FR2010/2782

NATIONAL UNION OF WORKERS

UNITY IS STRENGTH.

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

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010

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NATIONAL UNION OF WORKERS - NATIONAL OFFICE
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This financial report covers both National Union of Workers – National Office as an individual entity (which includes the National Office and General Branch) and the consolidated entities consisting of National Union of Workers – National Office and its subsidiaries. The financial report is presented in the Australian currency.

There has been a major change in the way that the National Union of Workers is structures and operates.

As a result of this change on 12 August 2009 and in terms of the rules of the National Union of Workers (a registered body under the Fair Work (Registered Organisations) Act 2009):

1. The General Branch (previously called the Central Branch) forms part of the National Fund;
2. The members of the Queensland Branch, the South Australian Branch and the Western Australian Branch who are eligible for membership of the union were transferred to the General Branch and these branches were disbanded.

The comparatives for 2009 represent the pre-amalgamation status of the National Union of Workers – National Office and covers National Union of Workers – National Office only.

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 16th day of February 2011.

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 2010.

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:

Name	*Position*
Charles Donnelly	General Secretary
Tim Kennedy (resigned on 28 April 2010)	Assistant General Secretary
Paul Richardson (appointed on 4 May 2010)	Assistant General Secretary
Gayle Burmeister	General Vice President
Ron Herbert	General Vice President
Marisa Bernardi	General Vice President
Doug Stevens	General President
Antony Thow (resigned 28 April 2010)	General Vice President
Tim Kennedy (appointed 28 April 2010)	General Vice President
Sam Roberts (appointed 20 April 2010)	Branch Secretary
Derrick Belan	Branch Secretary
Nick Thredgold (office abolished 12 August 2009)	Branch Secretary
Joe Bullock (office abolished 12 August 2009)	Branch Secretary
John Cosgrove (office abolished 12 August 2009)	Branch Secretary

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 loss of the consolidated group for the financial year after providing for income tax and eliminating minority equity interests amounted to $ 402,935 (2009 : profit of $ 74,467).

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 Financial Affairs

During the year, the former Western Australian, South Australian and Queensland Branches were amalgamated with the General Branch which forms part of the National Office. This amalgamation has significantly increased the operating income and expenses of the National Office. Apart from the above, no other significant changes in the financial 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.

NATIONAL UNION OF WORKERS - NATIONAL OFFICE
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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 full time equivalents employees at 30 June 2010 was 43 (2009: 19).

The number of financial members at 30 June 2010 was 81,854 (2009: 88,015).

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 Fair Work (Registered Organisations) Act 2009.

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 16th Feb 2011

NATIONAL UNION OF WORKERS - NATIONAL OFFICE
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STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
Revenue from continuing operations	4	**7,756,505**	5,145,819	**6,336,633**	3,793,727
Other income	5	**263,361**	607,220	**235,410**	605,838
Administrative expenses		**(716,295)**	(732,394)	**(505,638)**	(541,843)
Affiliation fee	7	**(410,650)**	(321,168)	**(410,650)**	(321,168)
Industrial expenses		**(489,192)**	(277,198)	**(486,875)**	(277,198)
Finance costs		**(27,097)**	(911)	**-**	-
Impairment loss		**-**	(409,842)	**-**	(409,842)
Legal and professional fees		**(520,676)**	(293,583)	**(459,536)**	(254,745)
Motor vehicle expenses		**(154,248)**	(88,472)	**(129,763)**	(61,302)
Occupancy expenses		**(534,007)**	(45,436)	**(476,319)**	(10,184)
Telephone expenses		**(104,345)**	(237,936)	**(90,778)**	(207,720)
Salaries and related expenses	8	**(5,289,473)**	(3,111,272)	**(4,248,173)**	(2,073,699)
Travel and accommodation expenses		**(169,271)**	(156,115)	**(160,054)**	(143,650)
Other expenses		**(3,199)**	(4,245)	**(3,199)**	(3,283)
		(8,418,453)	(5,678,572)	**(6,970,985)**	(4,304,634)
(Loss)/Profit before income tax		**(398,587)**	74,467	**(398,942)**	94,931
Income tax expense	9	**(4,348)**	-	**-**	-
(Loss)/Profit attributable to members		**(402,935)**	74,467	**(398,942)**	94,931
Other comprehensive income		**-**	-	**-**	-
Total comprehensive (loss) income for the year		**(402,935)**	74,467	**(398,942)**	94,931
Total comprehensive (loss) income for the year is attributable to:					
Members of the union		**(402,935)**	74,467	**(398,942)**	94,931

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

NATIONAL UNION OF WORKERS - NATIONAL OFFICE
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BALANCE SHEETS
AS AT 30 JUNE 2010

	Notes	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	10	**3,185,474**	2,660,394	**1,737,298**	1,348,627
Trade and other receivables	11	**1,174,519**	1,162,317	**1,218,359**	1,103,367
Financial assets	12	**632,762**	-	-	-
Total current assets		**4,992,755**	3,822,711	**2,955,657**	2,451,994
Non-current assets					
Financial assets	13	**2,890,773**	2,687,162	**3,749,728**	3,262,166
Intangibles assets	14	**1,620**	1,620	-	-
Property, plant and equipment	15	**2,982,646**	1,948,377	**1,858,418**	770,145
Total non-current assets		**5,875,039**	4,637,159	**5,608,146**	4,032,311
Total assets		**10,867,794**	8,459,870	**8,563,803**	6,484,305
LIABILITIES					
Current liabilities					
Trade and other payables	16	**517,483**	628,774	**426,625**	509,636
Borrowings	17	**354,827**	-	-	-
Provisions	18	**1,156,411**	811,085	**1,030,158**	690,704
Total current liabilities		**2,028,721**	1,439,859	**1,456,783**	1,200,340
Total liabilities		**2,028,721**	1,439,859	**1,456,783**	1,200,340
Net Assets		**8,839,073**	7,020,011	**7,107,020**	5,283,965
EQUITY					
Reserves	19	**2,460,765**	4,960	**2,455,805**	-
Retained profits	20	**6,378,308**	7,015,051	**4,651,215**	5,283,965
Total equity		**8,839,073**	7,020,011	**7,107,020**	5,283,965

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

NATIONAL UNION OF WORKERS – NATIONAL OFFICE
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STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

Consolidated Group	Reserves $	Retained profits $	Total $
Balance at 1 July 2008	4,960	6,940,584	6,945,544
Profit for the year	-	74,467	74,467
Balance at 30 June 2009	4,960	7,015,051	7,020,011
Balance at 1 July 2009	4,960	7,015,051	7,020,011
Increase in reserves due to amalgamation	2,221,997	-	2,221,997
(Loss) for the year	-	(402,935)	(402,935)
Transfer to reserve	233,808	(233,808)	-
Balance at 30 June 2010	2,460,765	6,378,308	8,839,073
Parent Entity			
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
Balance at 1 July 2009	-	5,283,965	5,283,965
Increase in reserves due to amalgamation	2,221,997	-	2,221,997
(Loss) for the year	-	(398,942)	(398,942)
Transfer to reserve	233,808	(233,808)	-
Balance at 30 June 2010	2,455,805	4,651,215	7,107,020

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

NATIONAL UNION OF WORKERS – NATIONAL OFFICE
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STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
Cash flows from operating activities					
Receipts from branches	27(a)	**2,884,869**	3,761,314	**2,884,869**	3,761,314
Membership fees received		**2,982,742**	-	**2,982,742**	-
Grant received		**143,000**	-	**143,000**	-
Other income		**852,932**	773,208	**778,277**	728,668
Commission received		**1,378,594**	1,338,380	**-**	-
Payments to suppliers and employees		**(8,782,266)**	(5,423,869)	**(7,307,999)**	(3,945,943)
Dividends/Distribution received		**242,741**	-	**219,176**	-
Interest received		**110,963**	137,813	**24,951**	26,679
Finance costs		**(27,097)**	(911)	**-**	-
Income tax refund (paid)		**37,455**	(9,427)	**-**	-
Net cash (outflow) inflow from operating activities	27(b)	**(176,067)**	576,508	**(274,984)**	570,718
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**48,545**	1,784,602	**48,545**	1,749,485
Return of capital from investment		**31,790**	-	**31,790**	-
Payment for property, plant and equipment		**(345,940)**	(745,847)	**(341,955)**	(639,343)
Cash acquired on amalgamation		**714,281**	-	**709,136**	-
Payment for investments		**(5,732)**	(1,387,023)	**(209)**	(1,387,023)
Net cash inflow(outflow) from investing activities		**442,944**	(348,268)	**447,307**	(276,881)
Cash flows from financing activities					
Loan repayment received		**11,000**	6,500	**11,000**	6,500
Refund of trust money		**205,348**	-	**205,348**	-
Money transferred from NUW Central Branch		**-**	50,000	**-**	50,000
Bank loan advanced (repaid)		**41,855**	(44,910)	**-**	-
Net cash inflow from financing activities		**258,203**	11,590	**216,348**	56,500
Net increase in cash and cash equivalents		**525,080**	239,830	**388,671**	350,337
Cash and cash equivalents at beginning of financial year		**2,660,394**	2,420,564	**1,348,627**	998,290
Cash and cash equivalents at end of financial year	10(a)	**3,185,474**	2,660,394	**1,737,298**	1,348,627

The above statements of cash flows 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 Fair Work (Registered Organisations) Act 2009.

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).

Early adoption of standards
The group has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2009:

-AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

-AASB 8 *Operating Segments*

This includes applying the revised pronouncements to the comparatives in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors.* There was no other impact on the current or prior year financial statements.

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.

Financial statement presentation

The group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. There has been no effect on the group's presentation of its financial statements.

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 2010 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:

Membership Fees

Membership fees are recognised when cash is received.

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 as a registered trade union 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 statement of cash flows 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: 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.

(iii) financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

1: Summary of significant accounting policies (Continued)

(j) Investment and other financial assets (Continued)

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.

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.

1: Summary of significant accounting policies (Continued)

(k) Property, plant and equipment (Continued)

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.

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.

1: Summary of significant accounting policies (Continued)

(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.

(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

During the year, the National Union of Workers was restructured. In terms of the new rules:

1. The General Branch (previously called the Central Branch) forms part of the National Fund;
2. The members of the Queensland Branch, the South Australian Branch and the Western Australian Branch who are eligible for membership of the union were transferred to the General Branch and these branches were disbanded.

The current year figures reflected this rule change. Comparative figures are however for the National Office only.

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

1: Summary of significant accounting policies (Continued)

(p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 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 2010)
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. As a not-for-profit entity AASB 8 is not applicable.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (effective from 1 January 2010)
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.

(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 2010)
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 2010.

(iv) AASB Interpretation 17 Distribution of Non-cash Assets to Owners and AASB 2009-13 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 Statement of Comprehensive Income on distribution. The group will apply the interpretation prospectively from 1 July 2010.

iv) Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2009-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 July 2010)
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 Statement of Comprehensive Income. 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. All acquisition-related costs must be expensed. 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. The group will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2010.

1: Summary of significant accounting policies (Continued)

(p) New accounting standards and interpretations (Continued)

(vi) AASB 2009-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2010)
In July 2009, 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 2010. 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.

(vi) AASB Interpretation 17 Distribution of Non-cash Assets to Owners and AASB 2009-13 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 Statement of Comprehensive Income on distribution. The group will apply the interpretation prospectively from 1 July 2010.

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 2010 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 2010 has been made.

Employee entitlements
Management judements is applies in determining the following key assumptions in the calculation of long service leave at balance date:

- future increase in wages and salaries;
- future on-costs rates; and
- experience of employees departures and period of service.

3: Information to be provided to members or Manager of Fair Work Australia

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 , 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

	Notes	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
From continuing operations		$	$	$	$
Service revenue					
- commission		**1,245,424**	1,208,721	**-**	-
- sustentation fees	(a)	**2,376,223**	2,841,874	**2,376,223**	2,841,874
- membership fees		**2,711,583**	-	**2,711,583**	-
		6,333,230	4,050,595	**5,087,806**	2,841,874
Other revenue					
- interest		**146,012**	165,307	**59,977**	54,173
- NUW – MSC income	(b)	**227,425**	392,069	**227,425**	392,069
- grant income		**138,000**	-	**138,000**	-
- mail outs		**-**	27,811	**-**	27,811
- management fee		**93,636**	84,629	**93,636**	84,629
- director fees		**284,992**	269,300	**284,992**	269,300
- investment income		**240,590**	114,541	**214,384**	114,541
- rent		**78,272**	8,392	**69,678**	-
- FWEIP project		**75,235**	-	**75,235**	-
- other revenue		**139,113**	33,175	**85,500**	9,330
		7,756,505	5,145,819	**6,336,633**	3,793,727

4: Revenue (Continued)

(a) Sustentation fees	Consolidated Group		Parent Entity	
	2010	**2009**	**2010**	**2009**
Branches	**$**	**$**	**$**	**$**
New South Wales	**858,661**	880,183	**858,661**	880,183
South Australia	**-**	146,565	**-**	146,565
Queensland	**17,841**	230,782	**17,841**	230,782
Victoria	**1,498,305**	1,533,497	**1,498,305**	1,533,497
Western Australia	**1,416**	50,847	**1,416**	50,847
	2,376,223	2,841,874	**2,376,223**	2,841,874

(b) NUW – MSC Income	Consolidated Group		Parent Entity	
	2010	**2009**	**2010**	**2009**
Branches	**$**	**$**	**$**	**$**
New South Wales	**-**	64,414	**-**	64,414
South Australia	**-**	14,866	**-**	14,866
Queensland	**-**	19,820	**-**	19,820
Victoria	**227,425**	260,329	**227,425**	260,329
Western Australia	**-**	11,891	**-**	11,891
General/Central	**-**	17,834	**-**	17,834
Non-Branches	**-**	2,915	**-**	2,915
	227,425	392,069	**227,425**	392,069

5: Other income

	Consolidated Group		Parent Entity	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
Fair value gain financial assets	**263,243**	-	**235,292**	-
Net gain on disposal of property, plant and equipment and investments	**118**	607,220	**118**	605,838
	263,361	607,220	**235,410**	605,838

6: Expenses

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Profit (loss) before income tax expenses includes the following specific expenses:				
Depreciation	**263,403**	203,190	**205,414**	154,909
Finance costs				
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	**27,097**	911	**-**	-
Defined contribution superannuation expense	**623,356**	394,539	**273,113**	273,113
Bad and doubtful debts – other receivables	**80,222**	-	**-**	-
Rental expenses relating to operating leases				
Minimum lease payments	**451,733**	10,184	**447,983**	10,184
Net loss on disposal of property, plant and equipment	**45,252**	80,828	**45,252**	70,631
Net loss on disposal of listed investments	**47,889**	-	**100**	-
Commission on payroll deduction	**20,914**	-	**20,914**	-
Conference and meeting allowance	**31,878**	14,356	**31,878**	14,356
Other meeting expenses	**20,219**	18,913	**20,219**	18,913
Donation (>$1000)	**45,000**	65,290	**45,000**	65,290
Donation (<$1000)	**5,590**	-	**2,890**	-
Legal fees	**241,421**	233,205	**241,421**	232,605
Impairment of assets investments	**-**	409,842	**-**	409,842

7: Affiliation fees

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
ACTU	**271,741**	254,811	**271,741**	254,811
IUF	**52,882**	63,938	**52,882**	63,938
ALP	**35,198**	-	**35,198**	-
Others	**50,829**	2,419	**50,829**	2,419
	410,650	321,168	**410,650**	321,168

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

8: Salaries and related expenses

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Employee benefits – official	**671,259**	503,676	**671,259**	503,676
Employee benefits – staff	**4,148,906**	2,337,675	**3,161,967**	1,371,354
Other staff costs	**469,308**	269,921	**414,947**	198,669
	5,289,473	3,111,272	**4,248,173**	2,073,699

9: Income tax expense

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
(a) Income of tax expense:				
Current tax	**4,348**	-	-	-
Deferred tax	-	-	-	-
	4,348	-	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable:				
(Loss) profit from continuing operations before income tax expense	**(398,587)**	74,467	**(398,942)**	94,931
Prima facie income tax payable on (loss) profit before income tax at 30.0% (2009 – 30.0%)	**(119,576)**	22,340	**(119,683)**	28,480
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Sundry items	**4,241**	28,120	-	-
Non taxable income	**119,683**	(50,460)	**119,683**	(28,480)
Income tax expense attributable to profit	**4,348**	-	-	-

10: Current assets – Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Cash In hand	**4,852**	3,102	**2,750**	1,000
Cash at bank	**3,180,622**	2,657,292	**1,734,548**	1,347,627
	3,185,474	2,660,394	**1,737,298**	1,348,627

10: Current assets – Cash and cash equivalents (Continued)

(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 statements of cash flows as follows:

Balances as above	**3,185,474**	2,660,394	**1,737,298**	1,348,627
Bank overdrafts	**-**	-	**-**	-
Balances per statement of cash flows	**3,185,474**	2,660,394	**1,737,298**	1,348,627

(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	
	2010	2009	2010	2009
	$	$	$	$
CURRENT				
Branches				
NUW Central Branch	**-**	22,358	**-**	22,358
NUW NSW Branch	**79,284**	306,784	**79,284**	306,784
NUW Queensland Branch	**-**	63,550	**-**	63,550
NUW SA Branch	**-**	51,991	**-**	51,991
NUW Victorian Branch	**336,783**	177,149	**336,783**	177,149
NUW WA Branch	**-**	8,459	**-**	8,459
	416,067	630,291	**416,067**	630,291
Less provision for impairment of receivables	**(1,773)**	(42,220)	**(1,773)**	(42,220)
	414,294	588,071	**414,294**	588,071
Other				
Prepayments	**35,693**	61,323	**35,693**	61,323
Other receivables	**43,191**	59,762	**33,510**	44,094
Money held by investment advisor	**251,258**	-	**251,258**	-
Income tax refund	**1,479**	43,282	**-**	-
Loans to related parties	**428,604**	409,879	**483,604**	409,879
	760,225	574,246	**804,065**	515,296
	1,174,519	1,162,317	**1,218,359**	1,103,367

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

(a) Impaired trade receivables

The Group has recognised an impairment loss of $ 80,222 (2009 :$ Nil) in respect of impaired trade receivables during the year ended 30 June 2010.

As at 30 June 2010 current trade receivables of the Group with a nominal value of $ 1,773 (2009 : $42,220) were impaired. The amount of the provision was $1,773 (2009 : $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:	2010 $	2009 $
1 to 3 months	-	-
3 to 6 months	-	-
Over 6 months	1,773	42,200
	1,773	42,200

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

	2010 $	2009 $
At 1 July	42,200	42,200
Provision for impairment recognised during the year	-	-
Unused amounts reversed	(40,427)	-
	1,773	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	2010 $	2009 $
As of 30 June 2010 the following trade receivables were past due but not impaired. The ageing analysis of these trade receivables is as follows:		
Up to 3 months	-	-
3 to 6 months	-	-
Over 6 months	-	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.

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

(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: Current assets – financial assets

		Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
Financial assets at fair value through profit or loss	a	632,762	-	-	-
(a) Movements in fair value of financial assets at fair value through profit or loss during the financial year:					
Opening balance		-	-	-	-
Acquisition via amalgamation		646,778	-	-	-
Net addition		5,522	-	-	-
Revaluation for year		(19,538)	-	-	-
Closing balance		632,762	-	-	-

Refer to note 17 for information on current assets pledged as security by the parent entity and its controlled entity.

13: Non-current assets – financial assets

		Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
Available-for-sale financial assets	a	2,890,773	2,687,162	2,890,773	2,687,162
Other investments	b	-	-	858,955	575,004
		2,890,773	2,687,162	3,749,728	3,262,166

13: Non-current assets – financial assets (Continued)

		Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
(a) Available-for-sale financial assets comprises:					
Listed investment, at fair value					
- shares in listed trusts	c	**16,404**	14,013	**16,404**	14,013
Unlisted investment, at cost					
- shares in other corporations		**124,768**	124,768	**124,768**	124,768
- units in unit trusts		**88,450**	88,450	**88,450**	88,450
Unlisted investment, at recoverable amount					
- units in unit trust, at cost		**2,828,125**	2,863,898	**2,828,125**	2,863,898
Less impairment provisions		**(166,974)**	(403,967)	**(166,974)**	(403,967)
	d	**2,661,151**	2,459,931	**2,661,151**	2,459,931
		2,890,773	2,687,162	**2,890,773**	2,687,162
(b) Other investments:					
Shares in subsidiaries		**-**	-	**575,004**	575,004
Units in wholly owned Investment Trust		**-**	-	**283,951**	-
		-	-	**858,955**	575,004
(c) Movements in fair value of listed investment during the financial year:					
Opening balance		**14,013**	18,772	**14,013**	18,772
Additions		**210**	1,116	**210**	1,116
Disposals		**(100)**	-	**(100)**	-
Revaluation for year		**2,281**	(5,875)	**2,281**	(5,875)
Closing balance		**16,404**	14,013	**16,404**	14,013
(d) Movements in fair value of unlisted investment during the financial year:					
Opening balance		**2,459,931**	2,708,132	**2,459,931**	2,708,132
Return of capital		**(31,790)**	-	**(31,790)**	-
Additions		**-**	155,766	**-**	155,766
Transfer		**(3,983)**	-	**(3,983)**	-
Movement in impairment provision		**236,993**	(403,967)	**236,993**	(403,967)
Closing balance		**2,661,151**	2,459,931	**2,661,151**	2,459,931

14: Non-current assets – Intangible assets

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Patent and trademark	**1,620**	1,620	**-**	-

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

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
LAND				
Freehold land: at cost	**360,000**	360,000	**-**	-
BUILDINGS				
At cost	**1,765,940**	811,866	**954,074**	-
Less accumulated depreciation	**(266,852)**	(152,044)	**(94,511)**	-
	1,499,088	659,822	**859,563**	-
Total property	**1,859,088**	1,019,822	**859,563**	-
PLANT AND EQUIPMENT				
Motor vehicles				
At cost	**761,106**	427,406	**631,163**	297,463
Less accumulated depreciation	**(243,897)**	(162,053)	**(205,564)**	(154,259)
	517,209	265,353	**425,599**	143,204
Office equipment				
At cost	**202,317**	65,596	**202,317**	65,596
Less accumulated depreciation	**(143,230)**	(31,997)	**(143,230)**	(31,997)
	59,087	33,599	**59,087**	33,599
Computer equipment				
At cost	**197,775**	162,963	**197,775**	162,963
Less accumulated depreciation	**(183,642)**	(139,374)	**(183,642)**	(139,374)
	14,133	23,589	**14,133**	23,589
Furniture, fixtures and fittings				
At cost	**856,472**	844,483	**630,797**	622,793
Less accumulated depreciation	**(323,343)**	(238,469)	**(130,761)**	(53,040)
	533,129	606,014	**500,036**	569,753
Total plant and equipment	**1,123,558**	928,555	**998,855**	770,145
Total property plant and equipment	**2,982,646**	1,948,377	**1,858,418**	770,145

15: 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:

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

2010 - Group

	Freehold land	Freehold buildings	Furniture, fixture & fittings	Vehicles	Office equipment	Computer equipment	Total
		$	$	$	$	$	$
Opening net book amount	360,000	659,822	606,014	265,353	33,599	23,589	1,948,377
Acquired (NBV) via amalgamation		872,688	1,380	136,860	33,213	4,298	1,048,439
Additions	-	-	7,967	316,559	15,572	5,842	345,940
Disposals	-	-	-	(88,633)	(7,388)	(686)	(96,707)
Depreciation	-	(33,422)	(82,232)	(112,930)	(15,909)	(18,910)	(263,403)
Closing net book amount	360,000	1,499,088	533,129	517,209	59,087	14,133	2,982,646

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

2010 - Parent

	Freehold land	Freehold buildings	Furniture, fixture & fittings	Vehicles	Office equipment	Computer equipment	Total
		$	$	$	$	$	$
Opening net book amount	-	-	569,753	143,204	33,599	23,589	770,145
Acquired (NBV) via amalgamation		872,688	1,380	136,860	33,213	4,298	1,048,439
Additions	-	-	3,982	316,559	15,572	5,842	341,955
Disposals	-	-	-	(88,633)	(7,388)	(686)	(96,707)
Depreciation	-	(13,125)	(75,079)	(82,391)	(15,909)	(18,910)	(205,414)
Closing net book amount	-	859,563	500,036	425,599	59,087	14,133	1,858,418

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

(b) Non-current assets pledged as security
Refer to note 17 for information on non-current assets pledged as security by the parent entity and its controlled entity.

16: Current liabilities - Trade and other payables

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Unsecured				
Trade payables	**183,297**	262,576	**159,260**	145,057
Legal fee payables	**26,384**	4,638	**26,384**	4,638
NUW Victorian Branch	**41,515**	16,333	**41,515**	16,333
NUW Central Branch (investment)	**-**	250,000	**-**	250,000
Other payables	**266,287**	95,227	**199,466**	93,608
	517,483	628,774	**426,625**	509,636

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

17: Current liabilities – Borrowings

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Secured				
Margin Loan	**354,827**	-	**-**	-

(a) Assets pledged as security
The margin loan is secured by the listed investment owned by the wholly owned trust with a book value of $632,762.

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

	2010 Carrying amount	2010 Fair value	2009 Carrying amount	2009 Fair value
	$	$	$	$
On-balance sheet				
Margin loans	**354,837**	354,837	-	-

On-balance sheet:
The fair value of current borrowings equals the carrying amount as the impact of discounting is not significant.

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

18: Current liabilities - Provisions

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Employee benefits - staff	**667,235**	386,444	**540,982**	266,063
Employee benefits - officials	**489,176**	424,641	**489,176**	424,641
	1,156,411	811,085	**1,030,158**	690,704

(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.

(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	
	2010	2009	2010	2009
	$	$	$	$
Long service leave obligation expected to be settled after 12 months	**603,900**	435,315	**509,776**	345,497

19: Reserves

		Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
Distress fund reserve	a	**233,808**	-	**233,808**	-
Amalgamation reserve	b	**2,221,997**	-	**2,221,997**	-
Capital profit reserve	c	**4,960**	4,960	**-**	-
		2,460,765	4,960	**2,455,805**	-

19: Reserves (Continued)

(a) Distress fund reserve	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Movements in reserve were as follows:				
Balance 1 July	-	-	-	-
Net transfer from retained profits consists of:				
- Transfer from SA Branch	8,596	-	8,596	-
- Interest received	1,279	-	1,279	-
- Contribution received	226,249	-	226,249	-
- Bank charges	(420)	-	(420)	-
- Net loan advanced	(1,896)	-	(1,896)	-
Balance 30 June	233,808	-	233,808	-

The distress fund reserve was established to cover emergency assistance to members.

(b) Amalgamation reserve	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Movements in reserve were as follows:				
Balance 1 July	-	-	-	-
Increase in reserve due to amalgamation	2,221,997	-	2,221,997	-
Balance 30 June	2,221,997	-	2,221,997	-

During the year, various National Union of Workers branches (Queensland, South Australia, Western Australia and General Branch) were amalgamated into the National Union of Works – National Office. The amalgamation reserve records the net assets acquired as a result of this amalgamation.

(c) Capital profit reserve	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Movements in reserve were as follows:				
Balance 1 July	4,960	4,960	-	-
Movement during the year	-	-	-	-
Balance 30 June	4,960	4,960	-	-

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

20: Retained profits

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Movements in retained profits were as follows:				
Balance 1 July	**7,015,051**	6,940,584	**5,283,965**	5,189,034
Transfer to reserve	**(233,808)**	-	**(233,808)**	-
Net (loss) profit for the year	**(402,935)**	74,467	**(398,942)**	94,931
Balance 30 June	**6,378,308**	7,015,051	**4,651,215**	5,283,965

21: Auditor's remuneration

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
During the year the following fees were paid or payable for services provided by the auditor of the parent entity and non-related audit firms:				
(a) Audit and other assurance services				
Audit or review of the financial report	**26,000**	13,000	**26,000**	13,000
Other audit – grant	**1,500**	-	**1,500**	-
Other services	**31,455**	3,050	**31,455**	3,050
	58,955	16,050	**58,955**	16,050
(b) Non-related audit firms (auditors of ex-branches)				
Audit or review of the financial report	**54,100**	-	**54,100**	-
Other services	**14,610**	-	**14,610**	-
	68,710	-	**68,710**	-
(c) Remuneration of other auditors of subsidiaries				
Audit or review of the financial report	**24,924**	14,334	-	-
Other services	**12,783**	12,204	-	-
	37,707	26,538	-	-

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. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The entity has no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Cash at bank:				
AA Rating	**3,180,622**	2,657,292	**1,734,548**	1,347,627

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	
	2010	2009	2010	2009
	$	$	$	$
Credit standby arrangements				
Total facilities				
Bank loan	700,000	-	-	-
Used at balance date			-	-
Bank loan	354,827	-	-	-
Unused at balance date				
Bank loan	345,173	-	-	-

(d) 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	
	2010	2009	2010	2009
	$	$	$	$
Effect on results:				
Increase of interest rates by 2%	**63,612**	53,145	**34,690**	26,953
Decrease of interest rates by 2%	**(63,612)**	(53,145)	**(34,690)**	(26,953)

22: Financial risk management (Continued)

(e) Maturity profile of financial instruments
The maturity profile of financial assets and liabilities held are detailed below

Group
2010

	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	2.07	3,180,622	-	-	-	4,852	3,185,474
Amounts due from branches		-	-	-	-	414,294	414,294
Other receivables		-	-	-	-	295,928	295,928
Loans to related parties	7	-	428,604	-	-	-	428,604
Investments		-	-	-	3,523,536	-	3,523,536
		3,180,622	428,604	-	3,523,536	715,074	7,847,836
Financial Liabilities							
Trade creditors		-	-	-	-	251,196	251,196
Other payables		-	-	-	-	266,286	266,286
Margin loan	9.45	354,827	-	-	-	-	354,827
		354,827	-	-	-	517,482	872,309
Net Financial Assets		2,825,795	428,604	-	3,523,536	197,592	6,975,527

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	103,044
Loans to related parties	7	-	409,879	-	-	-	409,879
Investments		-	-	-	2,687,162	-	2,687,162
		2,657,292	409,879	-	2,687,162	694,217	6,448,550
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		2,657,292	409,879	-	2,687,162	65,443	5,819,776

22: Financial risk management (Continued)

(e) Maturity profile of financial instruments (Continued)

Parent
2010

	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	0.9	1,734,548	-	-	-	2,750	1,737,298
Amounts due from branches		-	-	-	-	414,294	414,294
Other receivables		-	-	-	-	284,768	284,768
Loans to related parties	7	-	483,604	-	-	-	483,604
Investments		-	-	-	3,749,728	-	3,749,728
		1,734,548	483,604	-	3,749,728	701,812	6,669,692
Financial Liabilities							
Trade creditors		-	-	-	-	227,159	227,159
Other payables		-	-	-	-	199,466	199,466
		-	-	-	-	426,625	426,625
Net Financial Assets		1,734,548	483,604	-	3,749,728	275,187	6,243,067

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		1,347,627	409,879	-	3,262,166	123,529	5,143,201

22: Financial risk management (Continued)

(f) Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As of 1 July 2009, the Group has adopted the amendment to AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2),and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2010. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

2010 - Group	Level 1	Level 2	Level 3	Total
	$	$	$	$
Assets				
Available-for-sale financial assets	16,404	-	2,874,369	2,890,773
Financial assets through profit and loss	632,763	-	-	632,763
Total Assets	649,167	-	2,874,369	3,523,536

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.

23: Events occurring after 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.

24: Contingencies and Commitments

There are no other known contingent assets or liabilities and commitments at 30 June 2010.

25: 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 2010	Equity holding 2009
Labour Union Insurance (Brokers) Pty Ltd	Australia	Ordinary	100%	100%
Australia Risk Insurance Services Pty Ltd	Australia	Ordinary	100%	100%
Investment Trust **	Australia	N/A	100%	-

** - acquired via amalgamation of the NUW-Queensland Branch (see Note 26(b))

(c) Transactions with related parties

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Sales of goods and services				
Sustentation fees from Branches	**2,376,223**	2,841,874	**2,376,223**	2,841,874
MSC income from Branches	**227,425**	392,069	**227,425**	392,069

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

(e) Loan to related parties	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Movements in retained profits were as follows:				
Balance 1 July	**409,879**	388,886	**409,879**	388,886
Loan acquired via amalgamation	**-**	-	**55,000**	-
Loan repayments received	**(11,000)**	(6,500)	**(11,000)**	(6,500)
Interest charged	**29,725**	27,493	**29,725**	27,493
Balance 30 June	**428,604**	409,879	**483,604**	409,879

There is no allowance account for impaired receivable in relation to any outstanding balances, and no expense has been recognised in respect of any impaired receivables due from related parties.

25: Related party transactions (Continued)

(f) Key management personnel

(i) The names of the National Committee of Management (NCOM) in office at any time during or since the end of the financial year are:

Name	*Position*
Charles Donnelly	General Secretary
Tim Kennedy (resigned on 28 April 2010)	Assistant General Secretary
Paul Richardson (appointed on 4 May 2010)	Assistant General Secretary
Gayle Burmeister	General Vice President
Ron Herbert	General Vice President
Marisa Bernardi	General Vice President
Doug Stevens	General President
Antony Thow (resigned 28 April 2010)	General Vice President
Tim Kennedy (appointed 28 April 2010)	General Vice President
Sam Roberts (appointed 20 April 2010)	Branch Secretary
Derrick Belan	Branch Secretary
Nick Thredgold (office abolished 12 August 2009)	Branch Secretary
Joe Bullock (office abolished 12 August 2009)	Branch Secretary
John Cosgrove (office abolished 12 August 2009)	Branch Secretary

(ii) Key management personnel compensation

	Consolidated Group		**Parent Entity**	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
The aggregate compensation made to key management personnel of the Group is as follows:				
Short -term benefits				
Salary & Fees	**671,259**	503,676	**671,259**	503,676

26: Amalgamation of branches

(a) Summary of amalgamation

On the 12th August 2009 the former Western Australian, South Australian and Queensland Branches were amalgamated with the General Branch and General Branch which is part of the National Fund (National Office).

(b) The assets and liabilities acquired and recognised as a result of the amalgamation are as follows:

Branches	SA Branch	WA Branch	Qld Branch	Gen. Branch	Total
	$	$	$	$	$
Cash	13,882	23,326	473,185	201,167	711,560
Trade and other receivables	2,601	74,109	355,790	342,470	774,970
Property, plant and equipments	501,514	-	506,062	40,863	1,048,439
Financial assets	-	-	283,952	-	283,952
Trade and other payables	(106,983)	(3,998)	(260,135)	(28,215)	(399,331)
Bank overdraft	(2,424)	-	-	-	(2,424)
Provisions	(82,924)	-	(131,396)	(142,849)	(357,169)
Restatement of balance (S.A. Store & Assoc Workers Benevolent Assoc Inc.)	162,000	-	-	-	162,000
Net assets required	487,666	93,437	1,227,458	413,436	2,221,997

Investment Trust	Total
	$
Cash	5,145
Financial assets	646,778
Trade and other payables	(55,000)
Margin loans	(312,972)
Net assets required	283,951

27: Cash flow information

(a) Receipts from branches

(Sustentation fees and MSC income)	**Consolidated Group**		**Parent Entity**	
	2010	**2009**	**2010**	**2009**
Branches	**$**	**$**	**$**	**$**
New South Wales	**1,049,662**	1,098,210	**1,049,662**	1,098,210
South Australia	**22,753**	157,470	**22,753**	157,470
Queensland	**47,344**	264,797	**47,344**	264,797
Victoria	**1,755,402**	2,150,369	**1,755,402**	2,150,369
Western Australia	**9,708**	72,634	**9,708**	72,634
General/Central	**-**	17,834	**-**	17,834
	2,884,869	3,761,314	**2,884,869**	3,761,314

	Consolidated Group		**Parent Entity**	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
(b) Reconciliation of cash flow from operations with (loss) profit after income tax				
(Loss) Profit after income tax	**(402,935)**	74,467	**(398,942)**	94,931
Non-cash flows in (loss) profit				
Depreciation	**263,403**	203,190	**205,414**	154,909
Net loss on disposal of investments	**47,589**	-	**100**	-
Unrealised gain on investments	**(263,243)**	409,842	**(235,292)**	409,842
Non-cash distribution	**-**	(75,673)	**-**	(75,673)
Bad debts written off	**80,222**	-	**80,222**	-
Net (gain) / loss on disposal of property, plant and equipment	**45,252**	(526,392)	**45,252**	(535,207)
Changes in assets and liabilities				
(Increase)/decrease in receivables	**231,743**	521,806	**225,756**	515,441
Increase(Decrease) in payables	**(208,059)**	25,548	**(179,779)**	56,953
Increase/(decrease) in income tax refund	**41,803**	(9,427)	**-**	-
Increase/(decrease) in provisions	**(11,842)**	(46,853)	**(17,715)**	(50,478)
Net cash flows from operating activities	**(176,067)**	576,508	**(274,984)**	570,718

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

STATEMENT BY COMMITTEE OF MANAGEMENT

On 16/2/2011 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 2010:

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 40 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 3 to 40 comply with the reporting guidelines of the General Manager of FWA;
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 2010
   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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
   d. the financial records of the National Union of Workers – National Office have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the union; and
   e. the information sought in any request of a member of the National Union of Workers – National Office or the General Manager of FWA under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of FWA; and
   f. No orders have been made by the FWA under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
6. There were no wage recovery activities undertaken during the year.

For the Committee of Management

Designated officer – Charles Donnelly

Dated this 16th day of February 2011

bgl

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

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Incorporating BGL & Associates

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

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 2010, the statement of comprehensive income, statement of changes in equity, statement of cash flows 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 Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free 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 internal 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 general purpose 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 2010 and the results of its operations, its changes in equity and cash flows for the financial year then ended, in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the Fair Work (Registered Organisations) Act 2009.

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
16 February 2011

FR2010/2782

NATIONAL UNION OF WORKERS

UNITY IS STRENGTH.

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

ANNUAL CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

nuwassist
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FOR WORKPLACE SUPPORT

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

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Relationship of the concise financial report to the full financial report

The concise financial report is an extract of the full financial report for the year ended 30 June 2010.

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 the National Union of Workers – National Office and its 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 its controlled entities as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and the auditor's report will be sent to members, free of charge, upon request.

The committee of management has resolved on 16th February 2011 that this concise report be provided in accordance with s265(2) of the Fair Work (Registered Organisations) Act 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 Concise Financial Report

The concise financial report is an extract of the full financial report for the year ended 30 June 2010. The financial statements and specific disclosures in the concise financial report have been derived from the 2010 financial report of the National Union of Workers – National Office. A copy of the full financial report and the auditor's report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on National Union of Workers – National Office consolidated financial statements and the information contained in the concise financial report has been derived from the full 2010 financial report of National Union of Workers – National Office and its controlled entities.

Statement of Comprehensive Income

The current year results for the National Office (the parent entity) include the results of the Queensland, South Australian and Western Australian branches which were amalgamated with the National Fund on 12 August 2009. The prior year figures are for the National Office only.

The consolidated deficit attributable to members for the year was $402,935 which is a 641% decrease from last year surplus of $74,467.

This increase in the deficit occurred despite a growth in revenue of 39% from $5,753,039 in 2009 to $8,019,866 in 2010 as expenses increased by 43% from $5,678,572 in 2009 to $8,418,453 this year. The deficit is primarily due to costs associated with the amalgamation of the branches.

Balance Sheet

Total assets increased by 28% or $2,407,924 from $8,459,870 in 2009 to $10,867,794 this year mainly due to an increase in cash on hand and non-current assets transferred from branches. Total liabilities increased by $588,862 or 41% from $1,439,859 in 2009 to $2,028,721 in 2010. This increase is mainly as a result of increase in employees leave provision due to the increased number of staff employed during the year and the margin loan taken over from the Queensland Branch.

Cash Flows

Net cash flows from operations decreased by $752,575 from $576,508 in 2009 to ($176,067) in 2010. The decrease was mainly due to the increase in expenditure associated with the amalgamation.

Overall cash balances increased by $525,080 from last reporting period, with cash on hand and at banks at 30 June 2010 being $3,185,474 (2009: $2,660,354).

Signed in accordance with a resolution of the Committee of Management

----

Designated Officer – Charles Donnelly

Dated this 16th Feb, 2011

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 2010.

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:

Name	*Position*
Charles Donnelly	General Secretary
Tim Kennedy (resigned on 28 April 2010)	Assistant General Secretary
Paul Richardson (appointed on 4 May 2010)	Assistant General Secretary
Gayle Burmeister	General Vice President
Ron Herbert	General Vice President
Marisa Bernardi	General Vice President
Doug Stevens	General President
Antony Thow (resigned 28 April 2010)	General Vice President
Tim Kennedy (appointed 28 April 2010)	General Vice President
Sam Roberts (appointed 20 April 2010)	Branch Secretary
Derrick Belan	Branch Secretary
Nick Thredgold (office abolished 12 August 2009)	Branch Secretary
Joe Bullock (office abolished 12 August 2009)	Branch Secretary
John Cosgrove (office abolished 12 August 2009)	Branch Secretary

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 loss of the consolidated group for the financial year after providing for income tax and eliminating minority equity interests amounted to $ 402,935 (2009 : profit of $ 74,467).

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 Financial Affairs

During the year, the former Western Australian, South Australian and Queensland Branches were amalgamated with the General Branch which forms part of the National Office. This amalgamation has significantly increased the operating income and expenses of the National Office. Apart from the above, no other significant changes in the financial 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.

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

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 2010 was 43 (2009: 19).

The number of financial members at 30 June 2010 was 81,854 (2009: 88,015).

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 Fair Work (Registered Organisations) Act 2009.

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 16/2/2011

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		$	$	$	$
Revenue from continuing operations	3	**7,756,505**	5,145,819	**6,336,633**	3,793,727
Other income	4	**263,361**	607,220	**235,410**	605,838
Administrative expenses		**(716,295)**	(732,394)	**(505,638)**	(541,843)
Affiliation fee		**(410,650)**	(321,168)	**(410,650)**	(321,168)
Industrial expenses		**(489,192)**	(277,198)	**(486,875)**	(277,198)
Finance costs		**(27,097)**	(911)	-	-
Impairment loss		-	(409,842)	-	(409,842)
Legal and professional fees		**(520,676)**	(293,583)	**(459,536)**	(254,745)
Motor vehicle expenses		**(154,248)**	(88,472)	**(129,763)**	(61,302)
Occupancy expenses		**(534,007)**	(45,436)	**(476,319)**	(10,184)
Telephone expenses		**(104,345)**	(237,936)	**(90,778)**	(207,720)
Salaries and related expenses		**(5,289,473)**	(3,111,272)	**(4,248,173)**	(2,073,699)
Travel and accommodation expenses		**(169,271)**	(156,115)	**(160,054)**	(143,650)
Other expenses		**(3,199)**	(4,245)	**(3,199)**	(3,283)
		(8,418,453)	(5,678,572)	**(6,970,985)**	(4,304,634)
(Loss)/Profit before income tax		**(398,587)**	74,467	**(398,942)**	94,931
Income tax expense		**(4,348)**	-	-	-
(Loss)/Profit attributable to members		**(402,935)**	74,467	**(398,942)**	94,931
Other comprehensive income		-	-	-	-
Total comprehensive (loss) income for the year		**(402,935)**	74,467	**(398,942)**	94,931
Total comprehensive (loss) income for the year is attributable to:					
Members of the union		**(402,935)**	74,467	**(398,942)**	94,931

The above statements of comprehensive income 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 2010

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
ASSETS				
Current assets				
Cash and cash equivalents	**3,185,474**	2,660,394	**1,737,298**	1,348,627
Trade and other receivables	**1,174,519**	1,162,317	**1,218,359**	1,103,367
Financial assets	**632,762**	-	-	-
Total current assets	**4,992,755**	3,822,711	**2,955,657**	2,451,994
Non-current assets				
Financial assets	**2,890,773**	2,687,162	**3,749,728**	3,262,166
Intangibles assets	**1,620**	1,620	-	-
Property, plant and equipment	**2,982,646**	1,948,377	**1,858,418**	770,145
Total non-current assets	**5,875,039**	4,637,159	**5,608,146**	4,032,311
Total assets	**10,867,794**	8,459,870	**8,563,803**	6,484,305
LIABILITIES				
Current liabilities				
Trade and other payables	**517,483**	628,774	**426,625**	509,636
Borrowings	**354,827**	-	-	-
Provisions	**1,156,411**	811,085	**1,030,158**	690,704
Total current liabilities	**2,028,721**	1,439,859	**1,456,783**	1,200,340
Total liabilities	**2,028,721**	1,439,859	**1,456,783**	1,200,340
Net Assets	**8,839,073**	7,020,011	**7,107,020**	5,283,965
EQUITY				
Reserves	**2,460,765**	4,960	**2,455,805**	-
Retained profits	**6,378,308**	7,015,051	**4,651,215**	5,283,965
Total equity	**8,839,073**	7,020,011	**7,107,020**	5,283,965

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 2010

Consolidated Group	Reserves $	Retained profits $	Total $
Balance at 1 July 2008	4,960	6,940,584	6,945,544
Profit for the year	-	74,467	74,467
Balance at 30 June 2009	4,960	7,015,051	7,020,011
Balance at 1 July 2009	4,960	7,015,051	7,020,011
Increase in reserves due to amalgamation	2,221,997	-	2,221,997
(Loss) for the year	-	(402,935)	(402,935)
Transfer to reserve	233,808	(233,808)	-
Balance at 30 June 2010	2,460,765	6,378,308	8,839,073

Parent Entity			
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
Balance at 1 July 2009	-	5,283,965	5,283,965
Increase in reserves due to amalgamation	2,221,997	-	2,221,997
(Loss) for the year	-	(398,942)	(398,942)
Transfer to reserve	233,808	(233,808)	-
Balance at 30 June 2010	2,455,805	4,651,215	7,107,020

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Cash flows from operating activities				
Receipts from branches	**2,884,869**	3,761,314	**2,884,869**	3,761,314
Membership fees received	**2,982,742**	-	**2,982,742**	-
Grant received	**143,000**	-	**143,000**	-
Other income	**852,932**	773,208	**778,277**	728,668
Commission received	**1,378,594**	1,338,380	**-**	-
Payments to suppliers and employees	**(8,782,266)**	(5,423,869)	**(7,307,999)**	(3,945,943)
Dividends/Distribution received	**242,741**	-	**219,176**	-
Interest received	**110,963**	137,813	**24,951**	26,679
Finance costs	**(27,097)**	(911)	**-**	-
Income tax refund (paid)	**37,455**	(9,427)	**-**	-
Net cash (outflow) inflow from operating activities	**(176,067)**	576,508	**(274,984)**	570,718
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	**48,545**	1,784,602	**48,545**	1,749,485
Return of capital from investment	**31,790**	-	**31,790**	-
Payment for property, plant and equipment	**(345,940)**	(745,847)	**(341,955)**	(639,343)
Cash acquired on amalgamation	**714,281**	-	**709,136**	-
Payment for investments	**(5,732)**	(1,387,023)	**(209)**	(1,387,023)
Net cash inflow(outflow) from investing activities	**442,944**	(348,268)	**447,307**	(276,881)
Cash flows from financing activities				
Loan repayment received	**11,000**	6,500	**11,000**	6,500
Refund of trust money	**205,348**	-	**205,348**	-
Money transferred from NUW Central Branch	**-**	50,000	**-**	50,000
Bank loan advanced (repaid)	**41,855**	(44,910)	**-**	-
Net cash inflow from financing activities	**258,203**	11,590	**216,348**	56,500
Net increase in cash and cash equivalents	**525,080**	239,830	**388,671**	350,337
Cash and cash equivalents at beginning of financial year	**2,660,394**	2,420,564	**1,348,627**	998,290
Cash and cash equivalents at end of financial year	**3,185,474**	2,660,394	**1,737,298**	1,348,627

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

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basic of Preparation of Concise Financial Reports

The financial statements and specific disclosures included in the concise financial report have been derived from the general purpose financial report of the National Union of Workers – National Office and its controlled entities. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the general purpose financial report of the National Union of Workers – National Office and its controlled entities. A full general purpose financial report has been prepared for the 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.

(b) Basic of Accounting

The concise financial reports have been prepared in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 and Accounting Standards AASB 1039 "Concise Financial Report".

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

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

(c) Presentation currency

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

(d) Comparative figures

During the year, the National Union of Workers was restructured. In terms of the new rules:

1. The General Branch (previously called the Central Branch) forms part of the National Fund;
2. The members of the Queensland Branch, the South Australian Branch and the Western Australian Branch who are eligible for membership of the union were transferred to the General Branch and these branches were disbanded.

The current year figures reflected this rule change. Comparative figures are however for the National Office only.

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

2: Information to be provided to members or Manager of Fair Work Australia

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 , 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).

3: Revenue

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
From continuing operations	$	$	$	$
Service revenue				
- commission	**1,245,424**	1,208,721	-	-
- sustentation fees	**2,376,223**	2,841,874	**2,376,223**	2,841,874
- membership fees	**2,711,583**	-	**2,711,583**	-
	6,333,230	4,050,595	**5,087,806**	2,841,874
Other revenue				
- interest	**146,012**	165,307	**59,977**	54,173
- NUW – MSC income	**227,425**	392,069	**227,425**	392,069
- grant income	**138,000**	-	**138,000**	-
- mail outs	-	27,811	-	27,811
- management fee	**93,636**	84,629	**93,636**	84,629
- director fees	**284,992**	269,300	**284,992**	269,300
- investment income	**240,590**	114,541	**214,384**	114,541
- rent	**78,272**	8,392	**69,678**	-
- FWEIP project	**75,235**	-	**75,235**	-
- other revenue	**139,113**	33,175	**85,500**	9,330
	7,756,505	5,145,819	**6,336,633**	3,793,727

4: Other income

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Fair value gain financial assets	**263,243**	-	**235,292**	-
Net gain on disposal of property, plant and equipment and investments	**118**	607,220	**118**	605,838
	263,361	607,220	**235,410**	605,838

5: Events occurring after 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 16/2/2011 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 2010:

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

1. the financial statements and notes, as set out on pages 4 to 10 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 4 to 10 comply with the reporting guidelines of the General Manager of FWA;
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 2010
   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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
   d. the financial records of the National Union of Workers – National Office have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the union; and
   e. the information sought in any request of a member of the National Union of Workers – National Office or the General Manager of FWA under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of FWA; and
   f. No orders have been made by the FWA under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
6. There were no wage recovery activities undertaken during the year.

For the Committee of Management

Designated officer – Charles Donnelly

Dated this 16th day of February 2011

bgl

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

Report on the concise financial report

The accompanying concise financial reports of the National Union of Workers – National Office and its controlled entities, which comprise the balance sheet as at 30 June 2010, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year ended and related notes, derived from the audited financial report of the National Union of Workers – National Office and its controlled entities for the year ended 30 June 2010. 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 is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing, implementing and maintaining internal control relevant to the preparation 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 its controlled entities for the year ended 30 June 2010. Our audit report on the financial report for the year was signed on 16 February 2011 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*.

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.

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 concise financial report of the National Union of Workers – National Office and its controlled entities for the year ended 30 June 2010 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the requirements of the Fair Work (Registered Organisations) Act 2009.

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
16 February 2011

FAIR WORK AUSTRALIA

16 June 2011

Mr Charles Donnelly
General Secretary
National Union of Workers
833 Bourke St
DOCKLANDS VIC 3008

By email: info@nuw.org.au

Dear Mr Donnelly,

Re: Financial Reports - Y/E 30 June 2010 - FR2010/2782

s.268 Fair Work (Registered Organisations) Act 2009 (RO Act)

We refer to the full financial report and concise financial report for the National Office of the National Union of Workers for the year ended 30 June 2010. The documents were lodged on 19 May 2011 under s268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act).

The documents have not yet been filed.

Further action required by Thursday 30 June 2011

Two matters require further attention as follows:

1. The Designated Officers Certificate stated that 'the full report was presented to a meeting of the committee of management on 15 February 2011'. It is noted however that the relevant financial documents (Auditor's Report, Operating Report and Committee of Management Certificate) were all signed and dated one day later (16 February 2011). Accordingly, it would appear that the final signed and dated documents have not yet been presented to a meeting as required under s265 and 266 of the RO Act.

   Action required - please provide the final signed and dated version of the full report to a meeting and then lodge a new Designated Officers Certificate under s268 confirming that this has been done by Thursday 30 June 2011.

2. The accounts disclosed a total of $45,000 for donations in excess of $1,000.

   Action required - please provide a statement setting out relevant details of any donation (or loan or grant) that was made during the year in excess of $1,000 in accordance with s237 of the RO Act by Thursday 30 June 2011.

If you have any queries please contact: (03) 8661 7990 or andrew.schultz@fwa.gov.au

Yours faithfully,

Andrew Schultz
Tribunal Services and Organisations

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

Telephone: (03) 8661 7777
International: (613) 8661 7777
Facsimile: (03) 9655 0401
Email: melbourne@fwa.gov.au

PR/PR

11B-040

29 June 2011

Mr. A Schulz
Tribunal Services and Organisations
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

By email: andrew.schultz@fwa.gov.au

Dear Mr. Schultz,

Re: <u>FR 2010/2782 – s 268 Fair Work (Registered Organisations) Act 2009 – Financial Reports Year Ending 30 June 2010</u>

I refer to the above matter and your correspondence dated 16 June 2011 seeking further action by the Union.

1. The relevant financial reports were presented to a meeting of the National Committee of management held on 16 February 2011 and subsequently provided to members on and from the same date. As such there is an error appearing in the Designated Officers Certificate.

   A corrected certificate is attached.

2. A statement of loans, grants and donations is attached.

I trust this clarifies matters and request that you contact Assistant General Secretary Richardson should you require any further information.

Yours faithfully,

CHARLIE DONNELLY
GENERAL SECRETARY

FAIR WORK AUSTRALIA

<u>s268 Fair Work (Registered Organisations) Act 2009</u>

I, Charles Donnelly being the General Secretary of the National Union of Workers – National Office certify:

1. That the documents lodged herewith are copies of the full report and concise report of the National Union of Workers – National Office referred to in s268 of the *Fair Work (Registered Organisations) Act 2009.*

2. That the concise report was provided to members on 16 February 2011.

3. That the full report was presented to a meeting of the committee of management on 16 February 2011.

CHARLES DONNELLY

DATED: 30 June 2011

Fair Work Australia

7 September 2011

Mr Charles Donnelly
General Secretary
National Union of Workers
833 Bourke St
DOCKLANDS VIC 3008

Email: prichardson@nuw.org.au

Dear Mr Donnelly,

Attention: Mr Paul Richardson, Assistant General Secretary

Re: Financial Reports - Y/E 30 June 2010 - FR2010/2782

s.268 Fair Work (Registered Organisations) Act 2009 (RO Act)

We refer to the full financial report and concise financial report for the National Office of the National Union of Workers for the year ended 30 June 2010. The documents were lodged on 19 May 2011 under s268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act).

Further information was sought on 16 June 2011 regarding the Designated Officers Certificate prepared under s.268 of the RO Act and regarding any loans, grants and/or donations in excess of $1,000.

Subsequently, the following documents were lodged on 30 June 2011:

- a revised Designated Officers Certificate under s.268 of the RO Act; and
- a Statement regarding grants and donations made during the year in excess of $1,000 under s.237 of the RO Act.

The statement regarding grants and donations has been placed on a file that is not available to the general public in accordance with s.237(4) of the RO Act.

The financial report has now been filed.

I apologise for the delay in responding to this matter.

If you have any queries please contact: (03) 8661 7990 or **andrew.schultz@fwa.gov.au**

Yours faithfully,

Andrew Schultz

Tribunal Services and Organisations