's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods. Exposures arise predominantly from liabilities bearing variable interest rates as the Group intends to hold fixed rate liabilities to maturity.

2007	Floating Interest rate \$	1 year or less \$	Over 1 to 2 years \$	Fixed interest maturing on				Non Interest bearing \$	Total \$
				Over 2 to 3 years \$	Over 3 to 4 years \$	Over 4 to 5 years \$	Over 5 years \$		
Bank loans	-	-	-	-	-	-	116,908	-	116,908
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,908</u>	<u>-</u>	<u>116,908</u>
Weighted average interest rate	-%	-%	-%	-%	-%	-%	7.0%		
2006	Floating Interest rate \$	1 year or less \$	Over 1 to 2 years \$	Fixed interest maturing on				Non Interest bearing \$	Total \$
				Over 2 to 3 years \$	Over 3 to 4 years \$	Over 4 to 5 years \$	Over 5 years \$		
Bank loans	-	-	-	-	-	-	184,278	-	184,278
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,278</u>	<u>-</u>	<u>184,278</u>
Weighted average interest rate	-%	-%	-%	-%	-%	-%	7.0%		

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

NOTE 18: BORROWINGS (Continued)

(d) Fair values

The fair values and carrying values of borrowings of the Group are as follows:

	2007 Carrying amount \$	2007 Fair value \$	2006 Carrying amount \$	2006 Fair value \$
On-balance sheet				
<i>Non-traded securities</i>				
Bank loans	<u>116,908</u>	<u>116,908</u>	<u>184,278</u>	<u>184,278</u>
	<u>116,908</u>	<u>116,908</u>	<u>184,278</u>	<u>184,278</u>

On-balance sheet:

The fair value of borrowings is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for liabilities with similar risk profiles.

NOTE 19: PROVISIONS

	Economic Entity		Parent Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
CURRENT				
Employee benefits - staff	413,060	367,981	277,345	244,926
Employee benefits - official	<u>369,863</u>	<u>350,280</u>	<u>369,863</u>	<u>350,280</u>
	<u>782,923</u>	<u>718,261</u>	<u>647,208</u>	<u>595,206</u>

Included in the employee benefits provision is a provision that has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits has been included in Note 1.

Movements -	Employee benefits \$	Total \$
At 1 July 2005	561,643	561,643
Charged to the income statement	<u>156,618</u>	<u>156,618</u>
At 30 June 2006	<u>718,261</u>	<u>718,261</u>
Charged to the income statement	<u>64,662</u>	<u>64,662</u>
At 30 June 2007	<u>782,923</u>	<u>782,923</u>

NATIONAL UNION OF WORKERS - NATIONAL OFFICE
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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

NOTE 20: RESERVES

		Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Available for sale investments revaluation reserve	(a)	-	5,806	-	5,806
Capital profit reserve	(b)	<u>4,960</u>	<u>4,960</u>	-	-
		<u>4,960</u>	<u>10,766</u>	<u>-</u>	<u>5,806</u>

(a) Available for sale investments revaluation reserve

Movements during the financial year:

Opening balance		5,806	-	5,806	-
Revaluation for year		<u>(5,806)</u>	<u>5,806</u>	<u>(5,806)</u>	<u>5,806</u>
Closing balance		<u>-</u>	<u>5,806</u>	<u>-</u>	<u>5,806</u>

Changes in fair value arising on translation of investments such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve, as described in note 1. Amounts are recognised in the income statement when the associated assets are sold or impaired.

(b) Capital profit reserve

The capital profit reserve records non-taxable profits on sale of capital assets.

NOTE 21: ACCUMULATED SURPLUS

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Movements in the accumulated surplus were as follows:				
Balance 1 July	5,698,065	5,007,590	4,143,068	3,451,627
Net surplus for the year	<u>634,685</u>	<u>690,475</u>	<u>481,529</u>	<u>691,441</u>
Balance 30 June	<u>6,332,750</u>	<u>5,698,065</u>	<u>4,624,597</u>	<u>4,143,068</u>

NOTE 22: CONTINGENCIES

There are no known contingent assets or liabilities at 30 June 2007.

**NATIONAL UNION OF WORKERS - NATIONAL OFFICE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 23: COMMITMENTS

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
(a) Operating lease commitments				
Non-cancellable operating leases contracted for but not capitalised in the financial statements:				
Payable				
- not later than one year	<u>-</u>	<u>3,201</u>	<u>-</u>	<u>3,201</u>
	<u>-</u>	<u>3,201</u>	<u>-</u>	<u>3,201</u>
General description of leasing arrangement:				
The leases are related to the rental of photocopier				

NOTE 24: RELATED PARTY TRANSACTIONS

(a) Parent entity

The parent entity within the Group is National Union of Workers - National Office

(b) Subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding 2007	Equity holding 2006
Labour Union Insurance (Brokers) Pty Ltd	Australia	Ordinary	100%	100%
Australia Risk Insurance Services Pty Ltd	Australia	Ordinary	100%	100%
Labour Union Investment Services Limited (this company was wound up during the year.)	Australia	Ordinary	0%	100%

NATIONAL UNION OF WORKERS - NATIONAL OFFICE
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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

NOTE 24: RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

The following transactions occurred with related parties:

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
<i>Sales of goods and services</i>				
Management fee to subsidiary	-	-	16,237	-
<i>Purchases of goods and services</i>				
Management fee paid to subsidiary	-	-	-	58,041

(h) Key management personnel compensation

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$

The aggregate compensation made to key management personnel is as follows:

<i>Short -term benefits</i>	<u>572,820</u>	<u>599,994</u>	<u>572,820</u>	<u>599,994</u>
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**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 2007**

NOTE 25: CASH FLOW INFORMATION

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Reconciliation of cash flow from operations with Surplus for the year				
Surplus for the year	634,685	690,475	481,529	691,441
Non-cash flows in surplus				
Depreciation	146,400	138,412	92,866	81,173
Net (gain) / loss on disposal of property, plant and equipment	12,170	10,197	8,382	(7,186)
Net (gain) / loss on disposal of investments	(222,243)	(326,185)	(117,240)	(326,185)
Unrealised gain on investments	8,329	-	8,329	-
Changes in assets and liabilities				
Increase in receivables	(262,480)	(51,161)	(242,532)	(84,668)
Decrease in intangibles	52,316	-	-	-
Increase/(decrease) in payables	83,631	(40,496)	52,784	(54,367)
Increase in income tax payable	70,366	5,543	-	-
Increase in provisions	64,662	156,618	52,002	147,143
Cash flows from operations	<u>587,836</u>	<u>583,403</u>	<u>336,120</u>	<u>447,351</u>

NOTE 26: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the financial year, properties owned by the entity are on the market for sale to generate sufficient capital for the payment of investment in an unit trust. The financial effects of the above transaction have not been brought to account at 30 June 2007.

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

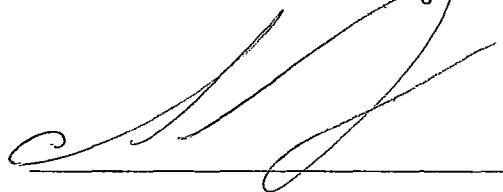
STATEMENT BY COMMITTEE OF MANAGEMENT

On 1st November 2007 the Committee of Management of the National Union of Workers - National Office passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2007:

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

1. the financial statements and notes, as set out on pages 3 to 31 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 3 to 31 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 group 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 2007:
 - a. meetings of the National Committee of Management were held in accordance with the rules of the organisation including the rules of branches 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 has been furnished and no order have been made under section 272 of the RAO Schedule by the Commission during the period.
 - f. No order have been made by the Commission under section 273 of the RAO Schedule during the period.

For the National Committee of Management.



Secretary - Charles Donnelly

Dated this 1st day of NOVEMBER 2007



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Incorporating BGL & Associates

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS - NATIONAL OFFICE

Report on the Financial Report

We have audited the accompanying financial report of National Union of Workers - National Office and its subsidiaries ("group") which comprises the balance sheet as at 30 June 2007 and the income statement, statement of recognised income and expense and cash flow statement for the year ended 30 June 2007, a summary of significant accounting policies, other explanatory notes and the Statement by Committee of Management.

Committee of Management's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report, in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the National Committee of Management, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the committee of management.

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

Independence

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





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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NATIONAL UNION OF WORKERS - NATIONAL OFFICE (Continued)**

Auditor's Opinion

In our opinion, the financial report of group presents fairly the financial position of group as at 30 June 2007 and the results of its operations, its changes in equity and cash flows for the financial year then ended, in accordance with any of the following that apply to the entity:

- a) the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- b) the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.

BGL + Associates

BGL & Associates
Chartered Accountants

I. A. Hinds

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

1 November 2007
Melbourne

