FAIR WORK AUSTRALIA

1 March 2010

Mr Charles Donnelly
Secretary
National Union of Workers
PO Box 343
NORTH MELBOURNE VIC 3051
By email: nuwnat@nuw.org.au

Dear Mr Donnelly

Fair Work (Registered Organisations) Act 2009 − (RO Act)
Financial report for year ended 30 June 2009 − FR2009/10144

I acknowledge receipt of the full report and concise report for the National Office of the National Union of Workers for the year ended 30 June 2009. The documents were lodged with Fair Work Australia on 22 December 2009. I also acknowledge receipt of the s237 Statement lodged with Fair Work Australia on 26 February 2010.

The full report and the concise report have been filed.

Although the documents have been filed please note the following information when preparing financial reports in future years.

1. Lodgement of full and concise report within 14 days of meeting

Section 268 of the RO Act generally requires the reporting unit to lodge a copy of the full report, concise report (if there is one) and the designated officer's certificate within 14 days of the full report being presented to the committee of management (s266 meeting). I note the s266 meeting took place on 18 November 2009 and the documents were lodged on 22 December 2009. Please ensure the time requirement of s268 is complied with in future.

2. Lodgement of statement of loans, grants and donations

If there are any loan, grant or donation amounts exceeding $1,000 s237 of the RO Act requires the reporting unit to lodge a s237 Statement with Fair Work Australia within 90 days after the end of each financial year. However, if there are no amounts exceeding $1,000 but the financial report disclose a substantial figure for the loans, grants or donations it would be advisable to provide a brief statement in the financial report to confirm that none of the amounts exceed $1,000. This would avoid any uncertainty as to whether the obligations under 237 have been met.

If you have any queries in relation to this letter I may be contacted on (03) 8661 7989 (Wed − Fri) or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely,

Cynthia Lo-Booth
Tribunal Services and Organisations

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone: (03) 8661 7989
International: (613) 8661 7989
Facsimile: (03) 9655 0410
Email: orgs@fwa.gov.au

FR 2009/ ~~10197~~ 10144

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

ANNUAL CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009

National Union of Workers

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 of the full financial report for the year ended 30 June 2009.

The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report and are consistent, with the full 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 full financial report and the auditor's report will be sent to members on request, free of charge, upon request.

This concise financial report is provided to the members in accordance with the committee of management resolution passed on 18 November 2009.

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

Income Statement

The consolidated surplus attributable to members for the year was $74,467 which is an 87% decrease from last year where a consolidated surplus of $607,834 was made. Revenue from operations increased by 3% which combined with a 15% increase in expenses resulted in a surplus lower than in 2008.

Balance Sheet

Total assets decreased by 13% or $1,247,546 from $9,707,416 in 2008 to $8,459,870 this year mainly due to disposal of land and buildings. This was countered to some extent by a decrease in total liabilities of $1,322,013 or 48% from $2,761,872 in 2008 to $1,439,859 in 2009 mainly as a result of repayments of borrowings.

The members fund increased by $74,467 due to the surplus of the year.

Cash Flows

Cash flows from operations increased by $321,585 from $ 254,923 in 2008 to $576,508 in 2009. The increase was mainly due to increase in increase in sustentation fees actually received compared to 2008. Cash balances increased by $239,830 from last reporting period resulting in cash on hand and at the banks at 30 June 2009 to $2,660,394.

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

----

Designated Officer – Charles Donnelly

Dated this 18th November 2009

OPERATING REPORT

Your Committee present their report on the National Union of Workers - National Office and its controlled entities for the financial year ended 30 June 2009.

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
Tim Kennedy
Gail Burmeister
Ron Herbert
Marisa Bernardi
Doug Stevens
Antony Thow
Nick Thredgold
Joe Bullock
John Cosgrove

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 profit of the consolidated group for the financial year after providing for income tax and eliminating minority equity interests amounted to $ 74,467 (2008 : $ 607,834).

Review of Operations

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

Significant Changes in State of Affairs

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

Principal Activities

The principal activities of the consolidated group 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.

OPERATING REPORT (CONTINUED)

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

Union details

The number of employees at 30 June 2009 was 19 (2008: 18).

The number of financial members at 30 June 2009 was 88,015 (2008: 89,125).

Rights of members to resign

The rules 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 is similar to s174 and meets all of the requirements of the Workplace Relations Act 1996.

Directorships of superannuation funds

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

The following NCOM members are director's of LUCRF:

Charles Donnelly

Tim Kennedy

Antony Thow

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

Designated officer

Charles Donnelly

Dated this 18th November 2009

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

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Revenue from continuing operations	4	**5,145,819**	5,575,944	**3,793,727**	4,214,633
Other income	5	**607,220**	10,684	**605,838**	10,684
Administrative expenses		**(317,745)**	(273,454)	**(229,414)**	(175,252)
Affiliation fee		**(321,168)**	(301,769)	**(321,168)**	(301,769)
Campaign expenses		**(277,198)**	(503,185)	**(277,198)**	(503,185)
Depreciation and amortisation		**(203,190)**	(190,421)	**(154,909)**	(141,273)
Donations		**(65,290)**	(29,449)	**(65,290)**	(29,449)
Finance costs		**(911)**	(7,616)	**-**	-
Impairment loss		**(409,842)**	(14,622)	**(409,842)**	(14,622)
Insurance expenses		**(123,982)**	(107,916)	**(77,780)**	(69,285)
Legal and professional fees		**(293,583)**	(71,854)	**(254,745)**	(26,045)
Meeting and conference expenses		**(22,187)**	(5,529)	**(14,450)**	(5,529)
Motor vehicle expenses		**(88,472)**	(75,021)	**(61,302)**	(50,395)
Occupancy expenses		**(45,436)**	(118,918)	**(10,184)**	(85,399)
Printing & communication expenses		**(237,936)**	(219,421)	**(207,720)**	(176,582)
Salaries and related expenses		**(3,111,272)**	(2,894,080)	**(2,073,699)**	(1,945,374)
Travel and accommodation expenses		**(156,115)**	(138,160)	**(143,650)**	(132,657)
Other expenses		**(4,245)**	(4,791)	**(3,283)**	(4,064)
		(5,678,572)	(4,956,206)	**(4,304,634)**	(3,660,880)
Profit before income tax		**74,467**	630,422	**94,931**	564,437
Income tax expense		**-**	(22,588)	**-**	-
Profit attributable to members		**74,467**	607,834	**94,931**	564,437

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

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

BALANCE SHEETS
AS AT 30 JUNE 2009

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
ASSETS				
Current assets				
Cash and cash equivalents	**2,660,394**	2,420,564	**1,348,627**	998,290
Trade and other receivables	**1,162,317**	1,682,816	**1,103,367**	1,625,308
Total current assets	**3,822,711**	4,103,380	**2,451,994**	2,623,598
Non-current assets				
Financial assets	**2,687,162**	2,940,106	**3,262,166**	3,515,110
Intangibles assets	**1,620**	-	**-**	-
Property, plant and equipment	**1,948,377**	2,663,930	**770,145**	1,499,987
Total non-current assets	**4,637,159**	5,604,036	**4,032,311**	5,015,097
Total assets	**8,459,870**	9,707,416	**6,484,305**	7,638,695
LIABILITIES				
Current liabilities				
Trade and other payables	**628,774**	1,859,024	**509,636**	1,708,479
Borrowings	**-**	44,910	**-**	-
Provisions	**811,085**	857,938	**690,704**	741,182
Total current liabilities	**1,439,859**	2,761,872	**1,200,340**	2,449,661
Total liabilities	**1,439,859**	2,761,872	**1,200,340**	2,449,661
Net Assets	**7,020,011**	6,945,544	**5,283,965**	5,189,034
EQUITY				
Retained profits	**7,020,011**	6,945,544	**5,283,965**	5,189,034
Total equity	**7,020,011**	6,945,544	**5,283,965**	5,189,034

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

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Retained profits $	Total $
Consolidated Group		
Balance at 1 July 2007	6,337,710	6,337,710
Profit for the year	607,834	607,834
Balance at 30 June 2008	6,945,544	6,945,544
Balance at 1 July 2008	6,945,544	6,945,544
Profit for the year	74,467	74,467
Balance at 30 June 2009	7,020,011	7,020,011
Parent Entity		
Balance at 1 July 2007	4,624,597	4,624,597
Profit for the year	564,437	564,437
Balance at 30 June 2008	5,189,034	5,189,034
Balance at 1 July 2008	5,189,034	5,189,034
Profit for the year	94,931	94,931
Balance at 30 June 2009	5,283,965	5,283,965

The above statement of changes in equity 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 STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Cash flows from operating activities				
Sustentation Fees received	**3,421,301**	2,740,394	**3,421,301**	2,740,394
Campaign income	**-**	554,868	**-**	554,868
Other income	**1,113,221**	957,014	**1,068,681**	868,579
Commission received	**1,338,380**	1,299,076	**-**	-
Payments to suppliers and employees	**(5,423,869)**	(5,335,447)	**(3,945,943)**	(3,923,556)
Dividends received	**-**	2,113	**-**	2,113
Interest received	**137,813**	170,285	**26,679**	11,087
Finance costs	**(911)**	(7,616)	**-**	-
Income tax paid	**(9,427)**	(125,764)	**-**	-
Net cash inflow from operating activities	**576,508**	254,923	**570,718**	253,485
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	**1,784,602**	33,182	**1,749,485**	33,182
Proceeds from sale of investments	**-**	100,691	**-**	100,691
Payment for property, plant and equipment	**(745,847)**	(198,859)	**(639,343)**	(171,624)
Payment for investments	**(1,387,023)**	(1,401,334)	**(1,387,023)**	(1,401,334)
Net cash (outflow) from investing activities	**(348,268)**	(1,466,320)	**(276,881)**	(1,439,085)
Cash flows from financing activities				
Loan repayment received	**6,500**	-	**6,500**	-
Money transferred from NUW Central Branch	**50,000**	-	**50,000**	
Repayment of bank loan	**(44,910)**	(71,998)	**-**	-
Net cash (outflow) from financing activities	**11,590**	(71,998)	**56,500**	-
Net increase/(decrease) in cash and cash equivalents	**239,830**	(1,283,395)	**350,337**	(1,185,600)
Cash and cash equivalents at beginning of financial year	**2,420,564**	3,703,959	**998,290**	2,183,890
Cash and cash equivalents at end of financial year	**2,660,394**	2,420,564	**1,348,627**	998,290

The above cash flow statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

This concise financial report relates to the entity consisting of National Union of Workers – National Office and Controlled Entities for the year ended 30 June 2009. The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated in Note1 below.

1: Basis of preparation of the concise report

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

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).

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).

4: Revenue

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
From continuing operations	$	$	$	$
Service revenue				
- commission	**1,208,721**	1,176,093	**-**	-
- sustentation fees	**2,841,874**	2,674,886	**2,841,874**	2,674,886
- campaign funds	**-**	504,426	**-**	504,426
	4,050,595	4,355,405	**2,841,874**	3,179,312
Other revenue				
- interest	**165,307**	192,335	**54,173**	33,137
- NUW – MSC	**392,069**	501,149	**392,069**	501,149
- dividends	**-**	2,113	**-**	2,113
- mail outs	**27,811**	45,861	**27,811**	45,861
- management fee	**84,629**	122,283	**84,629**	122,283
- director fees	**269,300**	241,350	**269,300**	241,350
- investment income	**114,541**	9,627	**114,541**	9,627
- other revenue	**41,567**	105,821	**9,330**	79,801
	5,145,819	5,575,944	**3,793,727**	4,214,633

5: Other income

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Net gain on disposal of property, plant and equipment and investment	**607,220**	10,684	**605,838**	10,684
	607,220	10,684	**605,838**	10,684

6: Events subsequent to reporting date

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

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

STATEMENT BY COMMITTEE OF MANAGEMENT

On 18th November 2009 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 2009:

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 1 to 9 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 1 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 the National Union of Workers – National Office for the financial year to which they relate;
4. there are reasonable grounds to believe that the consolidate 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 2009
   a. meetings of the 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 the 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 the 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
   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 the National Union of Workers – National Office has been furnished and no orders have been made under section 272 of the RAO Schedule by the Commission during the period.
   f. No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

For the Committee of Management

Designated officer – Charles Donnelly

Dated this 18th day of November 2009

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

A.B.N. 96 006 935 459

Suite 1, Ground Floor
598 St. Kilda Road
Melbourne VIC 3004

All correspondence to
PO Box 6094
St. Kilda Road Central
VIC 8008

t: (03) 9525 2511
f: (03) 9525 2829

e: bgl@bglassociates.com.au
w: www.bglassociates.com

Incorporating BGL & Associates

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

Report on the concise financial report

The accompanying financial report of National Union of Workers – National Office and Controlled Entities which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity 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 Controlled Entities for the year ended 30 June 2009, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Committee of Management 's responsibility for the concise financial report

The Committee of Management are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Workplace Relations Act 1996*. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; 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 procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of National Union of Workers – National Office and Controlled Entities for the year ended 30 June 2009. Our audit report on the financial report for the year was signed on 18 November 2009 and was not subject to any modification. The 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, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports,* and whether this discussion and analysis complies with the requirements laid down in AASB 1039. Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the concise 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.

Chartered Accountants

bgl

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

A.B.N. 96 006 935 459

Suite 1, Ground Floor
598 St. Kilda Road
Melbourne VIC 3004

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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 followed applicable 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 Controlled Entities for the year ended 30 June 2009 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

BGL & Associates

BGL & Associates
Chartered Accountants

I. A. Hinds - A.C.A. – Partner
(Member of The Institute of Chartered Accountants in Australia and holder of current Public Practice Certificate)

Melbourne
18 November 2009

NATIONAL UNION OF WORKERS

UNITY IS STRENGTH.

TK:MK

FR 2009/ ~~10197~~ 10144

RECEIVED
22 DEC 2009
FAIR WORK AUSTRALIA
VICTORIA

Our Ref: K19/09

Tuesday, 22 December 2009

General Manager
Fair Work Australia
GPO Box 1994
Melbourne VIC 3001

Dear General Manager,

Re: National Union of Workers National Office Financial Reports for year ending 30 June 2009

Please find attached a copy of the National Union of Workers National Office financial reports for the year ending 30 June 2009.

The financial reports were presented to a meeting of the National Committee of Management for approval on 21 December 2009.

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

National PO Box 343, North Melbourne VIC 3051
VIC PO Box 343, North Melbourne VIC 3051
NSW 3-5 Bridge Street, Granville NSW 2142
QLD 1st Floor, 17 Cribb Street, Milton QLD 4064
SA 46 Greenhill Rd, Wayville SA 5034
WA 63 Railway Pde, Mount Lawley WA 6050

Fair Work (Registered Organisations) Act 2009

RECEIVED
22 DEC 2009
FAIR WORK AUSTRALIA
VICTORIA

s268 of Fair Work (Registered Organisations) Act 2009

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 if the Fair Work (Registered Organisations) Act 2009; and

- that the concise report was provided to members on 20 November 2009; and

- that the full report was presented to a meeting of the National Committee of Management of the reporting unit on 18 November 2009; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

DATED: Tuesday, 22 December 2009

CHARLES DONNELLY
GENERAL SECRETARY

FR 2009/10197

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

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009

NUW

National Union of Workers

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

TABLE OF CONTENTS

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

National Union of Workers - National Office is a registered trade under the Workplace Relations Act 1996, incorporated and domiciled in Australia.

The principal place of business is:
National Union of Workers - National Office
833 Bourke Street
DOCKLANDS VIC 3008

The financial report was authorised for issue by the Committee of Management on 18th day of November 2009.

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 for the financial year ended 30 June 2009.

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
Tim Kennedy
Gail Burmeister
Ron Herbert
Marisa Bernardi
Doug Stevens
Antony Thow
Nick Thredgold
Joe Bullock
John Cosgrove

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 profit of the consolidated group for the financial year after providing for income tax and eliminating minority equity interests amounted to $ 74,467 (2008 : $ 607,834).

Review of Operations

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

Significant Changes in State of Affairs

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

Principal Activities

The principal activities of the consolidated group 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.

OPERATING REPORT (CONTINUED)

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

Union details

The number of employees at 30 June 2009 was 19 (2008: 18).

The number of financial members at 30 June 2009 was 88,015 (2008: 89,125).

Rights of members to resign

The rules 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 is similar to s174 and meets all of the requirements of the Workplace Relations Act 1996.

Directorships of superannuation funds

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

The following NCOM members are director's of LUCRF:

Charles Donnelly

Tim Kennedy

Antony Thow

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

Designated officer

Charles Donnelly

Dated this 18th November 2009

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

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Revenue from continuing operations	4	**5,145,819**	5,575,944	**3,793,727**	4,214,633
Other income	5	**607,220**	10,684	**605,838**	10,684
Administrative expenses		**(317,745)**	(273,454)	**(229,414)**	(175,252)
Affiliation fee		**(321,168)**	(301,769)	**(321,168)**	(301,769)
Campaign expenses		**(277,198)**	(503,185)	**(277,198)**	(503,185)
Depreciation and amortisation		**(203,190)**	(190,421)	**(154,909)**	(141,273)
Donations		**(65,290)**	(29,449)	**(65,290)**	(29,449)
Finance costs		**(911)**	(7,616)	**-**	-
Impairment loss		**(409,842)**	(14,622)	**(409,842)**	(14,622)
Insurance expenses		**(123,982)**	(107,916)	**(77,780)**	(69,285)
Legal and professional fees		**(293,583)**	(71,854)	**(254,745)**	(26,045)
Meeting and conference expenses		**(22,187)**	(5,529)	**(14,450)**	(5,529)
Motor vehicle expenses		**(88,472)**	(75,021)	**(61,302)**	(50,395)
Occupancy expenses		**(45,436)**	(118,918)	**(10,184)**	(85,399)
Printing & communication expenses		**(237,936)**	(219,421)	**(207,720)**	(176,582)
Salaries and related expenses	8	**(3,111,272)**	(2,894,080)	**(2,073,699)**	(1,945,374)
Travel and accommodation expenses		**(156,115)**	(138,160)	**(143,650)**	(132,657)
Other expenses		**(4,245)**	(4,791)	**(3,283)**	(4,064)
		(5,678,572)	(4,956,206)	**(4,304,634)**	(3,660,880)
Profit before income tax		**74,467**	630,422	**94,931**	564,437
Income tax expense	9	**-**	(22,588)	**-**	-
Profit attributable to members		**74,467**	607,834	**94,931**	564,437

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

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

BALANCE SHEETS
AS AT 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	10	**2,660,394**	2,420,564	**1,348,627**	998,290
Trade and other receivables	11	**1,162,317**	1,682,816	**1,103,367**	1,625,308
Total current assets		**3,822,711**	4,103,380	**2,451,994**	2,623,598
Non-current assets					
Financial assets	12	**2,687,162**	2,940,106	**3,262,166**	3,515,110
Intangibles assets	13	**1,620**	-	**-**	-
Property, plant and equipment	14	**1,948,377**	2,663,930	**770,145**	1,499,987
Total non-current assets		**4,637,159**	5,604,036	**4,032,311**	5,015,097
Total assets		**8,459,870**	9,707,416	**6,484,305**	7,638,695
LIABILITIES					
Current liabilities					
Trade and other payables	15	**628,774**	1,859,024	**509,636**	1,708,479
Borrowings	16	**-**	44,910	**-**	-
Provisions	17	**811,085**	857,938	**690,704**	741,182
Total current liabilities		**1,439,859**	2,761,872	**1,200,340**	2,449,661
Total liabilities		**1,439,859**	2,761,872	**1,200,340**	2,449,661
Net Assets		**7,020,011**	6,945,544	**5,283,965**	5,189,034
EQUITY					
Retained profits	18	**7,020,011**	6,945,544	**5,283,965**	5,189,034
Total equity		**7,020,011**	6,945,544	**5,283,965**	5,189,034

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

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Retained profits $	Total $
Consolidated Group		
Balance at 1 July 2007	6,337,710	6,337,710
Profit for the year	607,834	607,834
Balance at 30 June 2008	6,945,544	6,945,544
Balance at 1 July 2008	6,945,544	6,945,544
Profit for the year	74,467	74,467
Balance at 30 June 2009	7,020,011	7,020,011
Parent Entity		
Balance at 1 July 2007	4,624,597	4,624,597
Profit for the year	564,437	564,437
Balance at 30 June 2008	5,189,034	5,189,034
Balance at 1 July 2008	5,189,034	5,189,034
Profit for the year	94,931	94,931
Balance at 30 June 2009	5,283,965	5,283,965

The above statement of changes in equity 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 STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Cash flows from operating activities					
Sustentation Fees received		**3,421,301**	2,740,394	**3,421,301**	2,740,394
Campaign income		**-**	554,868	**-**	554,868
Other income		**1,113,221**	957,014	**1,068,681**	868,579
Commission received		**1,338,380**	1,299,076	**-**	-
Payments to suppliers and employees		**(5,423,869)**	(5,335,447)	**(3,945,943)**	(3,923,556)
Dividends received		**-**	2,113	**-**	2,113
Interest received		**137,813**	170,285	**26,679**	11,087
Finance costs		**(911)**	(7,616)	**-**	-
Income tax paid		**(9,427)**	(125,764)	**-**	-
Net cash inflow from operating activities	25	**576,508**	254,923	**570,718**	253,485
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**1,784,602**	33,182	**1,749,485**	33,182
Proceeds from sale of investments		**-**	100,691	**-**	100,691
Payment for property, plant and equipment		**(745,847)**	(198,859)	**(639,343)**	(171,624)
Payment for investments		**(1,387,023)**	(1,401,334)	**(1,387,023)**	(1,401,334)
Net cash (outflow) from investing activities		**(348,268)**	(1,466,320)	**(276,881)**	(1,439,085)
Cash flows from financing activities					
Loan repayment received		**6,500**	-	**6,500**	-
Money transferred from NUW Central Branch		**50,000**	-	**50,000**	
Repayment of bank loan		**(44,910)**	(71,998)	**-**	-
Net cash (outflow) from financing activities		**11,590**	(71,998)	**56,500**	-
Net increase/(decrease) in cash and cash equivalents		**239,830**	(1,283,395)	**350,337**	(1,185,600)
Cash and cash equivalents at beginning of financial year		**2,420,564**	3,703,959	**998,290**	2,183,890
Cash and cash equivalents at end of financial year	10(a)	**2,660,394**	2,420,564	**1,348,627**	998,290

The above cash flow statements should be read in conjunction with the accompanying notes.

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 as an individual entity and the consolidated group consisting of National Union of Workers – National Office 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).

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, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

1: Summary 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 2009 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 Group.

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 purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

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.

Intercompany 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.

1: Summary of significant accounting policies (Continued)

(c) 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.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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 commission has been established.

NUW – MSC Subscription
Subscription revenue is recognised when the right to receive the subscription has been established.

Directors' fees
Directors' fees are 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)

1: Summary of significant accounting policies (Continued)

(d) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(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 applicable 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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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.

1: Summary of significant accounting policies (Continued)

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) 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.

(h) 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.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollected are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used 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 impairment allowance 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 impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

1: Summary of significant accounting policies (Continued)

(i) 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.

(j) Investment and other financial assets

Classification
The Group classifies its investments 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 investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

The Group does not hold any investments 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 reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

(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 the 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 carried at fair value through profit and 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.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

1: Summary of significant accounting policies (Continued)

(j) Investment and other financial assets (Continued)

Subsequent measurement
Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Group's right to receive payments is established.

Details on how the fair value of financial instruments is determined are disclosed in note 22.

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.

(k) 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation is calculated to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

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.

1: Summary of significant accounting policies (Continued)

(k) Property, plant and equipment (Continued)

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 .When revalued assets are sold; it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(l) 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.

(m) 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 are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates

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.

(n) 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.

(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.

1: Summary of significant accounting policies (Continued)

(n) Employee benefits (Continued)

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value

(o) Comparative figures

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

(p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective from 1 January 2009)
AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers' use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group will adopt AASB 8 from 1 July 2009. It is likely to result in an increase in the number of reportable segments presented. In addition, the segments will be reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (effective from 1 January 2009)
The revised AASB 123 has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Group, as the Group already capitalises borrowing costs relating to qualifying assets.

(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)
The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group will apply the revised standard from 1 July 2009.

1: Summary of significant accounting policies (Continued)

(p) New accounting standards and interpretations (Continued)

(iv) Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 July 2009)
The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets. The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. This is consistent with the Group's current accounting policy if significant influence is not retained. The Group will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

(v) AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009)
In July 2008, the AASB approved amendments to AASB 1 *First-time Adoption of International Financial Reporting Standards* and AABS 127 *Consolidated and Separate Financial Statements*. The Group will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment. Under the entity's current policy, these dividends are deducted from the cost of the investment. Furthermore, when a new intermediate parent entity is created in internal reorganisations it will measure its investment in subsidiaries at the carrying amounts of the net assets of the subsidiary rather than the subsidiary's fair value.

(vi) AASB Interpretation 17 Distribution of Non-cash Assets to Owners and AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17
AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders. These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution. This is different to the Group's current policy which is to measure distributions of non-cash assets at their carrying amounts. The interpretation further clarifies when a liability for the dividend must be recognised and that it is also measured at fair value. The Group will apply the interpretation prospectively from 1 July 2009.

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment
The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

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

Provision for impairment of receivables
Included in the receivables at 30 June 2009 are amounts due for reimbursement of expenses. The National Committee of Management (NCOM)

believe that some of the amounts due are not fully recoverable and a provision for impairment at 30 June 2009 has been made.

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).

4: Revenue

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
From continuing operations	$	$	$	$
Service revenue				
- commission	1,208,721	1,176,093	-	-
- sustentation fees	2,841,874	2,674,886	2,841,874	2,674,886
- campaign funds	-	504,426	-	504,426
	4,050,595	4,355,405	2,841,874	3,179,312
Other revenue				
- interest	165,307	192,335	54,173	33,137
- NUW – MSC	392,069	501,149	392,069	501,149
- dividends	-	2,113	-	2,113
- mail outs	27,811	45,861	27,811	45,861
- management fee	84,629	122,283	84,629	122,283
- director fees	269,300	241,350	269,300	241,350
- investment income	114,541	9,627	114,541	9,627
- other revenue	41,567	105,821	9,330	79,801
	5,145,819	5,575,944	3,793,727	4,214,633

5: Other income

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Net gain on disposal of property, plant and equipment and investment	607,220	10,684	605,838	10,684
	607,220	10,684	605,838	10,684

6: Sustentation fees

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
New South Wales	880,183	791,958	880,183	791,958
South Australia	146,565	129,056	146,565	129,056
Queensland	230,782	232,146	230,782	232,146
Victoria	1,533,497	1,468,163	1,533,497	1,468,163
Western Australia	50,847	53,563	50,847	53,563
	2,841,874	2,674,886	2,841,874	2,674,886

7: Expenses

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Profit (loss) before income tax expenses (income tax revenue) includes the following specific expenses:				
Depreciation	**203,190**	190,421	**154,909**	141,273
Finance costs				
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	**911**	7,616	**-**	-
Defined contribution superannuation expense	**394,539**	349,321	**273,113**	232,249
Bad and doubtful debts				
Other receivables	**-**	70,250	**-**	70;250
Rental expenses relating to operating leases				
Minimum lease payments		87,649	**-**	85,399
Net loss on disposal of property, plant and equipment	**80,828**		**70,631**	-
Net loss on disposal of listed investments	**-**	12,814	**-**	12,814
Conference allowance	**14,356**	3,320	**14,356**	3,320
Legal fees	**233,205**	6,935	**232,605**	6,567
Impairment of assets				
investments	**409,842**	14,622	**409,842**	14,622

8: Salaries and related expenses

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Employee benefits – official	**503,676**	494,568	**503,676**	494,568
Employee benefits – staff	**2,337,675**	2,217,417	**1,371,354**	1,330,615
Other staff costs	**269,921**	182,095	**198,669**	120,191
	3,111,272	2,894,080	**2,073,699**	1,945,374

9: Income tax expense

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
(a) Income of tax expense:				
Current tax	-	22,588	-	-
Deferred tax	-	-	-	-
	-	22,588	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable:				
Profit from continuing operations before income tax expense	**74,467**	630,422	94,931	564,437
Prima facie income tax payable on profit before income tax at 30.0% (2008 – 30.0%)	**22,340**	189,127	28,480	169,331
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Sundry items	**28,120**	2,792	-	-
Non taxable income	**(50,460)**	(169,331)	(28,480)	(169,331)
Income tax expense attributable to profit	-	22,588	-	-

10: Current assets – Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Cash In hand	**3,102**	2,602	**1,000**	1,000
Cash at bank	**2,657,292**	2,417,962	**1,347,627**	997,290
	2,660,394	2,420,564	**1,348,627**	998,290

(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 cash flow statements as follows:

Balances as above	**2,660,394**	2,420,564	**1,348,627**	998,290
Bank overdrafts	-	-	-	-
Balances per cash flow statement	**2,660,394**	2,420,564	**1,348,627**	998,290

(b) Interest rate risk exposure

The Group's and the parent entity's exposure to interest rate risk is discussed in note 22. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

11: Current assets - Trade and other receivables

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
CURRENT				
Branches				
NUW Central Branch	**22,358**	101,725	**22,358**	101,725
NUW NSW Branch	**306,784**	364,572	**306,784**	364,572
NUW Queensland Branch	**63,550**	48,890	**63,550**	48,890
NUW SA Branch	**51,991**	31,672	**51,991**	31,672
NUW Victorian Branch	**177,149**	365,260	**177,149**	365,260
NUW WA Branch	**8,459**	13,271	**8,459**	13,271
	630,291	925,390	**630,291**	925,390
Less provision for impairment of receivables	**(42,220)**	(42,220)	**(42,220)**	(42,220)
	588,071	883,170	**588,071**	883,170
Other				
Prepayments	**61,323**	291,588	**61,323**	291,588
Other receivables	**59,762**	85,318	**44,094**	61,665
Income tax refund	**43,282**	33,855	**-**	-
Loans to related parties	**409,879**	388,885	**409,879**	388,885
	574,246	799,646	**515,296**	742,138
	1,162,317	1,682,816	**1,103,367**	1,625,308

(a) Impaired trade receivables

The Group has recognised an impairment loss of $ Nil (2008 :$ Nil) in respect of impaired trade receivables during the year ended 30 June 2009.

As at 30 June 2009 current trade receivables of the Group with a nominal value of $ 42,220 (2008 : $42,220) were impaired. The amount of the provision was $42,200 (2008 : $42,200). The individually impaired receivables mainly relate to expense reimbursement from Branches, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:	2009	2008
	$	$
1 to 3 months	**-**	-
3 to 6 months	**-**	-
Over 6 months	**42,200**	42,200
	42,200	42,200

11: Current assets - Trade and other receivables (Continued)

Movements in the provision for impairment of receivables is as follows:

	2009 $	2008 $
At 1 July	**42,200**	42,200
Provision for impairment recognised during the year	-	-
Unused amounts reversed	-	-
	42,200	42,200

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As of 30 June 2009 the following trade receivables were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2009 $	2008 $
Up to 3 months	-	-
3 to 6 months	-	-
Over 6 months	**8,675**	8,675
	8,675	8,675

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

(c) Other receivables

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

(d) Fair value and credit risk

Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The fair value of securities held for certain trade receivables is insignificant as is the fair value of any collateral sold or repledged. Refer to note 22 for more information on the risk management policy of the Group and the credit quality of the Group's trade receivables.

12: Non-current assets - financial assets

		Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Available-for-sale financial assets	a	**2,687,162**	2,940,106	**2,687,162**	2,940,106
Other investments	b	-	-	**575,004**	575,004
		2,687,162	2,940,106	**3,262,166**	3,515,110
(a) Available-for-sale financial assets comprises:					
Listed investment, at fair value					
- shares in listed trusts	c	**14,013**	18,772	**14,013**	18,772
Unlisted investment, at cost					
- shares in other corporations		**124,768**	124,752	**124,768**	124,752
- units in unit trusts		**88,450**	88,450	**88,450**	88,450
Unlisted investment, at recoverable amount					
- units in unit trust, at cost		**2,863,898**	2,708,132	**2,863,898**	2,708,132
Less impairment provisions		**(403,967)**	-	**(403,967)**	-
		2,687,162	2,940,106	**2,687,162**	2,940,106
(b) Other investments					
Shares in subsidiaries		-	-	**575,004**	575,004
(c) Movements in fair value of listed investment during the financial year:					
Opening balance		**18,772**	137,272	**18,772**	137,272
Additions		**1,116**	9,627	**1,116**	9,627
Disposals		-	(113,505)	-	(113,505)
Revaluation for year		**(5,875)**	(14,622)	**(5,875)**	(14,622)
Closing balance		**14,013**	18,772	**14,013**	18,772

13: Non-current assets – Intangible assets

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Patent and trademark	**1,620**	-	-	-

14: Non-current assets - Property, plant and equipment

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
LAND				
Freehold land: at cost	**360,000**	476,000	-	116,000
BUILDINGS				
At cost	**811,866**	2,265,135	-	1,453,269
Less accumulated depreciation	**(152,044)**	(561,024)	-	(429,277)
	659,822	1,704,111	-	1,023,992
Total property	**1,019,822**	2,180,111	-	1,139,992
PLANT AND EQUIPMENT				
Motor vehicles				
At cost	**427,406**	441,101	**297,463**	324,821
Less accumulated depreciation	**(162,053)**	(165,943)	**(154,259)**	(125,032)
	265,353	275,158	**143,204**	199,789
Office equipment				
At cost	**65,596**	141,923	**65,596**	141,923
Less accumulated depreciation	**(31,997)**	(99,405)	**(31,997)**	(99,405)
	33,599	42,518	**33,599**	42,518
Computer equipment				
At cost	**162,963**	309,604	**162,963**	309,604
Less accumulated depreciation	**(139,374)**	(243,073)	**(139,374)**	(243,073)
	23,589	66,531	**23,589**	66,531
Furniture, fixtures and fittings				
At cost	**844,483**	512,041	**622,793**	290,514
Less accumulated depreciation	**(238,469)**	(412,429)	**(53,040)**	(239,357)
	606,014	99,612	**569,753**	51,157
Total plant and equipment	**928,555**	483,819	**770,145**	359,995
Total property plant and equipment	**1,948,377**	2,663,930	**770,145**	1,499,987

14: Non-current assets - 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:

2008 - Group

	Freehold land	Freehold buildings	Furniture, fixture & fittings	Vehicles	Office equipment	Computer equipment	Total
		$	$	$	$	$	$
Opening net book amount	476,000	1,744,679	113,190	217,529	26,796	99,796	2,677,990
Additions	-	622	6,181	150,640	21,970	19,446	198,859
Disposals	-	-	-	(22,498)	-	-	(22,498)
Depreciation	-	(41,190)	(19,759)	(70,513)	(6,248)	(52,711)	(190,421)
Closing net book amount	476,000	1,704,111	99,612	275,158	42,518	66,531	2,663,930

2009 - Group

	Freehold land	Freehold buildings	Furniture, fixture & fittings	Vehicles	Office equipment	Computer equipment	Total
		$	$	$	$	$	$
Opening net book amount	476,000	1,704,111	99,612	275,158	42,518	66,531	2,663,930
Additions	-	-	621,928	106,504	6.551	10,864	745,847
Disposals	(116,000)	(1,014,418)	(48,296)	(58,192)	(10,253)	(11,051)	(1,258,210)
Depreciation	-	(29,871)	(67,230)	(58,117)	(5,217)	(42,755)	(203,190)
Closing net book amount	360,000	659,822	606,014	265,353	33,599	23,589	1,948,377

2008 - Parent

	Freehold land	Freehold buildings	Furniture, fixture & fittings	Vehicles	Office equipment	Computer equipment	Total
		$	$	$	$	$	$
Opening net book amount	116,000	1,044,890	53,782	150,870	26,796	99,796	1,492,134
Additions	-	-	3,007	127,201	21,970	19,446	171,624
Disposals	-	-	-	(22,498)	-	-	(22,498)
Depreciation	-	(20,898)	(5,632)	(55,784)	(6,248)	(52,711)	(141,273)
Closing net book amount	116,000	1,023,992	51,157	199,789	42,518	66,531	1,499,987

2009 - Parent

	Freehold land	Freehold buildings	Furniture, fixture & fittings	Vehicles	Office equipment	Computer equipment	Total
		$	$	$	$	$	$
Opening net book amount	116,000	1,023,992	51,157	199,789	42,518	66,531	1,499,987
Additions	-	-	621,928	-	6.551	10,864	639,343
Disposals	(116,000)	(1,014,418)	(48,459)	(14,095)	(10,253)	(11,051)	(1,214,276)
Depreciation	-	(9,574)	(54,873)	(42,490)	(5,217)	(42,755)	(154,909)
Closing net book amount	-	-	569,753	143,204	33,599	23,589	770,145

14: Non-current assets - Property, plant and equipment (Continued)

(b) Non-current assets pledged as security
Refer to note 22 for information on non-current assets pledged as security by the parent entity and its controlled entity.

15: Current liabilities - Trade and other payables

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Unsecured				
Trade payables	**262,576**	224,268	**145,057**	70,989
Legal fee payables	**4,638**	-	**4,638**	-
NUW Victorian Branch	**16,333**	7,192	**16,333**	7,192
NUW Victorian Branch (investment)	-	1,305,798	-	1,305,798
NUW Central Branch (investment)	**250,000**	200,000	**250,000**	200,000
Other payables	**95,227**	121,766	**93,608**	124,500
	628,774	1,859,024	**509,636**	1,708,479

(a) Risk exposure
Information about the Group's and the parent entity's exposure to risk is provided in note 22.

16: Current liabilities – Borrowings

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Secured				
Bank loans	-	44,910	-	-
	-	44,910	-	-

(a) Secured borrowings

The total secured borrowings (current and non-current) are as follows				
Bank loans	-	44,910	-	-
Total secured borrowings	-	44,910	-	-

(b) Assets pledged as security
The bank loan of the is secured by:
- the term deposits owned by the subsidiary

16: Current liabilities – Borrowings (Continued)

(d) Fair values

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

	2009 Carrying amount $	2009 Fair value $	2008 Carrying amount $	2008 Fair value $
On-balance sheet				
Non-traded securities				
Bank loans	-	-	44,910	44,910
	-	-	44,910	44,910

On-balance sheet:

The fair value of current borrowings equals the carrying amount as the impact of discounting is not significant. The fair value of non current 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.

(e) Risk exposure

Information about the Group's and the parent entity's exposure to risk is provided in note 22.

17: Current liabilities - Provisions

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Employee benefits - staff	**386,444**	491,965	**266,063**	375,209
Employee benefits - officials	**424,641**	365,973	**424,641**	365,973
	811,085	857,938	**690,704**	741,182

(a) Employee benefits - long service leave

A provision 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 have been included in Note 1.

17: Current liabilities - Provisions (Continued)

(b) Amounts not expected to be settled within the next 12 months.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire obligation is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Long service leave obligation expected to be settled after 12 months	**435,315**	454,904	**345,497**	367,372

18: Accumulated surplus

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Movements in retained profits were as follows:				
Balance 1 July	**6,945,544**	6,337,710	**5,189,034**	4,624,597
Net profit for the year	**74,467**	607,834	**94,931**	564,437
Balance 30 June	**7,020,011**	6,945,544	**5,283,965**	5,189,034

19: Auditor's remuneration

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:				
(a) Audit and other assurance services				
Audit or review of the financial report	**13,000**	10,500	**13,000**	10,500
Other services	**3,050**	2,900	**3,050**	2,900
	16,050	13,400	**16,050**	13,400
(b) Remuneration of other auditors of subsidiaries				
Audit or review of the financial report	**14,334**	19,000	-	-
Other services	**12,204**	11,479	-	-
	26,538	30,479	-	-

20: Contingencies and Commitments

There are no other known contingent assets or liabilities and commitments at 30 June 2009.

21: Related party transactions

(a) Parent entity
The parent entity within the Group is National Union of Workers – National Office.

(b) Subsidiaries
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 2009	Equity holding 2008
Labour Union Insurance (Brokers) Pty Ltd	Australia	Ordinary	100%	100%
Australia Risk Insurance Services Pty Ltd	Australia	Ordinary	100%	100%

(c) Transactions with related parties

The following transactions occurred with related parties:	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Sales of goods and services				
Sustentation fees from Branches	**2,841,874**	2,674,886	**2,841,874**	2,674,886

(d) Outstanding balances arising from sales/purchases of goods and services
These balances are included in the notes on receivables and payables.

(e) Key management personnel compensation

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
The aggregate compensation made to key management personnel of the Group is as follows:				
Short -term benefits				
Salary & Fees	**503,676**	494,568	**503,676**	494,568

22: 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.

The Group overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, aging analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by management under policies approved by NCOM. The NCOM and management identify, evaluate and hedge 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.

(a) Market risk
(i) Foreign exchange risk
The Group is not exposed to foreign exchange risk.

(ii) Price risk
The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet either as available-for-sale or at fair value through profit or loss.

The Group is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk
As the Group has investments in a variety of interest-bearing assets and the Federation's income and operating cash flows are exposed to changes in market interest rates for assets.

(b) Credit risk
Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

The Group has no significant concentrations of credit risk.

Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

22: Financial risk management (Continued)

(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

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Credit standby arrangements				
Total facilities				
Bank loan	-	44,910	-	-
	-	44,910	-	-
Used at balance date			-	-
Bank loan	-	44,910	-	-
	-	44,910	-	-
Unused at balance date				
Bank loan	-	-	-	-
	-	-	-	-

22: Financial risk management (Continued)

(d) Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below

Group
2009

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank	1.0	2,657,292	-	-	-	3,102	2,660,394
Amounts due from branches		-	-	-	-	588,071	588,071
Other receivables		-	-	-	-	103,044	164,367
Loans to related parties	7	-	409,879	-	-	-	409,879
Investments		-	-	-	2,687,162	-	2,687,162
		2,657,292	409,879	-	2,687,162	755,540	6,509,873
Financial Liabilities							
Trade creditors		-	-	-	-	283,547	283,547
Other payables		-	-	-	-	95,227	95,227
Amounts due to related parties		-			-	250,000	250,000
		-	-	-	-	628,774	628,774
Net Financial Assets (Liabilities)		2,657,292	409,879	-	2,687,162	126,766	5,881,099

Group
2008

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank	2.09	2,417,962	-	-	-	2,602	2,420,564
Amounts due from branches		-	-	-	-	883,170	883,170
Other receivables		-	-	-	-	85,318	85,318
Loans to related parties	7	-	388,885	-	-	-	388,885
Investments		-	-	-	2,940,106	-	2,940,106
		2,417,962	388,885	-	2,940,106	971,090	6,718,043
Financial Liabilities							
Trade creditors		-	-	-	-	231,460	231,460
Other payables		-	-	-	-	121,766	121,766
Amounts due to related parties		-	-	-	-	1,505,798	1,505,798
Bank loans	9.32	44,910			-	-	44,910
		44,910	-	-	-	1,859,024	1,903,934
Net Financial Assets (Liabilities)		2,373,052	388,885	-	2,940,106	(887,934)	4,814,109

22: Financial risk management (Continued)

(d) Maturity profile of financial instruments (Continued)

Parent
2009

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank	1.7	1,347,627	-	-	-	1,000	1,348,627
Amounts due from branches		-	-	-	-	588,071	588,071
Other receivables		-	-	-	-	44,094	44,094
Loans to related parties	7	-	409,879	-	-	-	409,879
Investments		-	-	-	3,262,166	-	3,262,166
		1,347,627	409,879	-	3,262,166	633,165	5,652,837
Financial Liabilities							
Trade creditors		-	-	-	-	166,028	166,028
Other payables		-	-	-	-	93,608	93,608
Amounts due to related parties		-	-	-	-	250,000	250,000
		-	-	-	-	509,636	509,636
Net Financial Assets (Liabilities)		1,347,627	409,879	-	3,262,166	123,529	5,143,201

Parent
2008

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank	1.69	997,290				1,000	998,290
Amounts due from branches		-	-	-	-	883,170	883,170
Other receivables		-	-	-	-	61,665	61,665
Loans to related parties	7	-	388,885	-	-	-	388,885
Investments		-	-	-	3,515,110	-	3,515,110
		997,290	388,885	-	3,515,110	945,835	5,847,120
Financial Liabilities							
Trade creditors		-	-	-	-	78,181	78,181
Other payables		-	-	-	-	124,500	124,500
Amounts due to related parties		-	-	-	-	1,505,798	1,505,798
		-	-	-	-	1,708,479	1,708,479
Net Financial Assets (Liabilities)		997,290	388,885	-	3,515,110	(762,644)	4,138,641

22: Financial risk management (Continued)

(e) 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 that are not traded in an active market (for example, investments in unlisted subsidiaries) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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

(f) Sensitivity analysis

As at 30 June the effect on the (deficit)/surplus as a result of changes in interest rates, with all other variables remaining constant would be as follows:

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Effect on results:				
Increase of interest rates by 2%	**51,946**	48,359	**26,953**	19,946
Decrease of interest rates by 2%	**(51,946)**	(48,359)	**(26,953)**	(19,946)

23: Wage recovery activity

The entity has not undertaken any wage recovery activity during the year

24: Events subsequent to reporting date

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

25: Cash flow information

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Reconciliation of cash flow from operations with profit after income tax				
Profit after income tax	**74,467**	607,834	**94,931**	564,437
Non-cash flows in profit				
Depreciation	**203,190**	190,421	**154,909**	141,273
Net (gain) / loss on disposal of investments	-	12,814	-	12,814
Unrealised gain on investments	**409,842**	4,995	**409,842**	4,995
Non-cash distribution	**(75,673)**	-	**(75,673)**	-
Write back of liabilities	-	(79,801)	-	(79,801)
Bad debts written off	-	70,250	-	70,250
Net (gain) / loss on disposal of property, plant and equipment	**(526,392)**	(10,684)	**(535,207)**	(10,684)
Changes in assets and liabilities				
(Increase)/decrease in receivables	**521,806**	(504,519)	**515,441**	(478,174)
Increase(Decrease) in payables	**25,548**	(39,460)	**56,953**	(65,599)
Increase/(decrease) in income tax refund	**(9,427)**	(71,942)	-	-
Increase/(decrease) in provisions	**(46,853)**	75,015	**(50,478)**	93,974
Net cash flows from operating activities	**576,508**	254,923	**570,718**	253,485

26: Segment reporting

Primary reporting – business segments

	Trade Union		Insurance		Consolidated Group	
	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$
Turnover						
Segment revenue	**3,793,727**	4,214,633	**1,352,092**	1,361,311	**5,145,819**	5,575,944
Result						
Segment results	**94,931**	564,437	**(20,464)**	43,397	**74,467**	607,834
Assets						
Segment assets	**6,484,305**	7,638,695	**1,975,565**	2,068,721	**8,459,870**	9,707,416
Liabilities						
Segment liabilities	**1,200,340**	2,449,661	**239,519**	312,211	**1,439,859**	2,761,872

Secondary reporting – geographical segments

The union operates in only one geographical sector i.e. Australia.

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

STATEMENT BY COMMITTEE OF MANAGEMENT

On 18th November 2009. 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 2009:

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 35 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 3 to 35 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 the National Union of Workers – National Office for the financial year to which they relate;
4. there are reasonable grounds to believe that the consolidate 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 2009
   a. meetings of the 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 the 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 the 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
   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 the National Union of Workers – National Office has been furnished and no orders have been made under section 272 of the RAO Schedule by the Commission during the period.
   f. No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

For the Committee of Management

Designated officer – Charles Donnelly

Dated this 18th day of November 2009

bgl

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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 the National Union of Workers – National Office, which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Statement by the Committee of Management for both the National Union of Workers – National Office and the National Union of Workers – National Office consolidated group. The consolidated group comprises the parent and the entities it controlled at the year end or from time to time during the financial year.

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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 intemal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

bgl

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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 followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial reports of the National Union of Workers – National Office present fairly the financial position of National Union of Workers – National Office as at 30 June 2009 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; and

b) the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996.

BGL + Associates

BGL & Associates
Chartered Accountants

I. A. Hinds - A.C.A. – Partner
(Member of The Institute of Chartered Accountants in Australia and holder of current Public Practice Certificate)

Melbourne
18 November 2009

Chartered Accountants