



FAIR WORK
COMMISSION

27 February 2013

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

Dear Mr Donnelly,

**Re: Lodgement of Financial Statements and Accounts - National Union of Workers,
National Office - for year ended 30 June 2012 (FR2012/479)**

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 2 January 2013. An amended Secretary's Certificate was lodged today, 27 February 2013.

The documents have been filed and there is no further action required in respect of this return.

Secretary's Certificate

However, I wish, for the avoidance of all doubt, to take this opportunity to confirm the correct understanding that the reporting unit should have of the meaning of "presentation" to a meeting for the purposes of section 266. My review of the Certificates and financial statements for previous years and past correspondence from FWC shows that there appears to have been some misunderstanding about what needs to be certified on the Secretary's Certificate required by section 268.

It will be helpful to keep in mind that the Act has always contemplated that the reporting process will involve two meetings. The first meeting is the meeting at which the Committee of Management Statement is signed along with other documents such as the Operating Report and often the Auditor's Report. The financial statements are placed before the committee for the first time at that first meeting. Once the auditor's report is signed, at or soon after that first meeting, the financial statements may be provided to the members.

The second meeting is the meeting referred to in section 266 at which the signed auditor's report and full financial report is said to be "presented". In the case of the National Union of Workers, the rules allow, and it has been the practice, that the second meeting is a meeting of the committee of management. It is this second meeting that must be referred to, on the Secretary's Certificate, as the meeting held in accordance with section 266.

As far as I can ascertain, the National Office has always held a second meeting of the committee after providing the reports to the members, but has generally provided Secretary's Certificates that incorrectly refer to the date of the first meeting of the committee. By contrast, the covering letters accompanying the reports have generally included a reference to the date of the second meeting.

There is therefore no question that the National Office appears to have complied with the requirement to present the report to a second meeting; it is rather a question of the correct reference that is to appear on the Certificate. The Secretary's Certificate is the document that

informs FWC that the reporting has complied with the two important events of providing reports to members and presenting them within the prescribed periods, so the reference must be correct to avoid a query from FWC.

If you have any queries about the financial reporting requirements, please don't hesitate to contact me at any time on (02) 6723 7237.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

cc. Mr Paul Richardson, Assistant General Secretary

From: Paul Richardson [prichardson@nuw.org.au]
Sent: Wednesday, 27 February 2013 10:11 AM
To: KELLETT, Stephen
Subject: NUW - Financial Returns - s 266 Certificates
Attachments: Ltr to S Kellett FWA.PDF

Importance: High

Dear Stephen

I refer to the above and your voice mail message of yesterday.

In relation to the NUW – National Office accounts please find attached a scan copy of the additional documentation. The original has been mailed today

In relation to the NUW – General Branch, I am still waiting for the signed declaration to be completed and returned to me. You will recall that I indicated that Mr. Roberts is on parental leave and that I had taken steps to secure his signature by mail

I trust this advice is satisfactory

Please contact me if you require anything further at this stage

Regards

Paul Richardson | Assistant National Secretary | National Union of Workers

P: (03) 9287 1850 | M: 0417 330 825 | F : (03) 9287 1818 | E: prichardson@nuw.org.au

PR:PR

13A-019

26 February, 2013

Mr S. Kellett
Senior Adviser – Regulatory Compliance Branch
Fair Work Australia
80 William Street
East Sydney NSW 2011

Dear Mr Kellett,

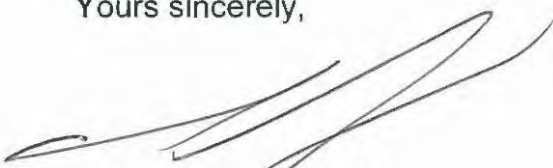
Re: FR 2012/479 – Financial Statements and Accounts Year Ended 30 June 2012 - National Union of Workers, National Office

I refer to the above and your recent telephone conversation with Assistant General Secretary Richardson.

As requested, please find attached an amended declaration as required under section 268 (c) of the Act.

Should you require any further information please do not hesitate to contact this office.

Yours sincerely,



CHARLES DONNELLY
GENERAL SECRETARY

nuwassist

1300 275 689

nuw.org.au

FOR WORKPLACE SUPPORT

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

FAIR WORK COMMISSION

s268 Fair Work (Registered Organisations) Act 2009

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

1. That the documents lodged with Fair Work Australia (as it was then named) on 20 December 2012 are copies of the full report and the 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 full report was presented to a first meeting of the committee of management on 25 October 2012 and was provided to members on 13 November 2012.
3. That the full report was presented to a second meeting of the committee of management on 20 December 2012.



CHARLES DONNELLY
GENERAL SECRETARY

DATED: 22 February 2013

From: KELLETT, Stephen
Sent: Tuesday, 19 February 2013 7:50 AM
To: 'prichardson@nuw.org.au'
Subject: National Office NUW - Secretary's Certificate - date of presentation in accordance with section 266

Dear Mr Richardson,

Further to our conversation yesterday, I have had the opportunity to examine the Secretary's Certificate that was lodged with the financial statements for the National Office.

It refers to presenting the report in accordance with section 266 "on 25 October 2012".

The date of 25 October 2012 clearly refers to the "first" meeting when the documents were initially received and signed. As was the case with the General Branch's certificate, the reference needs to be to the "second" meeting whenever that was held, and not to the "first" meeting.

Could you arrange to lodge an amended Secretary's Certificate for the National Office statements at the same time you lodge an amended Certificate for the General Branch?

Yours sincerely

STEPHEN KELLETT
Senior Adviser,
Regulatory Compliance Branch

Fair Work Commission
Tel: (02) 6723 7237
Mob: 0429 462 979
Fax: +61 2 9380 6990
stephen.kellett@fwc.gov.au

80 William Street, East Sydney NSW 2011

www.fwc.gov.au

PR:RB

12D-029

20 December, 2012

Ms B O'Neill
General Manager
Fair Work Australia
GPO Box 1994
Melbourne VIC 3001



Dear Ms O'Neill,

Re: s 268 – Fair Work (Registered Organisations) Act 2009

I refer to the above and enclose the financial report for the National Union of Workers – National Office for the period ending 30 June 2012.

Should you require any further information please contact Assistant General Secretary Paul Richardson on 03 9287 1856.

Yours faithfully,

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

CHARLES DONNELLY
GENERAL SECRETARY

nuwassist

1300 275 689

nuw.org.au

FOR WORKPLACE SUPPORT

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FAIR WORK AUSTRALIA

Fair Work (Registered Organisations) Act 2009

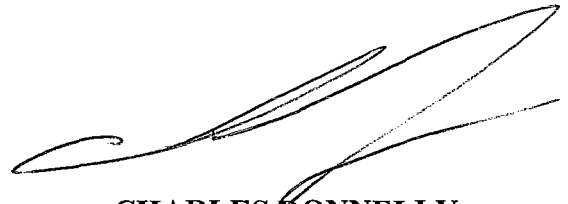
Fair Work (Registered Organisations) Regulations 2009

CERTIFICATE

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

1. That the documents lodged herewith are copies of the full report and the 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 made available to members on 13 November 2011.
3. That the full report was presented to a meeting of the National Committee of Management of the reporting unit on 25 October 2012 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

DATED: 20 December 2012



CHARLES DONNELLY
GENERAL SECRETARY



**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 2012**

nuwassist
1300 275 689
nuw.org.au
FOR WORKPLACE SUPPORT

National PO Box 343, North Melbourne VIC 3051
VIC PO Box 343, North Melbourne VIC 3051
NSW 3-5 Bridge Street, Granville NSW 2142
QLD 1st Floor, 17 Cribb Street, Milton QLD 4064
SA 46 Greenhill Rd, Wayville SA 5034
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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 reports

The concise financial report is an extract from the full financial report for the year ended 30 June 2012. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of National Union of Workers – National Office as an individual entity (which includes the National Office and the General Branch) and the controlled entities as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. Please contact National Union of Workers – National Office and a copy will be forwarded to you. Alternatively, you can access both the full financial report and the concise report via the internet at our Members' Centre on our website.

The committee of management has resolved on 25th October 2012 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 REPORTS

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 2012. The financial statements and specific disclosures in the concise financial report have been derived from the 2012 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 2012 financial report of National Union of Workers – National Office and its controlled entities.

Statement of Comprehensive Income

The consolidated surplus attributable to members for the year was \$738,247 which is a significant increase from last year deficit of \$423,600.

This increase in the surplus occurred due to a combination of growth in revenue of 9% from \$8,614,342 in 2011 to \$9,322,463 in 2012 and a decrease in expenses of 5% from \$9,034,634 in 2011 to \$8,556,699 this year.

Balance Sheet

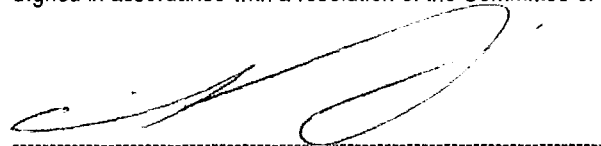
Total assets increased by 20% or \$2,010,342 from \$10,138,930 in 2011 to \$12,149,272 this year mainly due to an increase in cash on hand and an increase in investments in financial assets. Total liabilities increased by \$302,451 or 18% from \$1,723,457 in 2011 to \$2,025,908 in 2012. This increase is mainly as a result of increase of trade payables and employee provisions.

Cash Flows

Net cash flows from operations increased by \$1,872,455 from a net out flow of (\$669,600) in 2011 to a net inflow of \$1,202,855 in 2012. The increase was mainly due to the increase in grant income and from money received from LUCRF.

Overall cash balances increased by \$995,927 from last reporting period, with cash on hand and at banks at 30 June 2012 being \$3,572,838 (2011: \$2,576,911).

Signed in accordance with a resolution of the Committee of Management



Designated Officer – Charles Donnelly

Dated this 25th October 2012

**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 2012.

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:

| <i>Name</i> | <i>Position</i> |
|------------------|--|
| Doug Stevens | General President (retired on 2 July 2012) |
| Tim Kennedy | General Vice President |
| Gayle Burmeister | General Vice President |
| Ron Herbert | General Vice President |
| Marisa Bernardi | General Vice President |
| Sam Roberts | General Vice President |
| Dani Shanahan | General Vice President |
| Charles Donnelly | General Secretary |
| Paul Richardson | Assistant General Secretary |
| Derrick Belan | 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.

Review of Principal activities and results of operations

National Office:

The principal activities of the National Office during the financial year were the overseeing, 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.

A review of the operations of consolidated group indicate that it continued to engage in its principal activity of representing members in industrial and other matters. In pursuing these activities The National Union of Workers has sought to protect members through representation of individuals in grievances and disputes. In pursuing such, The National Union of Workers has initiated and activated legal and industrial action when appropriate.

General Branch:

In terms of the rules of the National Union of Workers, the General Branch forms part of the National Fund. Membership is drawn from most States and territories of Australia. The principal activities of the General Branch during the financial year were the protection and improvement of employment conditions for its members. No significant change in the nature of these activities occurred during the year.

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

OPERATING REPORT (CONTINUED)

Significant changes in state of affairs

National Office:

During the year, the National Union of Workers executed a transmission of the business of Labour Union Insurance (Brokers) Pty Ltd, a wholly owned subsidiary, to Industry Funds Services Insurance Broking Pty Ltd (IFS). This had the effect of IFS assuming all Labour Union Insurance (Brokers) Pty Ltd insurance policies from 1 October 2011. The other assets of Labour Union Insurance (Brokers) Pty Ltd remain unchanged and the Union is seeking advice as to their retention, disposal and/or integration into the accounts of the Union.

Further, the National Union of Workers acquired an investment property in SA via an investment trust which is jointly owned with LUCRF.

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

General Branch:

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

After balance date events

National Office:

No other 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.

General Branch:

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

National Union of Workers details

National Fund:

The number of full time equivalents employees of at 30 June 2012 was 47 (2011: 45).

The number of financial members of the whole National Union of Workers at 30 June 2012 was 71,761 (2011: 77,761).

General Branch:

The number of full time equivalents of the General Branch employees at 30 June 2012 was 24 (2011:24).

The number of financial members of the General Branch at 30 June 2012 was 11,704 (2011: 9,911).

Rights of members to resign

National Fund and General Branch

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.

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

OPERATING REPORT (CONTINUED)

Directorships of superannuation funds

National Fund:

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

The following NCOM members are directors of LUCRF:

Charles Donnelly

Tim Kennedy

Paul Richardson

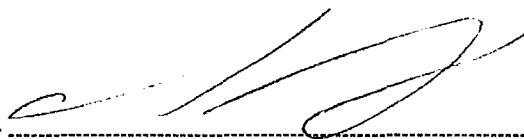
General Branch:

To the best of our knowledge and belief, no officer or member of the organisation, by virtue of their office or membership of the National Union of Workers - General Branch is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- (ii) a director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (iii) where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

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

Designated Officer



Charles Donnelly

Dated this 25th October 2012

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

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

| | Notes | Consolidated Group | | Parent Entity | |
|---|-------|-------------------------|--------------------|-----------------------|--------------------|
| | | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| Revenue from continuing operations | 3 | 9,141,928 | 8,351,505 | 8,582,269 | 6,827,269 |
| Other income | 4 | 180,535 | 262,837 | 173,258 | 233,157 |
| Administrative expenses | | (895,730) | (970,356) | (795,193) | (816,636) |
| Affiliation fee | | (507,254) | (413,582) | (507,254) | (413,582) |
| Campaign expenses | | - | (95,500) | - | (95,500) |
| Industrial expenses | | (274,450) | (92,877) | (274,450) | (91,559) |
| Finance costs | | (3,378) | (8,162) | (2,344) | (8,162) |
| Official expenses | | (402,471) | (513,684) | (402,471) | (513,684) |
| Legal and professional fees | | (334,819) | (284,473) | (230,731) | (235,993) |
| Motor vehicle expenses | | (162,860) | (185,990) | (153,391) | (156,851) |
| Occupancy expenses | | (558,763) | (530,607) | (501,258) | (461,886) |
| Telephone expenses | | (24,155) | (80,217) | (21,852) | (64,986) |
| Salaries and related expenses | | (5,135,583) | (5,842,362) | (5,014,540) | (4,705,194) |
| Travel and accommodation expenses | | (902) | (16,824) | - | (5,757) |
| Loss on disposal of insurance business | | (83,029) | - | - | - |
| Impairment loss | | (173,305) | - | (173,305) | - |
| | | <u>(8,556,699)</u> | <u>(9,034,634)</u> | <u>(8,076,789)</u> | <u>(7,569,790)</u> |
| Profit (Loss) before income tax | | 765,764 | (420,292) | 678,738 | (509,364) |
| Income tax expense | | (27,517) | (3,308) | - | - |
| Profit (Loss) attributable to members | | 738,247 | (423,600) | 678,738 | (509,364) |
| Other comprehensive income | | | | | |
| Changes in distress fund | | 12,161 | (2,948) | 12,161 | (2,948) |
| Changes in amalgamation reserve | | (1,128) | - | (1,128) | - |
| Changes in capital reserve | | 970,772 | - | - | - |
| Total comprehensive income (loss) for the year | | <u>1,720,052</u> | <u>(426,548)</u> | <u>689,771</u> | <u>(512,312)</u> |

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 2012**

| | Consolidated Group | | Parent Entity | |
|----------------------------------|--------------------|-------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 3,572,838 | 2,576,911 | 2,023,540 | 1,113,328 |
| Trade and other receivables | 1,154,553 | 1,196,781 | 1,144,270 | 1,188,763 |
| Total current assets | 4,727,391 | 3,773,692 | 3,167,810 | 2,302,091 |
| Non-current assets | | | | |
| Financial assets | 4,215,068 | 3,446,200 | 4,790,072 | 4,021,204 |
| Intangibles assets | - | 1,620 | - | - |
| Property, plant and equipment | 3,206,813 | 2,917,418 | 1,256,813 | 1,868,673 |
| Total non-current assets | 7,421,881 | 6,365,238 | 6,046,885 | 5,889,877 |
| Total assets | 12,149,272 | 10,138,930 | 9,214,695 | 8,191,968 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 723,953 | 541,596 | 657,167 | 481,634 |
| Tax provisions | 19,693 | - | - | - |
| Provisions | 1,282,262 | 1,181,861 | 1,282,262 | 1,112,678 |
| Total current liabilities | 2,025,908 | 1,723,457 | 1,939,429 | 1,594,312 |
| Total liabilities | 2,025,908 | 1,723,457 | 1,939,429 | 1,594,312 |
| Net assets | 10,123,364 | 8,415,473 | 7,275,266 | 6,597,656 |
| EQUITY | | | | |
| Reserves | 3,439,622 | 2,457,817 | 2,463,890 | 2,452,857 |
| Retained profits | 6,683,742 | 5,957,656 | 4,811,376 | 4,144,799 |
| Total equity | 10,123,364 | 8,415,473 | 7,275,266 | 6,597,656 |

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 2012**

| | Reserves \$ | Retained profits \$ | Total \$ |
|--------------------------------|------------------------|------------------------------------|---------------------|
| Consolidated Group | | | |
| Balance at 1 July 2010 | 2,460,765 | 6,378,308 | 8,839,073 |
| (Loss) for the year | - | (423,600) | (423,600) |
| Transfer to reserve | <u>(2,948)</u> | <u>2,948</u> | <u>-</u> |
| Balance at 30 June 2011 | <u>2,457,817</u> | <u>5,957,656</u> | <u>8,415,473</u> |
| Balance at 1 July 2011 | 2,457,817 | 5,957,656 | 8,415,473 |
| Profit for the year | - | 738,247 | 738,247 |
| Transfer to reserve | <u>981,805</u> | <u>(12,161)</u> | <u>969,644</u> |
| Balance at 30 June 2012 | <u>3,439,622</u> | <u>6,683,742</u> | <u>10,123,364</u> |
| Parent Entity | | | |
| Balance at 1 July 2010 | 2,455,805 | 4,651,215 | 7,107,020 |
| (Deficit) for the year | - | (509,364) | (509,364) |
| Transfer to reserve | <u>(2,948)</u> | <u>2,948</u> | <u>-</u> |
| Balance at 30 June 2011 | <u>2,452,857</u> | <u>4,144,799</u> | <u>6,597,656</u> |
| Balance at 1 July 2011 | 2,452,857 | 4,144,799 | 6,597,656 |
| Surplus for the year | - | 678,738 | 678,738 |
| Transfer to reserve | <u>11,033</u> | <u>(12,161)</u> | <u>(1,128)</u> |
| Balance at 30 June 2012 | <u>2,463,890</u> | <u>4,811,376</u> | <u>7,275,266</u> |

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 2012**

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Cash flows from operating activities | | | | |
| Receipts from branches | 3,585,327 | 2,785,602 | 3,585,327 | 2,785,602 |
| Membership fees received | 4,156,503 | 3,617,512 | 4,156,503 | 3,617,512 |
| Grant received | 228,238 | - | 228,238 | - |
| LUCRF service fee | 446,322 | - | 446,322 | - |
| Other income | 649,446 | 1,162,072 | 636,858 | 968,372 |
| Commission received | 511,103 | 1,363,246 | - | - |
| Payments to suppliers and employees | (8,772,334) | (9,947,604) | (8,204,248) | (8,314,134) |
| Dividends/Distribution received | 283,551 | 228,923 | 283,551 | 228,923 |
| Interest received | 115,539 | 130,496 | 29,339 | 26,403 |
| Finance costs | (1,034) | - | - | - |
| Income tax refund (paid) | 194 | (9,847) | - | - |
| Net cash inflow (outflow) from operating activities | 1,202,855 | (669,600) | 1,161,890 | (687,322) |
| Cash flows from investing activities | | | | |
| Proceeds from sale of property, plant and equipment | 708,208 | 40,000 | 663,458 | 10,000 |
| Return of capital from investment | - | - | - | 29,977 |
| Payment for property, plant and equipment | (54,036) | (242,221) | (54,036) | (239,883) |
| Payment for investments | (941,100) | - | (941,100) | - |
| Net cash (outflow) from investing activities | (286,928) | (202,221) | (331,678) | (199,906) |
| Cash flows from financing activities | | | | |
| Loan repayment received | 80,000 | 263,258 | 80,000 | 263,258 |
| Net cash inflow from financing activities | 80,000 | 263,258 | 80,000 | 263,258 |
| Net increase (decrease) in cash and cash equivalents | 995,927 | (608,563) | 910,212 | (623,970) |
| Cash and cash equivalents at beginning of financial year | 2,576,911 | 3,185,474 | 1,113,328 | 1,737,298 |
| Cash and cash equivalents at end of financial year | 3,572,838 | 2,576,911 | 2,023,540 | 1,113,328 |

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1: Summary of significant accounting policies

(a) Basis of preparation of concise financial reports

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

A full general purpose financial report has been prepared for the National Union of Workers – National Office as an individual entity (which includes the National Office and the General Branch) and the controlled entities. The financial statements and specific disclosures included in the concise financial report have been derived from the general purpose financial report of National Union of Workers – National Office as an individual entity (which includes the National Office and the General Branch) and the 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 as an individual entity (which includes the National Office and the General Branch) and the controlled entities.

(b) Basis of accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

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.

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).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

| 3: Revenue | Notes | Consolidated Group | | Parent Entity | |
|-----------------------------------|-------|---------------------------|------------------|----------------------|------------------|
| | | 2012 | 2011 | 2012 | 2011 |
| From continuing operations | | \$ | \$ | \$ | \$ |
| <i>Service revenue</i> | | | | | |
| - commission | | 464,639 | 1,232,915 | - | - |
| - sustentation fees | (a) | 2,576,563 | 2,498,889 | 2,576,563 | 2,498,889 |
| - membership fees | | 3,778,639 | 3,288,647 | 3,778,639 | 3,288,647 |
| | | <u>6,819,841</u> | <u>7,020,451</u> | <u>6,355,202</u> | <u>5,787,536</u> |
| <i>Other revenue</i> | | | | | |
| - interest | | 146,570 | 160,879 | 60,370 | 56,786 |
| - NUW – MSC income | (b) | 511,344 | - | 511,344 | - |
| - reimbursements from Branches | | 73,631 | 193,045 | 73,631 | 193,045 |
| - LUCRF service fee | | 486,896 | - | 486,896 | - |
| - NUWQ service fee | | 6,418 | 64,491 | 6,418 | 64,491 |
| - management fee | | 75,804 | 85,591 | 79,854 | 85,591 |
| - NUW Education Fund | | 46,000 | - | 46,000 | - |
| - director fees | | 310,180 | 275,945 | 310,180 | 275,945 |
| - investment income | | 249,879 | 215,889 | 249,879 | 215,889 |
| - dividends | | 17,703 | 20,172 | 17,703 | 20,172 |
| - rent | | 67,440 | 75,207 | 67,440 | 63,808 |
| - grant income | | 207,489 | - | 207,489 | - |
| - TUEF project 2012 | | 2,299 | 22,746 | 2,299 | 22,746 |
| - proceeds from insurance policy | | - | 146,487 | - | - |
| - other revenue | | 120,434 | 70,602 | 107,564 | 41,260 |
| | | <u>9,141,928</u> | <u>8,351,505</u> | <u>8,582,269</u> | <u>6,827,269</u> |

(a) Sustentation fees

| | Consolidated Group | | Parent Entity | |
|------------------|---------------------------|------------------|----------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| <i>Branches:</i> | \$ | \$ | \$ | \$ |
| New South Wales | 938,865 | 886,580 | 938,865 | 886,580 |
| Victoria | 1,637,698 | 1,612,309 | 1,637,698 | 1,612,309 |
| | <u>2,576,563</u> | <u>2,498,889</u> | <u>2,576,563</u> | <u>2,498,889</u> |

(b) NUW – MSC Income

| | Consolidated Group | | Parent Entity | |
|------------------|---------------------------|-------------|----------------------|-------------|
| | 2012 | 2011 | 2012 | 2011 |
| <i>Branches:</i> | \$ | \$ | \$ | \$ |
| New South Wales | 110,000 | - | 110,000 | - |
| Victoria | 401,344 | - | 401,344 | - |
| | <u>511,344</u> | <u>-</u> | <u>511,344</u> | <u>-</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012**

4: Other income

| | Consolidated Group | | Parent Entity | |
|---|--------------------|----------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Fair value gain financial assets | - | 229,857 | - | 229,857 |
| Net gain on disposal of property, plant and equipment and investments | <u>180,535</u> | <u>32,980</u> | <u>173,258</u> | <u>3,300</u> |
| | <u>180,535</u> | <u>262,837</u> | <u>173,258</u> | <u>233,157</u> |

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.

6: Contingencies

There are no other known contingent assets or liabilities and commitments at 30 June 2012.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

7: Analysis of comprehensive income of parent entity

In order for the members of the General Branch to more readily understand the operations of the branch the following analysis is presented:

| | This year | | | Last year | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| | General Branch | National Office | Total | General Branch | National Office | Total |
| Revenue from continuing operations | 221,807 | 8,360,462 | 8,582,269 | 10,874 | 6,827,269 | 6,838,143 |
| Other income | - | 173,258 | 173,258 | - | 222,283 | 222,283 |
| Administrative expenses | (156,083) | (641,454) | (797,537) | (162,740) | (662,058) | (824,798) |
| Affiliation fee | (75,334) | (431,920) | (507,254) | (90,932) | (322,650) | (413,582) |
| Campaign expenses | - | - | - | - | (95,500) | (95,500) |
| Industrial expenses | (87,947) | (186,503) | (274,450) | (89,660) | (1,899) | (91,559) |
| Official expenses | (74,581) | (327,890) | (402,471) | (144,391) | (369,293) | (513,684) |
| Legal and professional fees | (138,802) | (91,929) | (230,731) | (112,229) | (123,764) | (235,993) |
| Motor vehicle expenses | (84,573) | (68,818) | (153,391) | (64,461) | (92,390) | (156,851) |
| Occupancy expenses | (169,833) | (331,425) | (501,258) | (173,827) | (288,059) | (461,886) |
| Telephone expenses | - | (21,852) | (21,852) | (25,525) | (39,461) | (64,986) |
| Salaries and related expenses | (2,476,286) | (2,538,254) | (5,014,540) | (2,423,800) | (2,281,394) | (4,705,194) |
| Travel and accommodation expenses | - | - | - | - | (5,757) | (5,757) |
| Impairment loss | - | (173,305) | (173,305) | - | - | - |
| | (3,263,439) | (4,813,350) | (8,076,789) | (3,287,565) | (4,282,225) | (7,569,790) |
| (Loss)/Profit before income tax | (3,041,632) | 3,720,370 | 678,738 | (3,276,691) | 2,767,327 | (509,364) |
| Income tax expense | - | - | - | - | - | - |
| (Loss)/Profit attributable to members | (3,041,632) | 3,720,370 | 678,738 | (3,276,691) | 2,767,327 | (509,364) |
| Other comprehensive income | - | 11,033 | 11,033 | - | (2,948) | (2,948) |
| Total comprehensive (loss) income for the year | (3,041,632) | 3,731,403 | 689,771 | (3,276,691) | 2,764,379 | (512,312) |

Attention is drawn to Rule 23 of the NUW Rules which effectively means that all income including membership contributions is part of the National Fund (National Office) and that the General Branch is funded by an allocation of money by the National Fund (National Office). This is reflected in the above analysis.

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

STATEMENT BY COMMITTEE OF MANAGEMENT

On 25th October 2012 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 2012:

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 5 to 12 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 5 to 12 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 2012
 - 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 25th day of October

2012



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

A.B.N. 96 006 935 459

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

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

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

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

Incorporating BGL & Associates

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

Report on the concise financial report

We have audited the accompanying concise financial report of the National Union of Workers – National Office and consolidated group, which comprises the balance sheet as at 30 June 2012, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and related notes, derived from the audited financial report of the National Union of Workers – National Office and the entities it controlled at the year's end or from time to time during the financial year. The concise financial report also includes discussion and analysis of results and Statement by Committee of Management. 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 of the concise financial report in accordance with Australian Accounting Standards AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee of Management determine is necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of National Union of Workers – National Office and consolidated group for the year ended 30 June 2012. We expressed an unmodified audit opinion on the financial report in our report dated 25 October 2012. 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 for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the concise 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 controls. Our procedures 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 audit evidence supporting the amounts, discussion and analysis of results, 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 AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039 *Concise Financial Reports*.

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

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



Chartered Accountants



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A.B.N. 96 006 935 459

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

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PO Box 6094
St. Kilda Road Central
VIC 8008

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

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

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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.

Opinion

In our opinion, the concise financial report, including the discussion and analysis of results and the Statement of Committee Management of the National Union of Workers – National Office and consolidated group for the year ended 30 June 2012 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009.

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
25 October 2012





**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 2012**

nuwassist

1300 275 689

nuw.org.au

FOR WORKPLACE SUPPORT

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

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

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

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 25th day of October 2012.

**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 2012.

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:

| <i>Name</i> | <i>Position</i> |
|------------------|--|
| Doug Stevens | General President (retired on 2 July 2012) |
| Tim Kennedy | General Vice President |
| Gayle Burmeister | General Vice President |
| Ron Herbert | General Vice President |
| Marisa Bernardi | General Vice President |
| Sam Roberts | General Vice President |
| Dani Shanahan | General Vice President |
| Charles Donnelly | General Secretary |
| Paul Richardson | Assistant General Secretary |
| Derrick Belan | 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.

Review of Principal activities and results of operations

National Office:

The principal activities of the National Office during the financial year were the overseeing, 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.

A review of the operations of consolidated group indicate that it continued to engage in its principal activity of representing members in industrial and other matters. In pursuing these activities The National Union of Workers has sought to protect members through representation of individuals in grievances and disputes. In pursuing such, The National Union of Workers has initiated and activated legal and industrial action when appropriate.

General Branch:

In terms of the rules of the National Union of Workers, the General Branch forms part of the National Fund. Membership is drawn from most States and territories of Australia. The principal activities of the General Branch during the financial year were the protection and improvement of employment conditions for its members. No significant change in the nature of these activities occurred during the year.

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

OPERATING REPORT (CONTINUED)

Significant changes in state of affairs

National Office:

During the year, the National Union of Workers executed a transmission of the business of Labour Union Insurance (Brokers) Pty Ltd, a wholly owned subsidiary, to Industry Funds Services Insurance Broking Pty Ltd (IFS). This had the effect of IFS assuming all Labour Union Insurance (Brokers) Pty Ltd insurance policies from 1 October 2011. The other assets of Labour Union Insurance (Brokers) Pty Ltd remain unchanged and the Union is seeking advice as to their retention, disposal and/or integration into the accounts of the Union.

Further, the National Union of Workers acquired an investment property in SA via an investment trust which is jointly owned with LUCRF.

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

General Branch:

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

After balance date events

National Office:

No other 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.

General Branch:

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

National Union of Workers details

National Fund:

The number of full time equivalents employees of at 30 June 2012 was 47 (2011: 45).

The number of financial members of the whole National Union of Workers at 30 June 2012 was 71,761 (2011: 77,761).

General Branch:

The number of full time equivalents of the General Branch employees at 30 June 2012 was 24 (2011:24).

The number of financial members of the General Branch at 30 June 2012 was 11,704 (2011: 9,911).

Rights of members to resign

National Fund and General Branch

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.

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

OPERATING REPORT (CONTINUED)

Directorships of superannuation funds

National Fund:

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

The following NCOM members are directors of LUCRF:

Charles Donnelly

Tim Kennedy

Paul Richardson

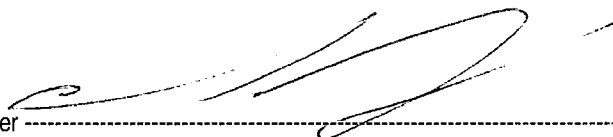
General Branch:

To the best of our knowledge and belief, no officer or member of the organisation, by virtue of their office or membership of the National Union of Workers - General Branch is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- (ii) a director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (iii) where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

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

Designated Officer



Charles Donnelly

Dated this

25 October 2012

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

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

| | Notes | Consolidated Group | | Parent Entity | |
|---|-------|--------------------|-------------|--------------------|-------------|
| | | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| Revenue from continuing operations | 4 | 9,141,928 | 8,351,505 | 8,582,269 | 6,827,269 |
| Other income | 5 | 180,535 | 262,837 | 173,258 | 233,157 |
| Administrative expenses | | (895,730) | (970,356) | (795,193) | (816,636) |
| Affiliation fee | 7 | (507,254) | (413,582) | (507,254) | (413,582) |
| Campaign expenses | | - | (95,500) | - | (95,500) |
| Industrial expenses | | (274,450) | (92,877) | (274,450) | (91,559) |
| Finance costs | | (3,378) | (8,162) | (2,344) | (8,162) |
| Official expenses | | (402,471) | (513,684) | (402,471) | (513,684) |
| Legal and professional fees | | (334,819) | (284,473) | (230,731) | (235,993) |
| Motor vehicle expenses | | (162,860) | (185,990) | (153,391) | (156,851) |
| Occupancy expenses | | (558,763) | (530,607) | (501,258) | (461,886) |
| Telephone expenses | | (24,155) | (80,217) | (21,852) | (64,986) |
| Salaries and related expenses | 8 | (5,135,583) | (5,842,362) | (5,014,540) | (4,705,194) |
| Travel and accommodation expenses | | (902) | (16,824) | - | (5,757) |
| Loss on disposal of insurance business | | (83,029) | - | - | - |
| Impairment loss | | (173,305) | - | (173,305) | - |
| | | (8,556,699) | (9,034,634) | (8,076,789) | (7,569,790) |
| Profit (Loss) before income tax | | 765,764 | (420,292) | 678,738 | (509,364) |
| Income tax expense | 9 | (27,517) | (3,308) | - | - |
| Profit (Loss) attributable to members | | 738,247 | (423,600) | 678,738 | (509,364) |
| Other comprehensive income | | | | | |
| Changes in distress fund | 18 | 12,161 | (2,948) | 12,161 | (2,948) |
| Changes in amalgamation reserve | 18 | (1,128) | - | (1,128) | - |
| Changes in asset revaluation reserve | 18 | 970,772 | - | - | - |
| Total comprehensive income (loss) for the year | | 1,720,052 | (426,548) | 689,771 | (512,312) |

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 2012**

| | Notes | Consolidated Group | | Parent Entity | |
|----------------------------------|-------|--------------------------|-------------------|-------------------------|------------------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 10 | 3,572,838 | 2,576,911 | 2,023,540 | 1,113,328 |
| Trade and other receivables | 11 | 1,154,553 | 1,196,781 | 1,144,270 | 1,188,763 |
| Total current assets | | <u>4,727,391</u> | <u>3,773,692</u> | <u>3,167,810</u> | <u>2,302,091</u> |
| Non-current assets | | | | | |
| Financial assets | 12 | 4,215,068 | 3,446,200 | 4,790,072 | 4,021,204 |
| Intangibles assets | 13 | - | 1,620 | - | - |
| Property, plant and equipment | 14 | 3,206,813 | 2,917,418 | 1,256,813 | 1,868,673 |
| Total non-current assets | | <u>7,421,881</u> | <u>6,365,238</u> | <u>6,046,885</u> | <u>5,889,877</u> |
| Total assets | | <u>12,149,272</u> | <u>10,138,930</u> | <u>9,214,695</u> | <u>8,191,968</u> |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 15 | 723,953 | 541,596 | 657,167 | 481,634 |
| Tax provisions | 16 | 19,693 | - | - | - |
| Provisions | 17 | 1,282,262 | 1,181,861 | 1,282,262 | 1,112,678 |
| Total current liabilities | | <u>2,025,908</u> | <u>1,723,457</u> | <u>1,939,429</u> | <u>1,594,312</u> |
| Total liabilities | | <u>2,025,908</u> | <u>1,723,457</u> | <u>1,939,429</u> | <u>1,594,312</u> |
| Net assets | | <u>10,123,364</u> | <u>8,415,473</u> | <u>7,275,266</u> | <u>6,597,656</u> |
| MEMBERS' FUND | | | | | |
| Reserves | 18 | 3,439,622 | 2,457,817 | 2,463,890 | 2,452,857 |
| Retained profits | 19 | 6,683,742 | 5,957,656 | 4,811,376 | 4,144,799 |
| Total members' fund | | <u>10,123,364</u> | <u>8,415,473</u> | <u>7,275,266</u> | <u>6,597,656</u> |

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

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

| | Reserves \$ | Retained profits \$ | Total \$ |
|--------------------------------|------------------------|------------------------------------|---------------------|
| Consolidated Group | | | |
| Balance at 1 July 2010 | 2,460,765 | 6,378,308 | 8,839,073 |
| (Loss) for the year | - | (423,600) | (423,600) |
| Transfer to reserve | <u>(2,948)</u> | <u>2,948</u> | <u>-</u> |
| Balance at 30 June 2011 | <u>2,457,817</u> | <u>5,957,656</u> | <u>8,415,473</u> |
| Balance at 1 July 2011 | 2,457,817 | 5,957,656 | 8,415,473 |
| Profit for the year | - | 738,247 | 738,247 |
| Transfer to reserve | <u>981,805</u> | <u>(12,161)</u> | <u>969,644</u> |
| Balance at 30 June 2012 | <u>3,439,622</u> | <u>6,683,742</u> | <u>10,123,364</u> |
| Parent Entity | | | |
| Balance at 1 July 2010 | 2,455,805 | 4,651,215 | 7,107,020 |
| (Deficit) for the year | - | (509,364) | (509,364) |
| Transfer to reserve | <u>(2,948)</u> | <u>2,948</u> | <u>-</u> |
| Balance at 30 June 2011 | <u>2,452,857</u> | <u>4,144,799</u> | <u>6,597,656</u> |
| Balance at 1 July 2011 | 2,452,857 | 4,144,799 | 6,597,656 |
| Surplus for the year | - | 678,738 | 678,738 |
| Transfer to reserve | <u>11,033</u> | <u>(12,161)</u> | <u>(1,128)</u> |
| Balance at 30 June 2012 | <u>2,463,890</u> | <u>4,811,376</u> | <u>7,275,266</u> |

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

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**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

| | Notes | Consolidated Group | | Parent Entity | |
|---|-------|--------------------|------------------|------------------|------------------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| Cash flows from operating activities | | | | | |
| Receipts from branches | 26(a) | 3,585,327 | 2,785,602 | 3,585,327 | 2,785,602 |
| Membership fees received | | 4,156,503 | 3,617,512 | 4,156,503 | 3,617,512 |
| Grant received | | 228,238 | - | 228,238 | - |
| LUCRF service fee | | 446,322 | - | 446,322 | - |
| Other income | | 649,446 | 1,162,072 | 636,858 | 968,372 |
| Commission received | | 511,103 | 1,363,246 | - | - |
| Payments to suppliers and employees | | (8,772,334) | (9,947,604) | (8,204,248) | (8,314,134) |
| Dividends/Distribution received | | 283,551 | 228,923 | 283,551 | 228,923 |
| Interest received | | 115,539 | 130,496 | 29,339 | 26,403 |
| Finance costs | | (1,034) | - | - | - |
| Income tax refund (paid) | | 194 | (9,847) | - | - |
| Net cash inflow (outflow) from operating activities | 26(b) | 1,202,855 | (669,600) | 1,161,890 | (687,322) |
| Cash flows from investing activities | | | | | |
| Proceeds from sale of property, plant and equipment | | 708,208 | 40,000 | 663,458 | 10,000 |
| Return of capital from investment | | - | - | - | 29,977 |
| Payment for property, plant and equipment | | (54,036) | (242,221) | (54,036) | (239,883) |
| Payment for investments | | (941,100) | - | (941,100) | - |
| Net cash (outflow) from investing activities | | (286,928) | (202,221) | (331,678) | (199,906) |
| Cash flows from financing activities | | | | | |
| Loan repayment received | | 80,000 | 263,258 | 80,000 | 263,258 |
| Net cash inflow from financing activities | | 80,000 | 263,258 | 80,000 | 263,258 |
| Net increase (decrease) in cash and cash equivalents | | | | | |
| | | 995,927 | (608,563) | 910,212 | (623,970) |
| Cash and cash equivalents at beginning of financial year | | 2,576,911 | 3,185,474 | 1,113,328 | 1,737,298 |
| Cash and cash equivalents at end of financial year | 10(a) | 3,572,838 | 2,576,911 | 2,023,540 | 1,113,328 |

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements 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 ("The Group").

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009. National Union of Workers – National Office is a not-for-profit entity for the purpose of preparing the financial statements.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the Group comply with the Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

New and amended standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2011 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, the adoption of the revised AASB 124 *Related Party Disclosures* resulted in the disclosure of additional related party transactions and required the restatement of some comparative information in note 24, and the adoption of AASB 1054 *Australian Additional Disclosures* and AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* enabled the removal of certain disclosures in relation to commitments and the franking of dividends.

Early adoption of standards

The Group has elected to apply following pronouncements to the annual reporting period beginning 1 July 2011:

- AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*

The adoption of AASB 1053 allowed the Group to remove a number of disclosures. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1: Summary of significant accounting policies (Continued)

(a) Basis of Preparation (Continued)

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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.

(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 2012 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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 the right to receive the fee has been established and the receipt of the fee is certain.

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)

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**NOTES TO THE FINANCIAL STATEMENTS
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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.

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**NOTES TO THE FINANCIAL STATEMENTS
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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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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 and financial assets at fair value through profit or loss.

(i) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

(ii) Loans and receivables

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

Recognition and derecognition

Regular purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are carried at fair value through profit and loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1: Summary of significant accounting policies (Continued)

(j) Investment and other financial assets (Continued)

Subsequent measurement

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

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

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) Fair value measurements

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1: Summary of significant accounting policies (Continued)

(l) Property, plant and equipment

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

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

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

| Class of fixed asset | Depreciation rate | 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.

(m) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1: Summary of significant accounting policies (Continued)

(n) 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.

(o) 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 the provision for employee benefits 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

(p) Comparative figures

During the year, a new chart of accounts was adopted which grouped expenses differently from previous years. Some comparative figures have been adjusted to conform with these changes.

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**NOTES TO THE FINANCIAL STATEMENTS
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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

Employee entitlements

Management judgements 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).

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| 4: Revenue | Notes | Consolidated Group | | Parent Entity | |
|-----------------------------------|-------|---------------------------|------------------|----------------------|------------------|
| | | 2012 | 2011 | 2012 | 2011 |
| From continuing operations | | \$ | \$ | \$ | \$ |
| <i>Service revenue</i> | | | | | |
| - commission | | 464,639 | 1,232,915 | - | - |
| - sustentation fees | (a) | 2,576,563 | 2,498,889 | 2,576,563 | 2,498,889 |
| - membership fees | | 3,778,639 | 3,288,647 | 3,778,639 | 3,288,647 |
| | | <u>6,819,841</u> | <u>7,020,451</u> | <u>6,355,202</u> | <u>5,787,536</u> |
| <i>Other revenue</i> | | | | | |
| - interest | | 146,570 | 160,879 | 60,370 | 56,786 |
| - NUW – MSC income | (b) | 511,344 | - | 511,344 | - |
| - reimbursements from Branches | | 73,631 | 193,045 | 73,631 | 193,045 |
| - LUCRF service fee | | 486,896 | - | 486,896 | - |
| - NUWQ service fee | | 6,418 | 64,491 | 6,418 | 64,491 |
| - management fee | | 75,804 | 85,591 | 79,854 | 85,591 |
| - NUW Education Fund | | 46,000 | - | 46,000 | - |
| - director fees | | 310,180 | 275,945 | 310,180 | 275,945 |
| - investment income | | 249,879 | 215,889 | 249,879 | 215,889 |
| - dividends | | 17,703 | 20,172 | 17,703 | 20,172 |
| - rent | | 67,440 | 75,207 | 67,440 | 63,808 |
| - grant income | | 207,489 | - | 207,489 | - |
| - TUEF project 2012 | | 2,299 | 22,746 | 2,299 | 22,746 |
| - proceeds from insurance policy | | - | 146,487 | - | - |
| - other revenue | | 120,434 | 70,602 | 107,564 | 41,260 |
| | | <u>9,141,928</u> | <u>8,351,505</u> | <u>8,582,269</u> | <u>6,827,269</u> |

| (a) Sustentation fees | Consolidated Group | | Parent Entity | |
|------------------------------|---------------------------|------------------|----------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| <i>Branches:</i> | \$ | \$ | \$ | \$ |
| New South Wales | 938,865 | 886,580 | 938,865 | 886,580 |
| Victoria | 1,637,698 | 1,612,309 | 1,637,698 | 1,612,309 |
| | <u>2,576,563</u> | <u>2,498,889</u> | <u>2,576,563</u> | <u>2,498,889</u> |

| (b) NUW – MSC Income | Consolidated Group | | Parent Entity | |
|-----------------------------|---------------------------|-------------|----------------------|-------------|
| | 2012 | 2011 | 2012 | 2011 |
| <i>Branches:</i> | \$ | \$ | \$ | \$ |
| New South Wales | 110,000 | - | 110,000 | - |
| Victoria | 401,344 | - | 401,344 | - |
| | <u>511,344</u> | <u>-</u> | <u>511,344</u> | <u>-</u> |

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5: Other income

| | Consolidated Group | | Parent Entity | |
|---|--------------------|----------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Fair value gain financial assets | - | 229,857 | - | 229,857 |
| Net gain on disposal of property, plant and equipment and investments | <u>180,535</u> | <u>32,980</u> | <u>173,258</u> | <u>3,300</u> |
| | <u>180,535</u> | <u>262,837</u> | <u>173,258</u> | <u>233,157</u> |

6: Expenses

| | Consolidated Group | | Parent Entity | |
|--|--------------------|---------|----------------|---------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Profit (loss) before income tax expenses includes the following specific expenses: | | | | |
| <i>Depreciation</i> | 178,520 | 265,375 | 174,568 | 216,271 |
| <i>Finance costs</i> | | | | |
| Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss | - | 8,162 | - | 8,162 |
| <i>Defined contribution superannuation expense</i> | 669,286 | 656,078 | 638,664 | 554,405 |
| <i>Rental expenses relating to operating leases</i> | | | | |
| Minimum lease payments | 364,754 | 368,429 | 363,929 | 364,539 |
| <i>Loss on disposal of property, plant and equipment</i> | 28,092 | 3,357 | - | 3,357 |
| <i>Commission on payroll deduction</i> | 19,690 | 22,031 | 19,690 | 22,031 |
| <i>Conference and meeting allowance</i> | 91,156 | 84,981 | 91,156 | 84,981 |
| <i>Conference and meeting expenses</i> | 39,083 | 17,315 | 39,083 | 17,315 |
| <i>Donation (>\$1000 each)</i> | 41,045 | 129,500 | 41,045 | 129,500 |
| <i>Donation (<\$1000 each)</i> | 545 | 1,130 | 545 | 1,130 |
| <i>Legal fees</i> | 136,834 | 78,685 | 124,217 | 78,685 |
| <i>ACTU campaign levy</i> | - | 95,500 | - | 95,500 |

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7: Affiliation fees

| | Consolidated Group | | Parent Entity | |
|--------|--------------------|----------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| ACTU | 308,204 | 293,879 | 308,204 | 293,879 |
| IUF | 90,261 | 3,636 | 90,261 | 3,636 |
| ALP | 44,239 | 39,155 | 44,239 | 39,155 |
| Others | 64,550 | 76,912 | 64,550 | 76,912 |
| | <u>507,254</u> | <u>413,582</u> | <u>507,254</u> | <u>413,582</u> |

8: Salaries and related expenses

| | Consolidated Group | | Parent Entity | |
|-------------------------------|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Employee benefits – officials | 799,595 | 840,314 | 799,595 | 840,314 |
| Employee benefits – staff | 3,887,241 | 4,476,569 | 3,773,420 | 3,399,844 |
| Other staff costs | 448,747 | 525,479 | 441,525 | 465,036 |
| | <u>5,135,583</u> | <u>5,842,362</u> | <u>5,014,540</u> | <u>4,705,194</u> |

9: Income tax expense

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| (a) Income of tax expense: | | | | |
| Current tax | 27,517 | 3,308 | - | - |
| Deferred tax | - | - | - | - |
| | <u>27,517</u> | <u>3,308</u> | <u>-</u> | <u>-</u> |
| (b) Numerical reconciliation of income tax expense to prima facie tax payable: | | | | |
| Profit (loss) from continuing operations before income tax expense | <u>765,764</u> | <u>(420,292)</u> | <u>678,738</u> | <u>(509,364)</u> |
| Prima facie income tax payable on (loss) profit before income tax at 30.0% (2011 – 30.0%) | 229,729 | (120,088) | 203,621 | (152,809) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | | | |
| Sundry items | (23,500) | (29,413) | - | - |
| Capital loss | 24,909 | | | |
| Non taxable income | <u>(203,621)</u> | 152,809 | <u>(203,621)</u> | 152,809 |
| Income tax expense attributable to profit | <u>27,517</u> | <u>3,308</u> | <u>-</u> | <u>-</u> |

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10: Current assets – Cash and cash equivalents

| | Consolidated Group | | Parent Entity | |
|--------------|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Cash In hand | 4,088 | 3,908 | 1,988 | 1,806 |
| Cash at bank | 3,568,750 | 2,573,003 | 2,021,552 | 1,111,522 |
| | <u>3,572,838</u> | <u>2,576,911</u> | <u>2,023,540</u> | <u>1,113,328</u> |

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

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

| | | | | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Balances as above | 3,572,838 | 2,576,911 | 2,023,540 | 1,113,328 |
| Bank overdrafts | - | - | - | - |
| Balances per statement of cash flows | <u>3,572,838</u> | <u>2,576,911</u> | <u>2,023,540</u> | <u>1,113,328</u> |

11: Current assets - Trade and other receivables

| | Consolidated Group | | Parent Entity | |
|--|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Branches | | | | |
| NUW NSW Branch | 189,916 | 366,392 | 189,916 | 366,392 |
| NUW Victorian Branch | 178,791 | 219,403 | 178,791 | 219,403 |
| | <u>368,707</u> | <u>585,795</u> | <u>368,707</u> | <u>585,795</u> |
| Less provision for impairment of receivables | - | - | - | - |
| | <u>368,707</u> | <u>585,795</u> | <u>368,707</u> | <u>585,795</u> |
| Other | | | | |
| Prepayments | 107,318 | 96,233 | 107,318 | 96,233 |
| Other receivables | 280,510 | 59,748 | 270,227 | 59,748 |
| Income tax refund | - | 8,018 | - | - |
| Loans to related parties | 398,018 | 446,987 | 398,018 | 446,987 |
| | <u>785,846</u> | <u>610,986</u> | <u>775,563</u> | <u>602,968</u> |
| | <u>1,154,553</u> | <u>1,196,781</u> | <u>1,144,270</u> | <u>1,188,763</u> |

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

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

| | 2012 \$ | 2011 \$ |
|---|------------|------------|
| At 1 July | - | 1,773 |
| Provision for impairment recognised during the year | - | - |
| Unused amounts reversed | - | (1,773) |
| | <u>-</u> | <u>-</u> |

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) 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.

12: Non-current assets – financial assets

| | | Consolidated Group | | Parent Entity | |
|--|---|--------------------|------------------|------------------|------------------|
| | | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| Available-for-sale financial assets | a | 4,215,068 | 3,446,200 | 4,215,068 | 3,446,200 |
| Other investments | b | - | - | 575,004 | 575,004 |
| | | <u>4,215,068</u> | <u>3,446,200</u> | <u>4,790,072</u> | <u>4,021,204</u> |
| (a) Available-for-sale financial assets comprises: | | | | | |
| Listed investment, at fair value | | | | | |
| - shares in listed trusts and shares | c | 331,620 | 360,797 | 331,620 | 360,797 |
| Unlisted investment, at cost | | | | | |
| - shares in other corporations | | 124,793 | 124,768 | 124,793 | 124,768 |
| - units in unit trusts | | 1,033,924 | 92,849 | 1,033,924 | 92,849 |
| Unlisted investment, at recoverable amount | | | | | |
| - units in unit trust, at cost | | 2,828,125 | 2,828,125 | 2,828,125 | 2,828,125 |
| Impairment provisions | | (103,394) | 39,661 | (103,394) | 39,661 |
| | d | <u>2,724,731</u> | <u>2,867,786</u> | <u>2,724,731</u> | <u>2,867,786</u> |
| | | <u>4,215,068</u> | <u>3,446,200</u> | <u>4,215,068</u> | <u>3,446,200</u> |

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

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| (b) Other investments: | | | | |
| Shares in subsidiaries | - | - | 575,004 | 575,004 |
| Units in wholly owned Investment Trust | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>575,004</u> | <u>575,004</u> |
| (c) Movements in fair value of listed investment during the financial year: | | | | |
| Opening balance | 360,797 | 16,404 | 360,797 | 16,404 |
| Additions | 708 | 318,283 | 708 | 318,283 |
| Fair value adjustment | (29,885) | 26,110 | (29,885) | 26,110 |
| Closing balance | <u>331,620</u> | <u>360,797</u> | <u>331,620</u> | <u>360,797</u> |
| (d) Movements in fair value of unlisted investment during the financial year: | | | | |
| Opening balance | 2,867,786 | 2,661,151 | 2,867,786 | 2,661,151 |
| Fair value adjustment | (143,055) | 206,635 | (143,055) | 206,635 |
| Closing balance | <u>2,724,731</u> | <u>2,867,786</u> | <u>2,724,731</u> | <u>2,867,786</u> |

13: Non-current assets – Intangible assets

| | Consolidated Group | | Parent Entity | |
|----------------------|--------------------|--------------|---------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Patent and trademark | - | 1,620 | - | - |
| | <u>-</u> | <u>1,620</u> | <u>-</u> | <u>-</u> |

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

| | Consolidated Group | | Parent Entity | |
|-------------------------------|--------------------|------------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| LAND | | | | |
| At cost | - | 360,000 | - | - |
| At directors' valuation | 900,000 | - | - | - |
| | <u>900,000</u> | <u>360,000</u> | <u>-</u> | <u>-</u> |
| BUILDINGS | | | | |
| At cost | 466,574 | 1,765,940 | 466,574 | 954,074 |
| At directors' valuation | 1,050,000 | - | - | - |
| Less accumulated depreciation | (77,730) | (301,810) | (77,730) | (109,172) |
| | <u>1,438,844</u> | <u>1,464,130</u> | <u>388,844</u> | <u>844,902</u> |
| <i>Total property</i> | <u>2,338,844</u> | <u>1,824,130</u> | <u>388,844</u> | <u>844,902</u> |

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

| | Consolidated Group | | Parent Entity | |
|------------------------------------|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| PLANT AND EQUIPMENT | | | | |
| Motor vehicles | | | | |
| At cost | 663,516 | 841,475 | 663,516 | 762,622 |
| Less accumulated depreciation | (343,825) | (352,740) | (343,825) | (313,878) |
| | <u>319,691</u> | <u>488,735</u> | <u>319,691</u> | <u>448,744</u> |
| Office equipment | | | | |
| At cost | 261,409 | 258,839 | 261,409 | 258,839 |
| Less accumulated depreciation | (179,033) | (160,263) | (179,033) | (160,263) |
| | <u>82,376</u> | <u>98,576</u> | <u>82,376</u> | <u>98,576</u> |
| Computer equipment | | | | |
| At cost | 224,952 | 223,358 | 224,952 | 223,358 |
| Less accumulated depreciation | (212,667) | (201,877) | (212,667) | (201,877) |
| | <u>12,285</u> | <u>21,481</u> | <u>12,285</u> | <u>21,481</u> |
| Furniture, fixtures and fittings | | | | |
| At cost | 662,373 | 860,408 | 662,373 | 632,395 |
| Less accumulated depreciation | (208,756) | (375,912) | (208,756) | (177,425) |
| | <u>453,617</u> | <u>484,496</u> | <u>453,617</u> | <u>454,970</u> |
| <i>Total plant and equipment</i> | <u>867,969</u> | <u>1,093,288</u> | <u>867,969</u> | <u>1,023,771</u> |
| Total property plant and equipment | <u>3,206,813</u> | <u>2,917,418</u> | <u>1,256,813</u> | <u>1,868,673</u> |

(a) Movements in Carrying Amounts

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

2011 - Group

| | Freehold land | Freehold buildings | Furniture, fixture & fittings | Vehicles | Office equipment | Computer equipment | Total |
|-------------------------|------------------|-----------------------|-------------------------------------|----------------|---------------------|-----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening net book amount | 360,000 | 1,499,088 | 533,129 | 517,209 | 59,087 | 14,133 | 2,982,646 |
| Additions | - | - | 3,936 | 156,180 | 56,522 | 25,583 | 242,221 |
| Disposals | - | - | - | (42,074) | - | - | (42,074) |
| Depreciation | - | (34,958) | (52,569) | (142,580) | (17,033) | (18,235) | (265,375) |
| Closing net book amount | <u>360,000</u> | <u>1,464,130</u> | <u>484,496</u> | <u>488,735</u> | <u>98,576</u> | <u>21,481</u> | <u>2,917,418</u> |

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

(a) Movements in Carrying Amounts (Continued)

2012 - Group

| | Freehold land | Freehold buildings | Furniture, fixture & fittings | Vehicles | Office equipment | Computer equipment | Total |
|-------------------------|------------------|-----------------------|-------------------------------------|----------------|---------------------|-----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening net book amount | 360,000 | 1,464,130 | 484,496 | 488,735 | 98,576 | 21,481 | 2,917,418 |
| Additions | - | - | 29,978 | 19,894 | 2,570 | 1,594 | 54,036 |
| Disposals | - | (442,106) | (28,092) | (86,695) | - | - | (556,893) |
| Depreciation | - | (13,952) | (32,765) | (102,243) | (18,770) | (10,790) | (178,520) |
| Revaluation | 540,000 | 430,772 | - | - | - | - | 970,772 |
| Closing net book amount | <u>900,000</u> | <u>1,438,844</u> | <u>453,617</u> | <u>319,691</u> | <u>82,376</u> | <u>12,285</u> | <u>3,206,813</u> |

2011 - Parent

| | Freehold land | Freehold buildings | Furniture, fixture & fittings | Vehicles | Office equipment | Computer equipment | Total |
|-------------------------|------------------|-----------------------|-------------------------------------|----------------|---------------------|-----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening net book amount | - | 859,563 | 500,036 | 425,599 | 59,087 | 14,133 | 1,858,418 |
| Additions | - | - | 1,598 | 156,180 | 56,522 | 25,583 | 239,883 |
| Disposals | - | - | - | (13,357) | - | - | (13,357) |
| Depreciation | - | (14,661) | (46,664) | (119,678) | (17,033) | (18,235) | (216,271) |
| Closing net book amount | <u>-</u> | <u>844,902</u> | <u>454,970</u> | <u>448,744</u> | <u>98,576</u> | <u>21,481</u> | <u>1,868,673</u> |

2012 - Parent

| | Freehold land | Freehold buildings | Furniture, fixture & fittings | Vehicles | Office equipment | Computer equipment | Total |
|-------------------------|------------------|-----------------------|-------------------------------------|----------------|---------------------|-----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening net book amount | - | 844,902 | 454,970 | 448,744 | 98,576 | 21,481 | 1,868,673 |
| Additions | - | - | 29,978 | 19,894 | 2,570 | 1,594 | 54,036 |
| Disposals | - | (442,106) | - | (49,222) | - | - | (491,328) |
| Depreciation | - | (13,952) | (31,331) | (99,725) | (18,770) | (10,790) | (174,568) |
| Closing net book amount | <u>-</u> | <u>388,844</u> | <u>453,617</u> | <u>319,691</u> | <u>82,376</u> | <u>12,285</u> | <u>1,256,813</u> |

(b) Non-current assets pledged as security

None of the non-current assets pledged as security by the parent entity and its controlled entity.

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15: Current liabilities - Trade and other payables

| | Consolidated Group | | Parent Entity | |
|----------------------|--------------------|----------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| <i>Unsecured</i> | | | | |
| Trade payables | 408,929 | 207,869 | 342,143 | 172,959 |
| Legal fee payables | 924 | 28,703 | 924 | 28,703 |
| NUW Victorian Branch | 13,383 | 89,459 | 13,383 | 89,459 |
| Other payables | 300,717 | 215,565 | 300,717 | 190,513 |
| | <u>723,953</u> | <u>541,596</u> | <u>657,167</u> | <u>481,634</u> |

16: Current liabilities – Tax provision

| | Consolidated Group | | Parent Entity | |
|-------------|--------------------|------|---------------|------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Tax payable | 19,693 | - | - | - |

17: Current liabilities - Provisions

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Employee benefits - staff | 695,383 | 587,556 | 695,383 | 518,473 |
| Employee benefits – officials (National Office) | 423,445 | 461,649 | 423,445 | 461,649 |
| Employee benefits – officials (General Branch) | 163,434 | 132,656 | 163,434 | 132,656 |
| | <u>1,282,262</u> | <u>1,181,861</u> | <u>1,282,262</u> | <u>1,112,678</u> |

(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 | |
|--|--------------------|---------|---------------|---------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Long service leave obligation expected to be settled after 12 months | 658,314 | 608,879 | 658,314 | 563,566 |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

18: Reserves

| | | Consolidated Group | | Parent Entity | |
|------------------------------|---|--------------------|------------------|------------------|------------------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| Strike/Distress fund reserve | a | 243,021 | 230,860 | 243,021 | 230,860 |
| Amalgamation reserve | b | 2,220,869 | 2,221,997 | 2,220,869 | 2,221,997 |
| Asset revaluation reserve | c | 970,772 | - | - | - |
| Capital profit reserve | d | 4,960 | 4,960 | - | - |
| | | <u>3,439,622</u> | <u>2,457,817</u> | <u>2,463,890</u> | <u>2,452,857</u> |

(a) Strike / Distress fund reserve

| | Consolidated Group | | Parent Entity | |
|---|--------------------|----------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Movements in reserve were as follows: | | | | |
| Balance 1 July | 230,860 | 233,808 | 230,860 | 233,808 |
| Net transfer from retained profits consists of: | | | | |
| - Interest received | 3,905 | 3,948 | 3,905 | 3,948 |
| - Contributions received | 36,050 | 55,524 | 36,050 | 55,524 |
| - Expenses incurred | (27,826) | (62,706) | (27,826) | (62,706) |
| - Bank charges | (3) | (52) | (3) | (52) |
| - Loans made | - | (7,032) | - | (7,032) |
| - Loans repaid | 35 | 7,370 | 35 | 7,370 |
| Net transfer from accumulated surplus | <u>12,161</u> | <u>(2,948)</u> | <u>12,161</u> | <u>(2,948)</u> |
| Balance 30 June | <u>243,021</u> | <u>230,860</u> | <u>243,021</u> | <u>230,860</u> |

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

(b) Amalgamation reserve

| | Consolidated Group | | Parent Entity | |
|---------------------------------------|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Movements in reserve were as follows: | | | | |
| Balance 1 July | 2,221,997 | 2,221,997 | 2,221,997 | 2,221,997 |
| Sale of property | <u>(1,128)</u> | <u>-</u> | <u>(1,128)</u> | <u>-</u> |
| Balance 30 June | <u>2,220,869</u> | <u>2,221,997</u> | <u>2,220,869</u> | <u>2,221,997</u> |

The amalgamation reserve records the net assets acquired as a result of the amalgamation of the Queensland, South Australia, Western Australia and General Branch.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

18: Reserves (Continued)

(c) Asset revaluation reserve

| | Consolidated Group | | Parent Entity | |
|---------------------------------------|--------------------|------|---------------|------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Movements in reserve were as follows: | | | | |
| Balance 1 July | - | - | - | - |
| Movement during the year | <u>970,772</u> | - | - | - |
| Balance 30 June | <u>970,772</u> | - | - | - |

The asset revaluation reserve records the revaluation of capital assets.

(d) Capital profit reserve

| | Consolidated Group | | Parent Entity | |
|---------------------------------------|--------------------|--------------|---------------|------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Movements in reserve were as follows: | | | | |
| Balance 1 July | 4,960 | 4,960 | - | - |
| Movement during the year | - | - | - | - |
| Balance 30 June | <u>4,960</u> | <u>4,960</u> | - | - |

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

19: Retained profits

| | Consolidated Group | | Parent Entity | |
|--|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Movements in retained profits were as follows: | | | | |
| Balance 1 July | 5,957,656 | 6,378,308 | 4,144,799 | 4,651,215 |
| Transfer from (to) reserves | (12,161) | 2,948 | (12,161) | 2,948 |
| Net profit (loss) for the year | <u>738,247</u> | <u>(423,600)</u> | <u>678,738</u> | <u>(509,364)</u> |
| Balance 30 June | <u>6,683,742</u> | <u>5,957,656</u> | <u>4,811,376</u> | <u>4,144,799</u> |

20: 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

21: Commitments

| | Consolidated Group | | Parent Entity | |
|--|--------------------|----------|---------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: | | | | |
| Within one year | 30,400 | - | 30,400 | - |
| Later than one year but not later than five years | 19,504 | - | 19,504 | - |
| | <u>49,904</u> | <u>-</u> | <u>49,904</u> | <u>-</u> |

The group leases office and equipments under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated

22: Contingencies

There are no other known contingent assets or liabilities and commitments at 30 June 2012.

23: Auditor's remuneration

| | Consolidated Group | | Parent Entity | |
|--|--------------------|---------------|---------------|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| 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 | 38,000 | 35,000 | 38,000 | 35,000 |
| Other audit – grant | 1,150 | - | 1,150 | - |
| Other services | 1,600 | 36,433 | 1,600 | 36,433 |
| | <u>40,750</u> | <u>71,433</u> | <u>40,750</u> | <u>71,433</u> |
| (b) Non-related audit firms (auditors of ex-branches) | | | | |
| Audit or review of the financial report | - | 13,700 | - | 13,700 |
| Other services | 150 | - | 150 | - |
| | <u>150</u> | <u>13,700</u> | <u>150</u> | <u>13,700</u> |
| (c) Remuneration of other auditors of subsidiaries | | | | |
| Audit or review of the financial report | 32,166 | 19,300 | - | - |
| Other services | 5,770 | 1,495 | - | - |
| | <u>37,936</u> | <u>20,795</u> | <u>-</u> | <u>-</u> |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

24: 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 2012 | Equity holding 2011 |
|--|---------------------------------|------------------------|----------------------------|----------------------------|
| Labour Union Investment & Property Services Pty Ltd (formerly known as Labour Union Insurance (Brokers) Pty Ltd) | Australia | Ordinary | 100% | 100% |
| Australia Risk Insurance Services Pty Ltd | Australia | Ordinary | 100% | 100% |

(c) Transactions with related parties

| | Consolidated Group | | Parent Entity | |
|------------------------------------|---------------------------|-------------|----------------------|-------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| <i>Sales of goods and services</i> | | | | |
| Sustentation fees from Branches | 2,576,563 | 2,498,889 | 2,576,563 | 2,498,889 |
| MSC income from Branches | 511,344 | - | 511,344 | - |
| Management fee from subsidiary | - | - | 4,050 | - |

(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 | |
|------------------------------------|---------------------------|-------------|----------------------|-------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Movements in loan were as follows: | | | | |
| Balance 1 July | 446,987 | 428,604 | 446,987 | 483,604 |
| Loan repayments received | (80,000) | (12,000) | (80,000) | (67,000) |
| Interest charged | 31,031 | 30,383 | 31,031 | 30,383 |
| Balance 30 June | 398,018 | 446,987 | 398,018 | 446,987 |

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012**

24: 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:

| <i>Name</i> | <i>Position</i> |
|------------------|--|
| Doug Stevens | General President (retired on 2 July 2012) |
| Tim Kennedy | General Vice President |
| Gayle Burmeister | General Vice President |
| Ron Herbert | General Vice President |
| Marisa Bernardi | General Vice President |
| Sam Roberts | General Vice President |
| Dani Shanahan | General Vice President |
| Charles Donnelly | General Secretary |
| Paul Richardson | Assistant General Secretary |
| Derrick Belan | Branch Secretary |

(ii) Key management personnel compensation

| | Consolidated Group | | Parent Entity | |
|---|---------------------------|-------------|----------------------|-------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| The aggregate compensation made to key management personnel of the Group is as follows: | | | | |
| <i>Short -term benefits to NCOM members</i> | | | | |
| Salary & Fees | 799,595 | 840,314 | 799,595 | 840,314 |
| Allowances | 33,856 | 36,130 | 33,856 | 36,130 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

25: Analysis of comprehensive income of parent entity

In order for the members of the General Branch to more readily understand the operations of the branch the following analysis is presented:

| | This year | | | Last year | | |
|---|-------------------------|--------------------------|--------------------|-------------------------|--------------------------|-------------|
| | \$ General Branch | \$ National Office | \$ Total | \$ General Branch | \$ National Office | \$ Total |
| Revenue from continuing operations | 221,807 | 8,360,462 | 8,582,269 | 10,874 | 6,827,269 | 6,838,143 |
| Other income | - | 173,258 | 173,258 | - | 222,283 | 222,283 |
| Administrative expenses | (156,083) | (641,454) | (797,537) | (162,740) | (662,058) | (824,798) |
| Affiliation fee | (75,334) | (431,920) | (507,254) | (90,932) | (322,650) | (413,582) |
| Campaign expenses | - | - | - | - | (95,500) | (95,500) |
| Industrial expenses | (87,947) | (186,503) | (274,450) | (89,660) | (1,899) | (91,559) |
| Official expenses | (74,581) | (327,890) | (402,471) | (144,391) | (369,293) | (513,684) |
| Legal and professional fees | (138,802) | (91,929) | (230,731) | (112,229) | (123,764) | (235,993) |
| Motor vehicle expenses | (84,573) | (68,818) | (153,391) | (64,461) | (92,390) | (156,851) |
| Occupancy expenses | (169,833) | (331,425) | (501,258) | (173,827) | (288,059) | (461,886) |
| Telephone expenses | - | (21,852) | (21,852) | (25,525) | (39,461) | (64,986) |
| Salaries and related expenses | (2,476,286) | (2,538,254) | (5,014,540) | (2,423,800) | (2,281,394) | (4,705,194) |
| Travel and accommodation expenses | - | - | - | - | (5,757) | (5,757) |
| Impairment loss | - | (173,305) | (173,305) | - | - | - |
| | (3,263,439) | (4,813,350) | (8,076,789) | (3,287,565) | (4,282,225) | (7,569,790) |
| (Loss)/Profit before income tax | (3,041,632) | 3,720,370 | 678,738 | (3,276,691) | 2,767,327 | (509,364) |
| Income tax expense | - | - | - | - | - | - |
| (Loss)/Profit attributable to members | (3,041,632) | 3,720,370 | 678,738 | (3,276,691) | 2,767,327 | (509,364) |
| Other comprehensive income | - | 11,033 | 11,033 | - | (2,948) | (2,948) |
| Total comprehensive (loss) income for the year | (3,041,632) | 3,731,403 | 689,771 | (3,276,691) | 2,764,379 | (512,312) |

Attention is drawn to Rule 23 of the NUW Rules which effectively means that all income including membership contributions is part of the National Fund (National Office) and that the General Branch is funded by an allocation of money by the National Fund (National Office). This is reflected in the above analysis.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

26: Cash flow information

(a) Receipts from branches

| | Consolidated Group | | Parent Entity | |
|-----------------|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| <i>Branches</i> | | | | |
| New South Wales | 1,335,862 | 721,642 | 1,335,862 | 721,642 |
| Victoria | 2,249,465 | 2,063,960 | 2,249,465 | 2,063,960 |
| | <u>3,585,327</u> | <u>2,785,602</u> | <u>3,585,327</u> | <u>2,785,602</u> |

| | Consolidated Group | | Parent Entity | |
|--|--------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| (b) Reconciliation of cash flow from operations with profit (loss) after income tax | | | | |
| Profit (Loss) after income tax | 738,247 | (423,600) | 678,738 | (509,364) |
| <i>Non-cash flows in profit (loss)</i> | | | | |
| Depreciation | 178,520 | 265,375 | 174,568 | 216,271 |
| Net (gain) loss on disposal of investments | - | (3,299) | - | (3,299) |
| Unrealised loss (gain) on investments | 173,305 | (229,857) | 173,305 | (229,857) |
| Non-cash distribution | (365) | (41,694) | (365) | (13,295) |
| Loss on sale of insurance business | 83,029 | - | - | - |
| Loss on disposal of patent | 1,620 | - | - | - |
| Write back of bad debts provisions | - | (1,773) | - | (1,773) |
| Net (gain) / loss on disposal of property, plant and equipment | (152,443) | 2,075 | (173,258) | 3,357 |
| <i>Changes in assets and liabilities</i> | | | | |
| (Increase)/decrease in receivables | (46,730) | (279,850) | (36,215) | (286,890) |
| Increase(Decrease) in payables | 182,589 | 24,112 | 175,533 | 55,008 |
| Increase/(decrease) in income tax provision | 27,711 | (6,539) | - | - |
| Increase/(decrease) in provisions | 17,372 | 25,450 | 169,584 | 82,520 |
| Net cash flows from operating activities | <u>1,202,855</u> | <u>(669,600)</u> | <u>1,161,890</u> | <u>(687,322)</u> |

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

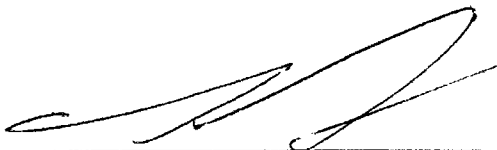
STATEMENT BY COMMITTEE OF MANAGEMENT

On 25th October 2012 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 2012:

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 33 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 4 to 33 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 2012
 - 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 25th day of October 2012



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

A.B.N. 96 006 935 459

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

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

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

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

Incorporating BGL & Associates

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

Report on the financial report

We have audited the accompanying financial report of the National Union of Workers – National Office and consolidated group, which comprises the balance sheet as at 30 June 2012, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Committee of Management of the National Union of Workers – National Office and the consolidated group comprising the National Union of Workers – National Office and the entities it controlled at the year's 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, and for such internal control as the Committee of Management determines as necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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.





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

A.B.N. 96 006 935 459

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

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

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

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

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**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.

Opinion

In our opinion, the general purpose financial reports of the National Union of Workers – National Office and consolidated group present fairly, in all material respects, the financial position of National Union of Workers -- National Office and consolidated group as at 30 June 2012, and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with Australian Accounting Standards and the requirements of the Fair Work (Registered Organisations) Act 2009.

BGL + Associates

BGL & Associates
Chartered Accountants

I. A. Hindis

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

Melbourne
25 October 2012





FAIR WORK
AUSTRALIA

15 August 2012

Mr Charles Donnelly
General Secretary
National Union of Workers
By fax: (03) 9287 1818

Dear Mr Donnelly,

**Lodgement of Financial Documents for year ended 30 June 2012 [FR2012/479]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the National Union of Workers (the “reporting unit”) has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit’s financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. The information can be viewed at www.fwa.gov.au – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial Reporting Guidelines.

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at orgs@fwa.gov.au. Alternatively, you can forward the documents by fax to (03) 9655 0410.

Please do not hesitate to contact me on (03) 8661 7817 or by email at robert.pfeiffer@fwa.gov.au if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Robert Pfeiffer
Organisations, Research & Advice
Fair Work Australia

TIMELINE/ PLANNER

| | |
|------------------------------------|-----|
| Financial reporting period ending: | / / |
|------------------------------------|-----|

| |
|--|
| Prepare financial statements and Operating Report. |
|--|

| | |
|---|-----|
| (a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement. | / / |
| (b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR). | |

As soon as practicable after end of financial year

| | |
|---|-----|
| Auditor's Report prepared and signed and given to the Reporting Unit - s257 | / / |
|---|-----|

*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement*

| | |
|---|-----|
| Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. | / / |
|---|-----|

*(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,
or
(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.*

| | |
|---|----------------|
| Present full report to: (a) General Meeting of Members - s266 (1),(2); OR (b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3) | / / / / |
|---|----------------|

Within 6 months of end of financial year

Within 6 months of end of financial year

| | |
|--|-----|
| Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268 | / / |
|--|-----|

Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.



FAIR WORK
AUSTRALIA

1 August 2012

Mr Charles Donnelly
General Secretary
National Union of Workers

(03) 9287 1818

Dear Mr Donnelly,

**Lodgement of Financial Documents for year ended 30 June 2012 [FR2012/479]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the National Union of Workers (the “reporting unit”) has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit’s financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

Failure to comply with these obligations is subject to a civil penalty provision - see s305 of the RO Act.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. The information can be viewed at www.fwa.gov.au – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial Reporting Guidelines.

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at orgs@fwa.gov.au. Alternatively, you can forward the documents by fax to (03) 9655 0410.

Please do not hesitate to contact me on (03) 86617787 or by email at Andrea.O'HALLORAN@fwa.gov.au if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Andrea O'HALLORAN
Organisations, Research & Advice
Fair Work Australia

TIMELINE/ PLANNER

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| Financial reporting period ending: | / / |
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| Prepare financial statements and Operating Report. |
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| (a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement. | / / |
| (b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR). | |

As soon as practicable after end of financial year

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| Auditor's Report prepared and signed and given to the Reporting Unit - s257 | / / |
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*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement*

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| Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. | / / |
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*(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,
or
(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.*

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| Present full report to: (a) General Meeting of Members - s266 (1),(2); OR (b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3) | / / / / |
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Within 6 months of end of financial year

Within 6 months of end of financial year

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| Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268 | / / |
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Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.