FairWork Commission

7 May 2014

Mr Charles Donnelly
General Secretary
National Union of Workers
info@nuw.org.au

Dear Mr Donnelly,

**National Union of Workers**
**Financial Report for the year ended 30 June 2013 - [FR2013/377]**

I acknowledge receipt of the financial report and concise report of the National Union of Workers. The documents were lodged with the Fair Work Commission on 13 December 2013.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8661 7893 or via email at larry.powell@fwc.gov.au.

Yours sincerely,

Larry Powell
Senior Adviser
Regulatory Compliance Branch

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

Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

NATIONAL UNION OF WORKERS

UNITY IS STRENGTH.

PR:RB

13D-023

12 December, 2013

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

Dear Ms O'Neill,

**Re: <u>s 268 – Fair Work (Registered Organisations) Act 2009</u>**

I refer to the above and enclose the financial report for the National Union of Workers – National Office for the period ending 30 June 2013.

Consistent with the certificate dated 15 November 2011 the reporting unit comprises both the National Office and the General Branch of the Union (R2011/115)

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

Yours faithfully,

**CHARLES DONNELLY**
**GENERAL SECRETARY**

RECEIVED
13 DEC 2013



**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** 5/896 Beaufort Street, Inglewood WA 6052

**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 9 October 2013.

3. That the full report was presented to a meeting of the National Committee of Management of the reporting unit on 10 December 2013 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009.*

**DATED**: 12 December 2013

**CHARLES DONNELLY**
**GENERAL SECRETARY**

NATIONAL UNION OF WORKERS

UNITY IS STRENGTH.

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

# ANNUAL CONCISE FINANCIAL REPORT
# FOR THE YEAR ENDED 30 JUNE 2013

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**

## TABLE OF CONTENTS



**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 2013. 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. On15 November 2011, the General Manager issued a certificate amending the reporting units so that the National Office and the General Branch of the National Union of Workers are combined for the purpose of financial reporting (R2011/115). 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 via the public notices page of our website – www.nuw.org.au or contact the Union on 1300 275 689.

The committee of management has resolved on 8th October 2013 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 2013. The financial statements and specific disclosures in the concise financial report have been derived from the 2013 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 2013 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 $643,249 which is a small decrease from last year surplus of $738,247.

This decrease in the surplus occurred due to a combination of reduction in revenue of 0.3% from $9,322,463 in 2012 to $9,290,581 in 2013 and an increase in expenses of 0.8% from $8,556,699 in 2012 to $8,627,135 this year.

### Balance Sheet

Total assets increased by 0.88% or $106,990 from $12,149,272 in 2012 to $13,042,282 this year mainly due to an increase in cash on hand and an increase in investments in financial assets. Total liabilities increased by $249,761 or 12% from $2,025,908 in 2012 to $2,275,669 in 2013. This increase is mainly as a result of increase of trade payables and employee provisions.

### Cash Flows

Net cash flows from operations decreased by $292,898 from a net inflow of $1,202,855 in 2012 to a net inflow of $909,957 in 2013. The decrease was mainly due to the decrease in commission received.

Overall cash balances increased by $424,873 from last reporting period, with cash on hand and at banks at 30 June 2013 being $3,997,711 (2012: $3,572,838).

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

Signature of designated officer: ______________________

Name of designated officer: Charles Donnelly

Title of designated officer: General Secretary

**Date:** 8/10/13

# 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 2013.

**Members of National Committee of Management:**

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

| *Name* | *Position* |
|---|---|
| Doug Stevens | General President (retired on 2 July 2012) |
| Tim Kennedy | General President (appointed on 29 November 2012) |
| Tim Kennedy | General Vice President (resigned on 29 November 2012) |
| Gayle Burmeister | General Vice President |
| Gary Maas | General Vice President (appointed on 29 November 2012) |
| 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 NCOM 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 were to improve the wages and working conditions of its members. This was undertaken through bargaining with employers, maintaining the content of modern awards and by appearing before industrial tribunals, principally the Fair Work Commission.

During the reporting period the Union made submissions to a number of public enquires and either launched or fostered campaigns around issues of importance to its members and working men and women generally.

Decisions of the National Committee of Management and the National Council were implemented in furtherance of the above during the reporting period

**General Branch:**

The principal activities of the General Branch were to improve the wages and working conditions of its members. This was undertaken through bargaining with employers, maintaining the content of modern awards and by appearing before industrial tribunals, principally the Fair Work Commission.

During the reporting period the Union made submissions to a number of public enquires and either launched or fostered campaigns around issues of importance to its members and working men and women generally.

Decisions of the Branch Committee of Management were implemented in furtherance of the above during the reporting period

## OPERATING REPORT (CONTINUED)

### Significant changes in state of affairs

**National Office:**

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.

### National Union of Workers details

**National Fund:**

The number of full time equivalents employees of at 30 June 2013 was 48 (2012: 47).

The number of financial members of the whole National Union of Workers at 30 June 2013 was 71,562 (2012: 71,761).

**General Branch:**

The number of full time equivalents of the General Branch employees at 30 June 2013 was 25 (2012:24).

The number of financial members of the General Branch at 30 June 2013 was 12,707 (2012: 11,704).

### 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.

### Directorships of Superannuation Fund

To the best of our knowledge and belief, the following officers and employees of the entity are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee:

| Officer/ Employee | Position | Trustee Company | Name of Superfund | Other |
|---|---|---|---|---|
| Charles Donnelly, Timothy Kennedy, Paul Richardson, Caterina Cinanni, Gary Maas | Director | LUCRF Pty Ltd | LUCRF Super | Nominated for the position by the reporting unit |

## OPERATING REPORT (CONTINUED)

### Directorships of company or a member of a board

| Officer/ Employee | Position | Company Name | Principal activities | Other |
|---|---|---|---|---|
| Tim Kennedy | Director | Newskills Ltd | Registered training organisation | Because they are an officer of the reporting unit |
| Tim Kennedy | Director | IFS Insurance Solutions Pty Ltd | Insurance broking | Nominated for the position by the reporting unit |
| Tim Kennedy | Director | Labour Union Investment and Property Services Pty Ltd | Real estate and investments | Because they are an officer of the reporting unit (non beneficial shareholder) |
| Tim Kennedy | Director | ARIS Pty Ltd | Dormant entity | Because they are an officer of the reporting unit |
| Tim Kennedy | Director | APEHDA – Union Aid Abroad | Overseas aid agency | Nominated by a peak council (i.e. ACTU) |
| Charlie Donnelly | Director | Publicity Works | Printing and publishing | Because they are an officer of the reporting unit (non beneficial shareholder) |
| Charlie Donnelly | Director | Labour Union Investment and Property Services Pty Ltd | Real estate and investments | Because they are an officer of the reporting unit (non beneficial shareholder) |
| Charlie Donnelly | Director | ARIS Pty Ltd | Dormant entity | Because they are an officer of the reporting unit |
| Charlie Donnelly | Director | The Trade Union Education Fund | Training provider | Nominated by ACTU |
| Charlie Donnelly | Director | Transport and Logistics Skills Council Inc | Industry Skills Council | Nominated for the position by the reporting unit |
| Charlie Donnelly | Director | ACTU Member Connect Pty Ltd | Provider of services to ACTU affiliates | Nominated for the position by the reporting unit |
| Charlie Donnelly | Director | Newskills Ltd | Registered training organisation | Because they are an officer of the reporting unit |
| Gary Maas | Director | Seamless Pictures Pty Ltd | Film Production | Private company |
| Adam Portelli | Director | 87 St Vincent Street Pty Ltd | Unit Trust – Property Management | Nominated for the position by the reporting unit |
| Adam Portelli | Director | 833 Bourke Street Pty Ltd | Unit Trust – Property Management | Nominated for the position by the reporting unit |

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

## OPERATING REPORT (CONTINUED)

**Directorships of company or a member of a board (Continued)**

| Officer/ Employee | Position | Company Name | Principal activities | Other |
|---|---|---|---|---|
| Paul Richardson | Director | Australian Institute of Employment Rights Inc | Policy development | Nominated for the position by the reporting unit |
| Paul Richardson | Director | Manufacturing Skills Australia | Industry Skills Council | Nominated for the position by the reporting unit |
| Paul Richardson | Director | Labour Union Investment and Property Services Pty Ltd | Real estate and investments | Because they are an officer of the reporting unit (non beneficial shareholder) |
| Douglas Stevens (from 1 July 2012 until 21 December 2012) | Director | Agri Foods Skills Council | industry skills council | Nominated by a peak council (i.e. ACTU) |
| Douglas Stevens, Charles Donnelly, Timothy Kennedy, Sam Roberts | Directors | NUW Education Fund Limited (voluntarily deregistered on 15 July 2012) | not for profit training provider | Because they are an officer of the reporting unit |

Apart from the above, to the best of our knowledge and belief, no officer or employee of the entity is director of companies or member of a board.

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

Signature of designated officer: ____________________

Name of designated officer: Charles Donnelly

Title of designated officer: General Secretary

Date: 8/10/13

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

## STATEMENTS OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2013

| | Notes | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2013 | 2012 | 2013 | 2012 |
| | | $ | $ | $ | $ |
| **Revenue from continuing operations** | 3 | **9,289,221** | 9,141,928 | **9,399,423** | 8,582,269 |
| **Other income** | 4 | **1,360** | 180,535 | **1,360** | 173,258 |
| | | | | | |
| Administrative expenses | | **(670,754)** | (896,632) | **(647,808)** | (795,193) |
| Affiliation fee and capitation fee | | **(522,572)** | (507,254) | **(522,572)** | (507,254) |
| Campaign expenses | | **(196,544)** | - | **(196,544)** | - |
| Industrial expenses | | **(466,500)** | (274,450) | **(466,500)** | (274,450) |
| Finance costs | | - | (3,378) | - | (2,344) |
| Official expenses | | **(354,718)** | (402,471) | **(354,718)** | (402,471) |
| Legal and professional fees | | **(121,051)** | (334,819) | **(83,837)** | (230,731) |
| Motor vehicle expenses | | **(248,690)** | (162,860) | **(248,690)** | (153,391) |
| Occupancy expenses | | **(589,143)** | (558,763) | **(562,212)** | (501,258) |
| Telephone expenses | | **(25,143)** | (24,155) | **(25,143)** | (21,852) |
| Salaries and related expenses | | **(5,271,551)** | (5,135,583) | **(5,259,946)** | (5,014,540) |
| Loss on disposal of insurance business | | - | (83,029) | - | - |
| Impairment loss | | **(160,469)** | (173,305) | **(160,469)** | (173,305) |
| | | **(8,627,135)** | (8,556,699) | **(8,528,439)** | (8,076,789) |
| **Profit before income tax** | | **663,446** | 765,764 | **872,344** | 678,738 |
| Income tax expense | | **(20,197)** | (27,517) | - | - |
| **Profit attributable to members** | | **643,249** | 738,247 | **872,344** | 678,738 |
| | | | | | |
| **Other comprehensive income** | | | | | |
| Changes in distress fund | | **(18,328)** | 12,161 | **(18,328)** | 12,161 |
| Changes in amalgamation reserve | | - | (1,128) | - | (1,128) |
| Changes in asset revaluation reserve | | - | 970,772 | - | - |
| | | | | | |
| **Total comprehensive income for the year** | | **624,921** | 1,720,052 | **854,016** | 689,771 |

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 2013

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | **3,997,711** | 3,572,838 | **3,069,032** | 2,023,540 |
| Trade and other receivables | **1,052,430** | 1,154,553 | **1,050,627** | 1,144,270 |
| **Total current assets** | **5,050,141** | 4,727,391 | **4,119,659** | 3,167,810 |
| **Non-current assets** | | | | |
| Financial assets | **4,399,396** | 4,215,068 | **4,640,053** | 4,790,072 |
| Intangibles assets | **130,253** | - | **130,253** | - |
| Property, plant and equipment | **3,462,492** | 3,206,813 | **1,512,492** | 1,256,813 |
| **Total non-current assets** | **7,992,141** | 7,421,881 | **6,282,798** | 6,046,885 |
| **Total assets** | **13,042,282** | 12,149,272 | **10,402,457** | 9,214,695 |
| **LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | **913,218** | 723,953 | **892,396** | 657,167 |
| Tax provisions | **-** | 19,693 | **-** | - |
| Provisions | **1,362,451** | 1,282,262 | **1,362,451** | 1,282,262 |
| **Total current liabilities** | **2,275,669** | 2,025,908 | **2,254,847** | 1,939,429 |
| **Total liabilities** | **2,275,669** | 2,025,908 | **2,254,847** | 1,939,429 |
| **Net assets** | **10,766,613** | 10,123,364 | **8,147,610** | 7,275,266 |
| **MEMBERS' FUND** | | | | |
| Reserves | **3,421,294** | 3,439,622 | **2,445,562** | 2,463,890 |
| Retained profits | **7,345,319** | 6,683,742 | **5,702,048** | 4,811,376 |
| **Total members' fund** | **10,766,613** | 10,123,364 | **8,147,610** | 7,275,266 |

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 2013

| | Reserves<br>$ | Retained profits<br>$ | Total<br>$ |
|---|---|---|---|
| *Consolidated Group* | | | |
| **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 | 981,805 | (12,161) | 969,644 |
| **Balance at 30 June 2012** | 3,439,622 | 6,683,742 | 10,123,364 |
| **Balance at 1 July 2012** | 3,439,622 | 6,683,742 | 10,123,364 |
| Profit for the year | - | 643,249 | 643,249 |
| Transfer to reserve | (18,328) | 18,328 | - |
| **Balance at 30 June 2013** | 3,421,294 | 7,345,319 | 10,766,613 |
| *Parent Entity* | | | |
| **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 | 11,033 | (12,161) | (1,128) |
| **Balance at 30 June 2012** | 2,463,890 | 4,811,376 | 7,275,266 |
| **Balance at 1 July 2012** | 2,463,890 | 4,811,376 | 7,275,266 |
| Surplus for the year | - | 872,344 | 872,344 |
| Transfer to reserve | (18,328) | 18,328 | - |
| **Balance at 30 June 2013** | 2,445,562 | 5,702,048 | 8,147,610 |

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 2013

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| **Cash flows from operating activities** | | | | |
| Receipts from other reporting units | **3,285,379** | 3,585,327 | **3,285,379** | 3,585,327 |
| Membership fees received | **4,781,428** | 4,156,503 | **4,781,428** | 4,156,503 |
| Receipts from controlled entities | - | - | **287,655** | - |
| Grant received | **329,688** | 228,238 | **329,688** | 228,238 |
| LUCRF service fee | **366,668** | 446,322 | **366,668** | 446,322 |
| Other income | **606,656** | 649,446 | **589,001** | 636,858 |
| Commission received | **2,576** | 511,103 | - | - |
| Payments to suppliers and employees | **(8,587,140)** | (8,512,676) | **(8,556,303)** | (7,944,590) |
| Payments to other reporting units | **(220,119)** | (259,658) | **(220,119)** | (259,658) |
| Payments to controlled entities | - | - | - | - |
| Dividends/Distribution received | **303,976** | 283,551 | **303,116** | 283,551 |
| Interest received | **82,538** | 115,539 | **29,715** | 29,339 |
| Finance costs | - | (1,034) | - | - |
| Income tax (paid) refund | **(41,693)** | 194 | - | - |
| **Net cash inflow from operating activities** | **909,957** | 1,202,855 | **1,196,228** | 1,161,890 |
| **Cash flows from investing activities** | | | | |
| Proceeds from sale of property, plant and equipment | **25,555** | 708,208 | **25,555** | 663,458 |
| Payment for property, plant and equipment | **(578,523)** | (54,036) | **(578,523)** | (54,036) |
| Proceeds from sale of investments | **4,214** | - | **4,214** | - |
| Payment for investments | **(334,347)** | (941,100) | - | (941,100) |
| **Net cash (outflow) from investing activities** | **(883,101)** | (286,928) | **(548,754)** | (331,678) |
| **Cash flows from financing activities** | | | | |
| Loan repayment received | **398,017** | 80,000 | **398,017** | 80,000 |
| **Net cash inflow from financing activities** | **398,017** | 80,000 | **398,017** | 80,000 |
| **Net increase in cash and cash equivalents** | **424,873** | 995,927 | **1,045,491** | 910,212 |
| Cash and cash equivalents at beginning of financial year | **3,572,838** | 2,576,911 | **2,023,540** | 1,113,328 |
| **Cash and cash equivalents at end of financial year** | **3,997,711** | 3,572,838 | **3,069,031** | 2,023,540 |

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

## 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: Section 272 Fair Work (Registered Organisations) Act 2009

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) to (3) of sections 272, which read as follows:

Information to be provided to members or the General Manager of Fair Work Commission:

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) the application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) a reporting unit must comply with an application made under subsection (1).

## 3: Revenue

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| **From continuing operations** | $ | $ | $ | $ |
| *Service revenue* | | | | |
| - commission | **2,342** | 464,639 | - | - |
| - sustentation fees | | | | |
| - NUW NSW Branch | **1,036,952** | 938,865 | **1,036,952** | 938,865 |
| - NUW Vic Branch | **1,864,214** | 1,637,698 | **1,864,214** | 1,637,698 |
| - membership subscriptions | **4,576,171** | 3,778,639 | **4,576,171** | 3,778,639 |
| - capitation fees – other reporting units | - | - | - | - |
| - levies | - | - | - | - |
| | **7,479,679** | 6,819,841 | **7,477,337** | 6,355,202 |
| *Other revenue* | | | | |
| - interest | **82,538** | 146,570 | **53,088** | 60,370 |
| - NUW – MSC income | | | | |
| - NUW NSW Branch | - | 110,000 | - | 110,000 |
| - NUW Vic Branch | **156,079** | 401,344 | **156,079** | 401,344 |
| - reimbursements from Branches | | | | |
| - NUW NSW Branch | **24,919** | 52,081 | **24,919** | 52,081 |
| - NUW Vic Branch | **112,492** | 21,550 | **112,492** | 21,550 |
| - LUCRF service fee | **333,335** | 486,896 | **333,335** | 486,896 |
| - NUWQ service fee | - | 6,418 | - | 6,418 |
| - management fee | **83,255** | 75,804 | **95,255** | 79,854 |
| - NUW Education Fund | - | 46,000 | - | 46,000 |
| - director fees | **318,137** | 310,180 | **318,137** | 310,180 |
| - investment income | **284,378** | 249,879 | **284,378** | 249,879 |
| - dividends | **19,598** | 17,703 | **288,738** | 17,703 |
| - rent | **164,092** | 67,440 | **40,342** | 67,440 |
| - donation | **1,140** | - | **1,140** | - |
| - grant income | **157,668** | 209,788 | **157,668** | 209,788 |
| - financial support from another reporting unit | - | - | - | - |
| - other revenue | **71,911** | 120,434 | **56,515** | 107,564 |
| | **9,289,221** | 9,141,928 | **9,399,423** | 8,582,269 |

## 4: Other income

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Net gain on disposal of property, plant and equipment and investments | **1,360** | **180,535** | **1,360** | 173,258 |
| | **1,360** | **180,535** | **1,360** | 173,258 |

## 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 2013.

## 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** | **191,978** | **9,207,445** | **9,399,423** | 221,807 | 8,360,462 | 8,582,269 |
| **Other income** | **-** | **1,360** | **1,360** | - | 173,258 | 173,258 |
| Administrative expenses | **(245,998)** | **(401,810)** | **(647,808)** | (156,083) | (641,454) | (797,537) |
| Affiliation fee | **(80,148)** | **(442,424)** | **(522,572)** | (75,334) | (431,920) | (507,254) |
| Campaign expenses | **-** | **(196,544)** | **(196,544)** | - | - | - |
| Industrial expenses | **(298,642)** | **(167,858)** | **(466,500)** | (87,947) | (186,503) | (274,450) |
| Official expenses | **(160,457)** | **(194,261)** | **(354,718)** | (74,581) | (327,890) | (402,471) |
| Legal and professional fees | **(28,743)** | **(55,094)** | **(83,837)** | (138,802) | (91,929) | (230,731) |
| Motor vehicle expenses | **(131,694)** | **(116,996)** | **(248,690)** | (84,573) | (68,818) | (153,391) |
| Occupancy expenses | **(209,740)** | **(352,472)** | **(562,212)** | (169,833) | (331,425) | (501,258) |
| Communication expenses | **-** | **(25,143)** | **(25,143)** | - | (21,852) | (21,852) |
| Salaries and related expenses | **(2,726,436)** | **(2,533,510)** | **(5,259,946)** | (2,476,286) | (2,538,254) | (5,014,540) |
| Impairment loss | **-** | **(160,469)** | **(160,469)** | - | (173,305) | (173,305) |
| | **(3,881,858)** | **(4,646,581)** | **(8,528,439)** | (3,263,439) | (4,813,350) | (8,076,789) |
| **(Loss)/Profit before income tax** | **(3,689,880)** | **4,562,224** | **872,344** | (3,041,632) | 3,720,370 | 678,738 |
| Income tax expense | **-** | **-** | **-** | | | - |
| **(Loss)/Profit attributable to members** | **(3,689,880)** | **4,562,224** | **872,344** | (3,041,632) | 3,720,370 | 678,738 |
| **Other comprehensive income** | **-** | **(18,328)** | **(18,328)** | - | 11,033 | 11,033 |
| **Total comprehensive (loss) income for the year** | **(3,689,880)** | **4,543,896** | **854,016** | (3,041,632) | 3,731,403 | 689,771 |

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 8th October 2013, the Committee of Management of National Union of Workers – National Office passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2013:

The National Committee of Management declares that in its opinion:

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
    a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
    b. the financial affairs of the reporting unit 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 reporting unit have been kept and maintained in accordance with the RO Act; and
    d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
    e. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
    f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

6. All wage recovery activity has resulted in payments being made directly to members by employers. The reporting unit has not derived any revenue in respect of these activities.

This declaration is made in accordance with a resolution of the National Committee of Management.

Signature of designated officer: ______________

Name of designated officer: Charles Donnelly

Title of designated officer: General Secretary

Dated 8/10/13

BGL PARTNERS
CHARTERED ACCOUNTANTS

Suite 1, Ground Floor
598 St Kilda Rd
MELBOURNE VIC 3004

PO Box 6094
St Kilda Road Central
MELBOURNE VIC 8008

E bgl@bglpartners.com.au
T (03) 9525 2511
F (03) 9525 2829
W bglpartners.com.au

ABN 96 006 935 459

# 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 2013, 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 consolidated group for the year ended 30 June 2013, 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. The concise financial report also includes discussion and analysis of results. 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 the consolidated group for the year ended 30 June 2013. We expressed an unmodified audit opinion on the financial report in our report dated 8 October 2013. 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*.

BGL PARTNERS
CHARTERED ACCOUNTANTS

Suite 1, Ground Floor
598 St Kilda Rd
MELBOURNE VIC 3004

PO Box 6094
St Kilda Road Central
MELBOURNE VIC 8008

E bgl@bglpartners.com.au
T (03) 9525 2511
F (03) 9525 2829
W bglpartners.com.au

ABN 96 006 935 459

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

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

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

### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### Opinion

In our opinion:

- the concise financial report of National Union of Workers – National Office and consolidated group presents fairly, in all material respects, the financial position of National Union of Workers – National Office and consolidated group as at 30 June 2013 and the results of its operations, its changes in equity and cash flows for the year then ended, complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the *Fair Work (Registered Organisations) Act 2009*
- the Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.

BGL Partners

BGL Partners
Chartered Accountants

JHinds

I. A. Hinds - C.A. – Partner
Approved Auditor
Member of The Institute of Chartered Accountants in Australia and
Holder of current Public Practice Certificate

Melbourne

8 October 2013

Chartered Accountants

NATIONAL UNION OF WORKERS

UNITY IS STRENGTH.

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

# ANNUAL FINANCIAL REPORT
# FOR THE YEAR ENDED 30 JUNE 2013

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

## TABLE OF CONTENTS



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.

On15 November 2011, the General Manager issued a certificate amending the reporting units so that the National Office and the General Branch of the National Union of Workers are combined for the purpose of financial reporting (R2011/115).

*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 National Committee of Management on 8th day of October 2013.

## 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 2013.

**Members of National Committee of Management:**

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

| *Name* | *Position* |
|---|---|
| Doug Stevens | General President (retired on 2 July 2012) |
| Tim Kennedy | General President (appointed on 29 November 2012) |
| Tim Kennedy | General Vice President (resigned on 29 November 2012) |
| Gayle Burmeister | General Vice President |
| Gary Maas | General Vice President (appointed on 29 November 2012) |
| 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 NCOM 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 were to improve the wages and working conditions of its members. This was undertaken through bargaining with employers, maintaining the content of modern awards and by appearing before industrial tribunals, principally the Fair Work Commission.

During the reporting period the Union made submissions to a number of public enquires and either launched or fostered campaigns around issues of importance to its members and working men and women generally.

Decisions of the National Committee of Management and the National Council were implemented in furtherance of the above during the reporting period

**General Branch:**

The principal activities of the General Branch were to improve the wages and working conditions of its members. This was undertaken through bargaining with employers, maintaining the content of modern awards and by appearing before industrial tribunals, principally the Fair Work Commission.

During the reporting period the Union made submissions to a number of public enquires and either launched or fostered campaigns around issues of importance to its members and working men and women generally.

Decisions of the Branch Committee of Management were implemented in furtherance of the above during the reporting period

## OPERATING REPORT (CONTINUED)

**Significant changes in state of affairs**

**National Office:**

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.

**National Union of Workers details**

**National Fund:**

The number of full time equivalents employees of at 30 June 2013 was 48 (2012: 47).

The number of financial members of the whole National Union of Workers at 30 June 2013 was 71,562 (2012: 71,761).

**General Branch:**

The number of full time equivalents of the General Branch employees at 30 June 2013 was 25 (2012:24).

The number of financial members of the General Branch at 30 June 2013 was 12,707 (2012: 11,704).

**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.

**Directorships of Superannuation Fund**

To the best of our knowledge and belief, the following officers and employees of the entity are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee:

| Officer/ Employee | Position | Trustee Company | Name of Superfund | Other |
|---|---|---|---|---|
| Charles Donnelly, Timothy Kennedy, Paul Richardson, Caterina Cinanni, Gary Maas | Director | LUCRF Pty Ltd | LUCRF Super | Nominated for the position by the reporting unit |

## OPERATING REPORT (CONTINUED)

### Directorships of company or a member of a board

| Officer/ Employee | Position | Company Name | Principal activities | Other |
|---|---|---|---|---|
| Tim Kennedy | Director | Newskills Ltd | Registered training organisation | Because they are an officer of the reporting unit |
| Tim Kennedy | Director | IFS Insurance Solutions Pty Ltd | Insurance broking | Nominated for the position by the reporting unit |
| Tim Kennedy | Director | Labour Union Investment and Property Services Pty Ltd | Real estate and investments | Because they are an officer of the reporting unit (non beneficial shareholder) |
| Tim Kennedy | Director | ARIS Pty Ltd | Dormant entity | Because they are an officer of the reporting unit |
| Tim Kennedy | Director | APEHDA – Union Aid Abroad | Overseas aid agency | Nominated by a peak council (i.e. ACTU) |
| Charlie Donnelly | Director | Publicity Works | Printing and publishing | Because they are an officer of the reporting unit (non beneficial shareholder) |
| Charlie Donnelly | Director | Labour Union Investment and Property Services Pty Ltd | Real estate and investments | Because they are an officer of the reporting unit (non beneficial shareholder) |
| Charlie Donnelly | Director | ARIS Pty Ltd | Dormant entity | Because they are an officer of the reporting unit |
| Charlie Donnelly | Director | The Trade Union Education Fund | Training provider | Nominated by ACTU |
| Charlie Donnelly | Director | Transport and Logistics Skills Council Inc | Industry Skills Council | Nominated for the position by the reporting unit |
| Charlie Donnelly | Director | ACTU Member Connect Pty Ltd | Provider of services to ACTU affiliates | Nominated for the position by the reporting unit |
| Charlie Donnelly | Director | Newskills Ltd | Registered training organisation | Because they are an officer of the reporting unit |
| Gary Maas | Director | Seamless Pictures Pty Ltd | Film Production | Private company |
| Adam Portelli | Director | 87 St Vincent Street Pty Ltd | Unit Trust – Property Management | Nominated for the position by the reporting unit |
| Adam Portelli | Director | 833 Bourke Street Pty Ltd | Unit Trust – Property Management | Nominated for the position by the reporting unit |

## OPERATING REPORT (CONTINUED)

**Directorships of company or a member of a board (Continued)**

| Officer/ Employee | Position | Company Name | Principal activities | Other |
|---|---|---|---|---|
| Paul Richardson | Director | Australian Institute of Employment Rights Inc | Policy development | Nominated for the position by the reporting unit |
| Paul Richardson | Director | Manufacturing Skills Australia | Industry Skills Council | Nominated for the position by the reporting unit |
| Paul Richardson | Director | Labour Union Investment and Property Services Pty Ltd | Real estate and investments | Because they are an officer of the reporting unit (non beneficial shareholder) |
| Douglas Stevens (from 1 July 2012 until 21 December 2012) | Director | Agri Foods Skills Council | industry skills council | Nominated by a peak council (i.e. ACTU) |
| Douglas Stevens, Charles Donnelly, Timothy Kennedy, Sam Roberts | Directors | NUW Education Fund Limited (voluntarily deregistered on 15 July 2012) | not for profit training provider | Because they are an officer of the reporting unit |

Apart from the above, to the best of our knowledge and belief, no officer or employee of the entity is director of companies or member of a board.

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

Signature of designated officer: ____________________

Name of designated officer: Charles Donnelly

Title of designated officer: General Secretary

Date: 8/10/13

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

## STATEMENTS OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2013

| | Notes | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2013 | 2012 | 2013 | 2012 |
| | | $ | $ | $ | $ |
| **Revenue from continuing operations** | 4 | **9,289,221** | 9,141,928 | **9,399,423** | 8,582,269 |
| **Other income** | 5 | **1,360** | 180,535 | **1,360** | 173,258 |
| Administrative expenses | | **(670,754)** | (896,632) | **(647,808)** | (795,193) |
| Affiliation fee and capitation fee | 7 | **(522,572)** | (507,254) | **(522,572)** | (507,254) |
| Campaign expenses | | **(196,544)** | - | **(196,544)** | - |
| Industrial expenses | | **(466,500)** | (274,450) | **(466,500)** | (274,450) |
| Finance costs | | - | (3,378) | - | (2,344) |
| Official expenses | | **(354,718)** | (402,471) | **(354,718)** | (402,471) |
| Legal and professional fees | | **(121,051)** | (334,819) | **(83,837)** | (230,731) |
| Motor vehicle expenses | | **(248,690)** | (162,860) | **(248,690)** | (153,391) |
| Occupancy expenses | | **(589,143)** | (558,763) | **(562,212)** | (501,258) |
| Telephone expenses | | **(25,143)** | (24,155) | **(25,143)** | (21,852) |
| Salaries and related expenses | 8 | **(5,271,551)** | (5,135,583) | **(5,259,946)** | (5,014,540) |
| Loss on disposal of insurance business | | - | (83,029) | - | - |
| Impairment loss | | **(160,469)** | (173,305) | **(160,469)** | (173,305) |
| | | **(8,627,135)** | (8,556,699) | **(8,528,439)** | (8,076,789) |
| **Profit before income tax** | | **663,446** | 765,764 | **872,344** | 678,738 |
| Income tax expense | 9 | **(20,197)** | (27,517) | - | - |
| **Profit attributable to members** | | **643,249** | 738,247 | **872,344** | 678,738 |
| **Other comprehensive income** | | | | | |
| Changes in distress fund | 18 | **(18,328)** | 12,161 | **(18,328)** | 12,161 |
| Changes in amalgamation reserve | 18 | - | (1,128) | - | (1,128) |
| Changes in asset revaluation reserve | 18 | - | 970,772 | - | - |
| **Total comprehensive income for the year** | | **624,921** | 1,720,052 | **854,016** | 689,771 |

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 2013

| | Notes | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2013 | 2012 | 2013 | 2012 |
| | | $ | $ | $ | $ |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 10 | **3,997,711** | 3,572,838 | **3,069,032** | 2,023,540 |
| Trade and other receivables | 11 | **1,052,430** | 1,154,553 | **1,050,627** | 1,144,270 |
| **Total current assets** | | **5,050,141** | 4,727,391 | **4,119,659** | 3,167,810 |
| **Non-current assets** | | | | | |
| Financial assets | 12 | **4,399,396** | 4,215,068 | **4,640,053** | 4,790,072 |
| Intangibles assets | 13 | **130,253** | - | **130,253** | - |
| Property, plant and equipment | 14 | **3,462,492** | 3,206,813 | **1,512,492** | 1,256,813 |
| **Total non-current assets** | | **7,992,141** | 7,421,881 | **6,282,798** | 6,046,885 |
| **Total assets** | | **13,042,282** | 12,149,272 | **10,402,457** | 9,214,695 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 15 | **913,218** | 723,953 | **892,396** | 657,167 |
| Tax provisions | 16 | **-** | 19,693 | **-** | - |
| Provisions | 17 | **1,362,451** | 1,282,262 | **1,362,451** | 1,282,262 |
| **Total current liabilities** | | **2,275,669** | 2,025,908 | **2,254,847** | 1,939,429 |
| **Total liabilities** | | **2,275,669** | 2,025,908 | **2,254,847** | 1,939,429 |
| **Net assets** | | **10,766,613** | 10,123,364 | **8,147,610** | 7,275,266 |
| **MEMBERS' FUND** | | | | | |
| Reserves | 18 | **3,421,294** | 3,439,622 | **2,445,562** | 2,463,890 |
| Retained profits | 19 | **7,345,319** | 6,683,742 | **5,702,048** | 4,811,376 |
| **Total members' fund** | | **10,766,613** | 10,123,364 | **8,147,610** | 7,275,266 |

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 2013

| | Reserves<br>$ | Retained profits<br>$ | Total<br>$ |
|---|---|---|---|
| *Consolidated Group* | | | |
| **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 | 981,805 | (12,161) | 969,644 |
| **Balance at 30 June 2012** | 3,439,622 | 6,683,742 | 10,123,364 |
| **Balance at 1 July 2012** | 3,439,622 | 6,683,742 | 10,123,364 |
| Profit for the year | - | 643,249 | 643,249 |
| Transfer to reserve | (18,328) | 18,328 | - |
| **Balance at 30 June 2013** | 3,421,294 | 7,345,319 | 10,766,613 |
| *Parent Entity* | | | |
| **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 | 11,033 | (12,161) | (1,128) |
| **Balance at 30 June 2012** | 2,463,890 | 4,811,376 | 7,275,266 |
| **Balance at 1 July 2012** | 2,463,890 | 4,811,376 | 7,275,266 |
| Surplus for the year | - | 872,344 | 872,344 |
| Transfer to reserve | (18,328) | 18,328 | - |
| **Balance at 30 June 2013** | 2,445,562 | 5,702,048 | 8,147,610 |

The above statements 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 2013

| | Notes | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2013 | 2012 | 2013 | 2012 |
| | | $ | $ | $ | $ |
| **Cash flows from operating activities** | | | | | |
| Receipts from other reporting units | 28(a) | **3,285,379** | 3,585,327 | **3,285,379** | 3,585,327 |
| Membership fees received | | **4,781,428** | 4,156,503 | **4,781,428** | 4,156,503 |
| Receipts from controlled entities | 28(c) | **-** | - | **287,655** | - |
| Grant received | | **329,688** | 228,238 | **329,688** | 228,238 |
| LUCRF service fee | | **366,668** | 446,322 | **366,668** | 446,322 |
| Other income | | **606,656** | 649,446 | **589,001** | 636,858 |
| Commission received | | **2,576** | 511,103 | **-** | - |
| Payments to suppliers and employees | | **(8,587,140)** | (8,512,676) | **(8,556,303)** | (7,944,590) |
| Payments to other reporting units | 28(b) | **(220,119)** | (259,658) | **(220,119)** | (259,658) |
| Payments to controlled entities | | **-** | - | **-** | - |
| Dividends/Distribution received | | **303,976** | 283,551 | **303,116** | 283,551 |
| Interest received | | **82,538** | 115,539 | **29,715** | 29,339 |
| Finance costs | | **-** | (1,034) | **-** | - |
| Income tax (paid) refund | | **(41,693)** | 194 | **-** | - |
| **Net cash inflow from operating activities** | 28(d) | **909,957** | 1,202,855 | **1,196,228** | 1,161,890 |
| **Cash flows from investing activities** | | | | | |
| Proceeds from sale of property, plant and equipment | | **25,555** | 708,208 | **25,555** | 663,458 |
| Payment for property, plant and equipment | | **(578,523)** | (54,036) | **(578,523)** | (54,036) |
| Proceeds from sale of investments | | **4,214** | - | **4,214** | - |
| Payment for investments | | **(334,347)** | (941,100) | **-** | (941,100) |
| **Net cash (outflow) from investing activities** | | **(883,101)** | (286,928) | **(548,754)** | (331,678) |
| **Cash flows from financing activities** | | | | | |
| Loan repayment received | | **398,017** | 80,000 | **398,017** | 80,000 |
| **Net cash inflow from financing activities** | | **398,017** | 80,000 | **398,017** | 80,000 |
| **Net increase in cash and cash equivalents** | | **424,873** | 995,927 | **1,045,491** | 910,212 |
| Cash and cash equivalents at beginning of financial year | | **3,572,838** | 2,576,911 | **2,023,540** | 1,113,328 |
| **Cash and cash equivalents at end of financial year** | 10(a) | **3,997,711** | 3,572,838 | **3,069,031** | 2,023,540 |

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

## 1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of 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

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, The National Union of Workers – National Office is a not-for-profit entity for the purpose of preparing financial statements.

*Compliance with Australian Accounting Standards*

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

*New and amended standards adopted by the entity*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements effective* 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

*Early adoption of standards*

No accounting standard has been adopted earlier than the application date stated in the standard.

*Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

*Critical accounting estimates*

The preparation of financial statements 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.

## 1: Summary of significant accounting policies (Continued)

### (b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of National Union of Workers – National Office ("parent entity") as at 30 June 2013 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.

### (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.

## 1: Summary of significant accounting policies (Continued)

### (c) Revenue Recognition (Continued)

Revenue is recognised for the major operating activities as follows:

*Membership Subscriptions*

Membership subscriptions 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)

## 1: Summary of significant accounting policies (Continued)

### (d) Leases

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

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

### (e) Income tax

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

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

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

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

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

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

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

## 1: Summary of significant accounting policies (Continued)

### (f) Impairment of assets

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

### (g) Cash and cash equivalents

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

### (h) Trade receivables

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

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

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

## 1: Summary of significant accounting policies (Continued)

### (i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense

Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed inclusive of GST.

### (j) Investment and other financial assets

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

The Group does not hold any investments in the following categories: held-to-maturity investments 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.

## 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 group 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 group 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.

## 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.

## 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.

## 1: Summary of significant accounting policies (Continued)

### (q) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below:

*(i)* AASB 9 *Financial Instruments,* AASB 2009 - 11 *Amendments to Australian Accounting Standards arising from AASB 9,* AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2015) and AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transitional Disclosures.*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. This change will not impact the Group as current accounting for gains and losses on available–for–sale financial assets is consistent with proposed changes.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from AASB139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Group has not yet decided when to adopt AASB 9.

*(ii)* AASB 10 *Consolidated Financial Statements,* AASB 11 *Joint Arrangements,* AASB 12 *Disclosure of Interests in Other Entities, revised* AASB 127 *Separate Financial Statements and* AASB 128 *Investments in Associates and Joint Ventures and* AASB 2012-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective 1 January 2013).

In August 2012, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements,* and Interpretation 12 *Consolidation – Special Purpose Entities.* The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation.

Proposed changes will not have any impact on the Group as the Group does not have a material interest in other entities and is not a part of any joint arrangements.

*(iii)* AASB 13 *Fair Value Measurement* and AASB 2012-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)
AASB 13 was released in September 2012. It explains how to measure fair value and aims to enhance fair value disclosures. The Group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

## 1: Summary of significant accounting policies (Continued)

### (q) New accounting standards and interpretations (Continued)

*(iv)* Revised AASB 119 *Employee Benefits,* AASB 2012-10 *Amendments to Australian Accounting Standards arising from* AASB 119 *(September 2012)* and AASB 2012-11 *Amendments to AASB 119(September 2012) arising from Reduced Disclosure Requirements* (effective 1 January 2013)
In September 2012, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. This standard is not expected to impact the Group.

There are no other standards that are not yet effective and that are expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

## 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 group'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: Section 272 Fair Work (Registered Organisations) Act 2009

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) to (3) of sections 272, which read as follows:

Information to be provided to members or the General Manager of Fair Work Commission:

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) the application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) a reporting unit must comply with an application made under subsection (1).

## 4: Revenue

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| **From continuing operations** | $ | $ | $ | $ |
| *Service revenue* | | | | |
| - commission | **2,342** | 464,639 | - | - |
| - sustentation fees | | | | |
| - NUW NSW Branch | **1,036,952** | 938,865 | **1,036,952** | 938,865 |
| - NUW Vic Branch | **1,864,214** | 1,637,698 | **1,864,214** | 1,637,698 |
| - membership subscriptions | **4,576,171** | 3,778,639 | **4,576,171** | 3,778,639 |
| - capitation fees – other reporting units | - | - | - | - |
| - levies | - | - | - | - |
| | **7,479,679** | 6,819,841 | **7,477,337** | 6,355,202 |
| *Other revenue* | | | | |
| - interest | **82,538** | 146,570 | **53,088** | 60,370 |
| - NUW – MSC income | | | | |
| - NUW NSW Branch | - | 110,000 | - | 110,000 |
| - NUW Vic Branch | **156,079** | 401,344 | **156,079** | 401,344 |
| - reimbursements from Branches | | | | |
| - NUW NSW Branch | **24,919** | 52,081 | **24,919** | 52,081 |
| - NUW Vic Branch | **112,492** | 21,550 | **112,492** | 21,550 |
| - LUCRF service fee | **333,335** | 486,896 | **333,335** | 486,896 |
| - NUWQ service fee | - | 6,418 | - | 6,418 |
| - management fee | **83,255** | 75,804 | **95,255** | 79,854 |
| - NUW Education Fund | - | 46,000 | - | 46,000 |
| - director fees | **318,137** | 310,180 | **318,137** | 310,180 |
| - investment income | **284,378** | 249,879 | **284,378** | 249,879 |
| - dividends | **19,598** | 17,703 | **288,738** | 17,703 |
| - rent | **164,092** | 67,440 | **40,342** | 67,440 |
| - donation | **1,140** | - | **1,140** | - |
| - grant income | **157,668** | 209,788 | **157,668** | 209,788 |
| - financial support from another reporting unit | - | - | - | - |
| - other revenue | **71,911** | 120,434 | **56,515** | 107,564 |
| | **9,289,221** | 9,141,928 | **9,399,423** | 8,582,269 |

## 5: Other income

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Net gain on disposal of property, plant and equipment and investments | 1,360 | 180,535 | 1,360 | 173,258 |
| | 1,360 | 180,535 | 1,360 | 173,258 |

## 6: Expenses

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Profit (loss) before income tax expenses includes the following specific expenses: | | | | |
| Depreciation | 152,540 | 178,520 | 152,540 | 174,568 |
| Amortisation of website costs | 15,856 | - | 15,856 | - |
| Bad debts | 4,333 | - | 4,333 | - |
| Defined contribution superannuation expense | 636,671 | 669,286 | 636,671 | 638,664 |
| Rental expenses relating to operating leases | | | | |
| Minimum lease payments | 383,944 | 364,754 | 383,944 | 363,929 |
| Loss on disposal of property, plant and equipment | - | 28,092 | - | - |
| Compulsory levies | - | - | - | - |
| Consideration to employers for payroll deduction | 20,657 | 19,690 | 20,657 | 19,690 |
| Conference and meeting allowance | 63,475 | 91,156 | 63,475 | 91,156 |
| Conference and meeting expenses | 25,283 | 39,083 | 12,328 | 39,083 |
| Court Settlement | 166,500 | - | 166,500 | - |
| Donation paid | 24,981 | 41,590 | 24,981 | 41,590 |
| Grant paid | - | - | - | - |
| Legal fees | | | | |
| - litigation | 46,010 | - | 46,010 | - |
| - other legal matters | 6,058 | 136,834 | 6,058 | 124,217 |
| Penalties – RO Act or RO Regulations | - | - | - | - |
| ACTU campaign levy | 191,000 | - | 191,000 | - |

## 7: Affiliation & capitation fees

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Affiliation fees | | | | |
| - ACTU | **321,227** | 308,204 | **321,227** | 308,204 |
| - AIER | **5,000** | - | **5,000** | - |
| - ALP NT | **147** | 215 | **147** | 215 |
| - ALP Qld | **15,862** | 22,319 | **15,862** | 22,319 |
| - ALP SA | **10,781** | 10,082 | **10,781** | 10,082 |
| - ALP TAS | **1,093** | 2,095 | **1,093** | 2,095 |
| - ALP Vic | **6,432** | 5,921 | **6,432** | 5,921 |
| - ALP WA | **4,234** | 3,608 | **4,234** | 3,608 |
| - APHEDA | **2,418** | 2,418 | **2,418** | 2,418 |
| - Centre for Policy Development | **22,500** | - | **22,500** | - |
| - Industrial Global Union | **3,768** | - | **3,768** | - |
| - ITF | **24,740** | 23,237 | **24,740** | 23,237 |
| - IUF | **58,653** | 90,261 | **58,653** | 90,261 |
| - IUF Regional | **4,000** | 7,273 | **4,000** | 7,273 |
| - QCU | **21,873** | 21,477 | **21,873** | 21,477 |
| - Union Solidarity International | **119** | - | **119** | - |
| - Union TAS | **3,906** | 3,405 | **3,906** | 3,405 |
| - Unions SA | **11,697** | 2,916 | **11,697** | 2,916 |
| - Unions WA | **4,122** | 3,353 | **4,122** | 3,353 |
| - others | - | 470 | - | 470 |
| Capitation fees | - | - | - | - |
| | **522,572** | 507,254 | **522,572** | 507,254 |

## 8: Salaries and related expenses

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| *Employees other than holders of office* | | | | |
| - wages and salaries | **3,445,715** | 3,116,010 | **3,432,724** | 3,113,249 |
| - superannuation | **538,309** | 562,616 | **538,309** | 532,502 |
| - leave and other entitlements | **128,390** | 42,693 | **128,390** | 137,022 |
| - separation and redundancies | **-** | - | **-** | - |
| - other employee expenses | **-** | - | **-** | - |
| *Holders of office(NCOM)* | | | | |
| - wages and salaries | **632,177** | 702,665 | **632,177** | 702,665 |
| - superannuation | **88,985** | 106,670 | **88,985** | 106,670 |
| - leave and other entitlements | **(48,201)** | (9,740) | **(48,201)** | (9,740) |
| - separation and redundancies | **-** | - | **-** | - |
| - other employee expenses | **-** | - | **-** | - |
| *Other staff costs (note a)* | **486,176** | 614,669 | **487,562** | 432,172 |
| | **5,271,551** | 5,135,583 | **5,259,946** | 5,014,540 |

(a) Other expenses primarily comprise employee insurance, payroll tax, fringe benefits tax, workcover and contract staff.

## 9: Income tax expense

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| **(a) Income of tax expense:** | | | | |
| Current tax | **20,197** | 27,517 | **-** | - |
| Deferred tax | **-** | - | **-** | - |
| | **20,197** | 27,517 | **-** | - |
| **(b) Numerical reconciliation of income tax expense to prima facie tax payable:** | | | | |
| Profit from continuing operations before income tax expense | **663,446** | 765,764 | **872,344** | 678,738 |
| Prima facie income tax payable on profit before income tax at 30.0% (2012 – 30.0%) | **199,034** | 229,729 | **263,703** | 203,621 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | | | |
| Sundry items | **84,866** | (23,500) | **-** | - |
| Capital loss | **-** | 24,909 | **-** | - |
| Non taxable income | **(263,703)** | (203,621) | **(263,703)** | (203,621) |
| Income tax expense attributable to profit | **20,197** | 27,517 | **-** | - |

## 10: Current assets – Cash and cash equivalents

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Cash In hand | **735** | 4,088 | **733** | 1,988 |
| Cash at bank | **3,996,976** | 3,568,750 | **3,068,298** | 2,021,552 |
| | **3,997,711** | 3,572,838 | **3,069,031** | 2,023,540 |

**(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:

| | Consolidated Group 2013 | Consolidated Group 2012 | Parent Entity 2013 | Parent Entity 2012 |
|---|---|---|---|---|
| Balances as above | **3,997,711** | 3,572,838 | **3,068,298** | 2,023,540 |
| Bank overdrafts | **-** | - | **-** | - |
| Balances per statement of cash flows | **3,997,711** | 3,572,838 | **3,068,298** | 2,023,540 |

## 11: Current assets - Trade and other receivables

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| **Receivable from other reporting units** | | | | |
| NUW NSW Branch | **335,656** | 189,916 | **335,656** | 189,916 |
| NUW Victorian Branch | **246,187** | 178,791 | **246,187** | 178,791 |
| | **581,843** | 368,707 | **581,843** | 368,707 |
| Less provision for impairment of receivables | **-** | - | **-** | - |
| | **581,843** | 368,707 | **581,843** | 368,707 |
| **Other** | | | | |
| Prepayments | **81,839** | 107,318 | **81,839** | 107,318 |
| Other receivables | **363,571** | 280,510 | **363,571** | 270,227 |
| Income tax refund | **1,803** | - | **-** | - |
| Loans to related parties | **23,374** | 398,018 | **23,374** | 398,018 |
| | **470,587** | 785,846 | **468,784** | 775,563 |
| | **1,052,430** | 1,154,553 | **1,050,627** | 1,144,270 |

## 12: Non-current assets – financial assets

| | | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2013 | 2012 | 2013 | 2012 |
| | | $ | $ | $ | $ |
| Available-for-sale financial assets | a | **4,399,396** | 4,215,068 | **4,065,049** | 4,215,068 |
| Other investments | b | **-** | - | **575,004** | 575,004 |
| | | **4,399,396** | 4,215,068 | **4,640,053** | 4,790,072 |

| | | Consolidated Group 2013 $ | Consolidated Group 2012 $ | Parent Entity 2013 $ | Parent Entity 2012 $ |
|---|---|---|---|---|---|
| (a) Available-for-sale financial assets comprises: | | | | | |
| Listed investment, at fair value | | | | | |
| - shares in listed trusts and shares | c | **741,427** | 331,620 | **407,080** | 331,620 |
| Unlisted investment, at cost | | | | | |
| - shares in other corporations | | **124,794** | 124,793 | **124,794** | 124,793 |
| - units in unit trusts | d | **92,849** | 1,033,924 | **92,849** | 1,033,924 |
| Unlisted investment, at recoverable amount | | | | | |
| - units in unit trust, at cost | | **3,769,200** | 2,828,125 | **3,769,200** | 2,828,125 |
| Impairment provisions | | **(328,874)** | (103,394) | **(328,874)** | (103,394) |
| | e | **3,440,326** | 2,724,731 | **3,440,326** | 2,724,731 |
| | | **4,399,396** | 4,215,068 | **4,065,049** | 4,215,068 |
| (b) Other investments: | | | | | |
| Shares in subsidiaries | | **-** | - | **575,004** | 575,004 |
| | | **-** | - | **575,004** | 575,004 |
| (c) Movements in fair value of listed investment during the financial year: | | | | | |
| Opening balance | | **331,620** | 360,797 | **331,620** | 360,797 |
| Net (Disposals) / Additions | | **330,379** | 708 | **(3,968)** | 708 |
| Fair value adjustment | | **79,428** | (29,885) | **79,428** | (29,885) |
| Closing balance | | **741,427** | 331,620 | **407,080** | 331,620 |
| (d) Movements in unlisted investment – at cost during the financial year: | | | | | |
| Opening balance | | **1,033,924** | 92,849 | **1,033,924** | 92,849 |
| Addition – at cost | | **-** | 941,075 | **-** | 941,075 |
| Transfer to investment at recoverable amount (e) | | **(941,075)** | - | **(941,075)** | - |
| Closing balance | | **92,849** | 1,033,924 | **92,849** | 1,033,924 |

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

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| (e) Movements in fair value of unlisted investment during the financial year: | | | | |
| Opening balance | **2,724,731** | 2,867,786 | **2,724,731** | 2,867,786 |
| Transfer from investment at cost (d) | **941,075** | - | **941,075** | - |
| Fair value adjustment | **(225,480)** | (143,055) | **(225,480)** | (143,055) |
| Closing balance | **3,440,326** | 2,724,731 | **3,440,326** | 2,724,731 |

## 13: Non-current assets – Intangible assets

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Website | | | | |
| Costs | **146,109** | - | **146,109** | - |
| Less: accumulated amortisation | **(15,856)** | | **(15,856)** | |
| | **130,253** | - | **130,253** | - |

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

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| **PROPERTY** | | | | |
| Land | | | | |
| At cost | - | - | - | - |
| At directors' valuation | **900,000** | 900,000 | - | - |
| Buildings | | | | |
| At cost | **466,574** | 466,574 | **466,574** | 466,574 |
| At directors' valuation | **1,050,000** | 1,050,000 | - | - |
| Less accumulated depreciation | **(85,507)** | (77,730) | **(85,507)** | (77,730) |
| | **1,431,067** | 1,438,844 | **381,067** | 388,844 |
| *Total property* | **2,331,067** | 2,338,844 | **381,067** | 388,844 |
| **PLANT AND EQUIPMENT** | | | | |
| Motor vehicles | | | | |
| At cost | **649,516** | 663,516 | **649,516** | 663,516 |
| Less accumulated depreciation | **(374,377)** | (343,825) | **(374,377)** | (343,825) |
| | **275,139** | 319,691 | **275,139** | 319,691 |

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

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| **PLANT AND EQUIPMENT (Continued)** | | | | |
| Office equipment | | | | |
| At cost | **266,704** | 261,409 | **266,704** | 261,409 |
| Less accumulated depreciation | **(193,087)** | (179,033) | **(193,087)** | (179,033) |
| | **73,617** | 82,376 | **73,617** | 82,376 |
| Computer equipment | | | | |
| At cost | **290,806** | 224,952 | **290,806** | 224,952 |
| Less accumulated depreciation | **(228,257)** | (212,667) | **(228,257)** | (212,667) |
| | **62,549** | 12,285 | **62,549** | 12,285 |
| Furniture, fixtures and fittings | | | | |
| At cost | **967,161** | 662,373 | **967,161** | 662,373 |
| Less accumulated depreciation | **(247,041)** | (208,756) | **(247,041)** | (208,756) |
| | **720,120** | 453,617 | **720,120** | 453,617 |
| *Total plant and equipment* | **1,131,425** | 867,969 | **1,131,425** | 867,969 |
| Total property plant and equipment | **3,462,492** | 3,206,813 | **1,512,492** | 1,256,813 |

### (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:

**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 | 900,000 | 1,438,844 | 453,617 | 319,691 | 82,376 | 12,285 | 3,206,813 |

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

### (a) Movements in Carrying Amounts (Continued)

**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 | - | 388,844 | 453,617 | 319,691 | 82,376 | 12,285 | 1,256,813 |

**2013 - Parent**

| | Freehold land | Freehold buildings | Furniture, fixture & fittings | Vehicles | Office equipment | Computer equipment | Total |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| Opening net book amount | - | 388,844 | 453,617 | 319,691 | 82,376 | 12,285 | 1,256,813 |
| Additions | - | - | 304,788 | 56,476 | 5,295 | 65,854 | 432,413 |
| Disposals | - | - | - | (24,194) | - | - | (24,194) |
| Depreciation | - | (7,777) | (38,285) | (76,834) | (14,054) | (15,590) | (152,540) |
| Closing net book amount | - | 381,067 | 720,120 | 275,139 | 72,081 | 64,085 | 1,512,492 |

**(b) Non-current assets pledged as security**

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

## 15: Current liabilities - Trade and other payables

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| *Unsecured* | | | | |
| Trade payables | **422,102** | 408,929 | **415,951** | 342,143 |
| Legal cost payables | **50,597** | 924 | **50,597** | 924 |
| Amount payables to other reporting units | | | | |
| - NUW Victorian Branch | **115,908** | 13,383 | **115,908** | 13,383 |
| Consideration to employers for payroll deductions | **-** | - | **-** | - |
| Other payables | **169,611** | 300,717 | **154,940** | 300,717 |
| Income received in advance | **155,000** | - | **155,000** | - |
| | **913,218** | 723,953 | **892,396** | 657,167 |

## 16: Current liabilities – Tax provision

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Tax payable | - | 19,693 | - | - |

## 17: Current liabilities - Provisions

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| *Holders of office (NCOM):* | | | | |
| Annual leave | **176,373** | 200,304 | **176,373** | 200,304 |
| Long service leave | **281,589** | 305,859 | **281,589** | 305,859 |
| Separations and redundancies | - | - | - | - |
| Other | - | - | - | - |
| *Total holders of office* | **457,962** | 506,163 | **457,962** | 506,163 |
| *Employees other than holders of office:* | | | | |
| Annual leave | **430,321** | 423,644 | **430,321** | 423,644 |
| Long service leave | **474,168** | 352,455 | **474,168** | 352,455 |
| Separations and redundancies | - | - | - | - |
| Other | - | - | - | - |
| *Total employees other than office holders:* | **904,489** | 776,099 | **904,489** | 776,099 |
| Total employee provisions | **1,362,451** | 1,282,262 | **1,362,451** | 1,282,262 |

### (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 | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Long service leave obligation expected to be settled after 12 months | **755,756** | 658,314 | **755,756** | 658,314 |

## 18: Reserves

| | | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|---|
| | | 2013 | 2012 | 2013 | 2012 |
| | | $ | $ | $ | $ |
| Strike/Distress fund reserve | a | **224,693** | 243,021 | **224,693** | 243,021 |
| Amalgamation reserve | b | **2,220,869** | 2,220,869 | **2,220,869** | 2,220,869 |
| Asset revaluation reserve | c | **970,772** | 970,772 | **-** | - |
| Capital profit reserve | d | **4,960** | 4,960 | **-** | - |
| | | **3,421,294** | 3,439,622 | **2,445,562** | 2,463,890 |

*(a) Strike / Distress fund reserve*

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Movements in reserve were as follows: | | | | |
| Balance 1 July | **243,021** | 230,860 | **243,021** | 230,860 |
| Net transfer from retained profits consists of: | | | | |
| - Interest received | **1,539** | 3,905 | **1,539** | 3,905 |
| - Contributions received | **33,475** | 36,050 | **33,475** | 36,050 |
| - Expenses incurred | **(53,342)** | (27,829) | **(53,342)** | (27,829) |
| - Loans repaid | **-** | 35 | **-** | 35 |
| Net transfer from accumulated surplus | **(18,328)** | 12,161 | **(18,328)** | 12,161 |
| Balance 30 June | **224,693** | 243,021 | **224,693** | 243,021 |

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

*(b) Amalgamation reserve*

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Movements in reserve were as follows: | | | | |
| Balance 1 July | **2,220,869** | 2,221,997 | **2,220,869** | 2,221,997 |
| Sale of property | **-** | (1,128) | **-** | (1,128) |
| Balance 30 June | **2,220,869** | 2,220,869 | **2,220,869** | 2,220,869 |

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

## 18: Reserves (Continued)

| *(c) Asset revaluation reserve* | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Movements in reserve were as follows: | | | | |
| Balance 1 July | **970,772** | - | - | - |
| Movement during the year | - | 970,772 | - | - |
| Balance 30 June | **970,772** | 970,772 | - | - |

The asset revaluation reserve records the revaluation of capital assets.

| *(d) Capital profit reserve* | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Movements in reserve were as follows: | | | | |
| Balance 1 July | **4,960** | 4,960 | - | - |
| Movement during the year | - | - | - | - |
| Balance 30 June | **4,960** | 4,960 | - | - |

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

## 19: Retained profits

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Movements in retained profits were as follows: | | | | |
| Balance 1 July | **6,683,742** | 5,957,656 | **4,811,376** | 4,144,799 |
| Transfer from (to) reserves | **18,328** | (12,161) | **18,328** | (12,161) |
| Net profit for the year | **643,249** | 738,247 | **872,344** | 678,738 |
| Balance 30 June | **7,345,319** | 6,683,742 | **5,702,048** | 4,811,376 |

No specific funds or accounts have been operated in respect of compulsory levies or voluntary contributions.

## 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.

## 21: Commitments

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| (a) Capital commitments<br>Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows: | | | | |
| Property, plant and equipment | **400,000** | - | **400,000** | - |

The above commitments relate the refurbishment of the entity's Queensland property.

(b) Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

| | | | | |
|---|---|---|---|---|
| Within one year | **108,011** | 30,400 | **108,011** | 30,400 |
| Later than one year but not later than five years | **442,535** | 19,504 | **442,535** | 19,504 |
| More than 5 years | **298,711** | - | **298,711** | - |
| | **849,257** | 49,904 | **849,257** | 49,904 |

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 2013.

## 23: Wage recovery activities

All wage recovery activity has resulted in payments being made directly to members by employers. The entity has not derived any revenue in respect of these activities.

## 24: Other information

*(i) Going Concern*
The entity's ability to continue as a going concern is not reliant on financial support from another reporting unit.

*(ii) Financial Support*
No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

*(iii) Acquisition of assets and liability under specific sections:*

The entity did not acquires any asset or a liability during the financial year as a result of:
- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act;

*(iv) Acquisition of assets and liability as part of a business combination:*
If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

## 25: Auditor's remuneration

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| 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 | **39,850** | 38,000 | **39,850** | 38,000 |
| Other audit | **2,135** | 1,150 | **2,135** | 1,150 |
| Other services | **14,525** | 1,600 | **14,525** | 1,600 |
| | **56,510** | 40,750 | **56,510** | 40,750 |
| **(b) Non-related audit firms (auditors of ex-branches)** | | | | |
| Other services | - | 150 | - | 150 |
| | - | 150 | - | 150 |
| **(c) Remuneration of other auditors of subsidiaries** | | | | |
| Audit or review of the financial report | **17,280** | 32,166 | - | - |
| Other services | **19,934** | 5,770 | - | - |
| | **37,214** | 37,936 | - | - |

## 26: 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 2013 | Equity holding 2012 |
|---|---|---|---|---|
| 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 | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| *Sales of goods and services* | | | | |
| Sustentation fees from Branches | **2,901,166** | 2,576,563 | **2,901,166** | 2,576,563 |
| MSC income from Branches | **156,079** | 511,344 | **156,079** | 511,344 |
| Management fee from subsidiary | - | - | **12,000** | 4,050 |
| Service fee from LURCF | **333,335** | 486,896 | **333,335** | 486,896 |
| *Purchases of goods and services* | | | | |
| Reimbursements to Branches | **284,866** | 1,026,490 | **284,866** | 1,026,490 |

**(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 | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Movements in loan were as follows: | | | | |
| Balance 1 July | **398,018** | 446,987 | **398,018** | 446,987 |
| Loan repayments received | **(398,017)** | (80,000) | **(398,017)** | (80,000) |
| Interest charged | **23,373** | 31,031 | **23,373** | 31,031 |
| Balance 30 June | **23,374** | 398,018 | **23,374** | 398,018 |

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.

## 26: Related party transactions (Continued)

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

| *Name* | *Position* |
|---|---|
| Doug Stevens | General President (retired on 2 July 2012) |
| Tim Kennedy | General President (appointed on 29 November 2012) |
| Tim Kennedy | General Vice President (resigned on 29 November 2012) |
| Gayle Burmeister | General Vice President |
| Gary Maas | General Vice President (appointed on 29 November 2012) |
| 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 |

(g) Key management personnel compensation

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| The aggregate compensation made to key management personnel of the Group is as follows: | | | | |
| **Short-term employee benefits** | | | | |
| Salary (including leave taken) | **540,564** | 626,498 | **540,564** | 626,498 |
| Annual leave accrued | **52,614** | 79,590 | **52,614** | 79,590 |
| **Total short-term employee benefits** | **593,178** | 706,088 | **593,178** | 706,088 |
| **Post-employment benefits:** | | | | |
| Superannuation | **88,985** | 106,670 | **88,985** | 106,670 |
| **Total post-employment benefits** | **88,985** | 106,670 | **88,985** | 106,670 |
| **Other long-term benefits:** | | | | |
| Long-service leave accrued | **17,099** | 20,693 | **17,099** | 20,693 |
| **Total other long-term benefits** | **17,099** | 20,693 | **17,099** | 20,693 |
| **Termination benefits** | **-** | - | **-** | - |
| **Total** | **699,262** | 833,451 | **699,262** | 833,451 |

## 26: Related party transactions (Continued)

(c) Other transactions

- As part of directorship arrangement, any officers/employees who are directors of a company or trustee of superannuation scheme due to their positions of the entity, all director fees are paid to the entity directly and the superannuation related to the fee paid are paid to the officer's superannuation fund.
- There were no transactions between the officers of the branch other than those relating to reimbursement by the branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

(d) Loans to key management personnel

There are no loans between key management personnel and the entity.

## 27: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** | 191,978 | 9,207,445 | 9,399,423 | 221,807 | 8,360,462 | 8,582,269 |
| **Other income** | - | 1,360 | 1,360 | - | 173,258 | 173,258 |
| Administrative expenses | (245,998) | (401,810) | (647,808) | (156,083) | (641,454) | (797,537) |
| Affiliation fee | (80,148) | (442,424) | (522,572) | (75,334) | (431,920) | (507,254) |
| Campaign expenses | - | (196,544) | (196,544) | - | - | - |
| Industrial expenses | (298,642) | (167,858) | (466,500) | (87,947) | (186,503) | (274,450) |
| Official expenses | (160,457) | (194,261) | (354,718) | (74,581) | (327,890) | (402,471) |
| Legal and professional fees | (28,743) | (55,094) | (83,837) | (138,802) | (91,929) | (230,731) |
| Motor vehicle expenses | (131,694) | (116,996) | (248,690) | (84,573) | (68,818) | (153,391) |
| Occupancy expenses | (209,740) | (352,472) | (562,212) | (169,833) | (331,425) | (501,258) |
| Communication expenses | - | (25,143) | (25,143) | - | (21,852) | (21,852) |
| Salaries and related expenses | (2,726,436) | (2,533,510) | (5,259,946) | (2,476,286) | (2,538,254) | (5,014,540) |
| Impairment loss | - | (160,469) | (160,469) | - | (173,305) | (173,305) |
| | (3,881,858) | (4,646,581) | (8,528,439) | (3,263,439) | (4,813,350) | (8,076,789) |
| **(Loss)/Profit before income tax** | (3,689,880) | 4,562,224 | 872,344 | (3,041,632) | 3,720,370 | 678,738 |
| Income tax expense | - | - | - | | | - |
| **(Loss)/Profit attributable to members** | (3,689,880) | 4,562,224 | 872,344 | (3,041,632) | 3,720,370 | 678,738 |
| **Other comprehensive income** | - | (18,328) | (18,328) | - | 11,033 | 11,033 |
| **Total comprehensive (loss) income for the year** | (3,689,880) | 4,543,896 | 854,016 | (3,041,632) | 3,731,403 | 689,771 |

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.

## 28: Cash flow information

### (a) Receipts from branches

(Sustentation fees and MSC income and reimbursement)

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| *Branches* | $ | $ | $ | $ |
| New South Wales | **1,022,319** | 1,335,862 | **1,022,319** | 1,335,862 |
| Victoria | **2,263,060** | 2,249,465 | **2,263,060** | 2,249,465 |
| | **3,285,379** | 3,585,327 | **3,285,379** | 3,585,327 |

### (b) Payments to branches

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| *Branches* | $ | $ | $ | $ |
| New South Wales | - | 2,045 | - | 2,045 |
| Victoria | **220,119** | 257,613 | **220,119** | 257,613 |
| | **220,119** | 259,658 | **220,119** | 259,658 |

### (c) Receipts from controlled entities

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Dividend from Labour Union Investment & Property Services Pty Ltd | - | - | **270,000** | - |
| Management fee from Labour Union Investment & Property Services Pty Ltd | - | - | **17,655** | - |
| | - | - | **287,655** | - |

## 28: Cash flow information (Continued)

| (d) Reconciliation of cash flow from operations with profit after income tax | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Profit after income tax | **643,249** | 738,247 | **872,344** | 678,738 |
| *Non-cash flows in profit* | | | | |
| Depreciation | **152,540** | 178,520 | **152,540** | 174,568 |
| Amortisation | **15,855** | - | **15,855** | - |
| Unrealised loss (gain) on investments | **160,469** | 173,305 | **160,469** | 173,305 |
| Non-cash distribution | | (365) | | (365) |
| Loss on sale of insurance business | - | 83,029 | - | - |
| Loss on disposal of patent | - | 1,620 | - | - |
| Write-off of bad debts | **4,333** | - | **4,333** | - |
| Net (gain) on disposal of property, plant and equipment | **(1,360)** | (152,443) | **(1,360)** | (173,258) |
| *Changes in assets and liabilities* | | | | |
| (Increase)/decrease in receivables | **(298,425)** | (46,730) | **(309,241)** | (36,215) |
| Increase(Decrease) in payables | **174,603** | 182,589 | **221,099** | 175,533 |
| Increase/(decrease) in income tax provision | **(21,496)** | 27,711 | - | - |
| Increase/(decrease) in provisions | **80,189** | 17,372 | **80,189** | 169,584 |
| Net cash flows from operating activities | **909,957** | 1,202,855 | **1,196,228** | 1,161,890 |

## 29: Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

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

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

*(ii) Price risk*
The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the group only maintains a small portfolio.

The Group is not exposed to commodity price risk.

The Group's equity investments are publicly traded and are listed on the ASX.

The table below summarises the impact of increases/decreases of the indexes on the Group's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/(decreased) by 10% (2012 - 10%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| *Effect on equity:* | | | | |
| Increase of equity index by 10% | **74,143** | 33,162 | 40,708 | 33,162 |
| Decrease of equity index by 10% | **(74,143)** | (33,162) | (40,708) | (33,162) |

Equity would further increase/decrease as a result of gains/ (losses) on equity securities classified as available-for-sale.

The price risk for the unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

*(iii) Cash flow and fair value interest rate risk*
The group has no borrowings and is therefore not exposed to interest rate risk on liabilities. The group has investments in a variety of interest-bearing assets which have fixed interest rates and therefore are not subject to interest rate volatility.

## 29: Financial risk management (Continued)

### (b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The group has no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

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

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| | **$** | **$** | **$** | **$** |
| Cash at bank: | | | | |
| *AA Rating* | **3,996,976** | 3,568,750 | **3,068,298** | 2,021,552 |

### (c) Liquidity risk

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

### (d) Sensitivity analysis

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

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| | **$** | **$** | **$** | **$** |
| Effect on results: | | | | |
| *Increase of interest rates by 2%* | **79,939** | 71,375 | **61,366** | 40,431 |
| *Decrease of interest rates by 2%* | **(79,939)** | (71,375) | **(61,366)** | (40,431) |

## 29: Financial risk management (Continued)

### (e) Maturity profile of financial instruments

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

**Group**
**2013**

| | Weighted Average Interest rate | Floating Interest rate | 1 year or less | 1 to 2 years | 2 to 5 years | Non Interest bearing | Total |
|---|---|---|---|---|---|---|---|
| | % | $ | $ | $ | $ | $ | $ |
| **Financial Assets** | | | | | | | |
| Cash at bank | 3 | 3,996,976 | - | - | - | 735 | 3,997,711 |
| Amounts due from branches | - | - | - | - | - | 581,843 | 581,843 |
| Other receivables | - | - | - | - | - | 365,374 | 365,374 |
| Loans to related parties | 7 | 23,374 | - | - | - | - | 23,374 |
| Investments | 6.9 | 4,399,396 | - | - | - | - | 4,399,396 |
| | | 8,419,746 | - | - | - | 947,952 | 9,367,698 |
| **Financial Liabilities** | | | | | | | |
| Trade creditors | - | - | - | - | - | 422,102 | 422,102 |
| Other payables | - | - | - | - | - | 491,116 | 491,116 |
| | | - | - | - | - | 913,218 | 913,218 |
| **Net Financial Assets** | | 8,419,746 | - | - | - | 34,734 | 8,454,480 |

**Group**
**2012**

| | Weighted Average Interest rate | Floating Interest rate | 1 year or less | 1 to 2 years | 2 to 5 years | Non Interest bearing | Total |
|---|---|---|---|---|---|---|---|
| | % | $ | $ | $ | $ | $ | $ |
| **Financial Assets** | | | | | | | |
| Cash at bank | 4 | 3,568,750 | - | - | - | 4,088 | 3,572,838 |
| Amounts due from branches | - | - | - | - | - | 368,707 | 368,707 |
| Other receivables | - | - | - | - | - | 280,510 | 280,510 |
| Loans to related parties | 7 | 398,018 | - | - | - | - | 398,018 |
| Investments | 6.5 | 4,215,068 | - | - | - | - | 4,215,068 |
| | | 8,181,836 | - | - | - | 653,305 | 8,835,141 |
| **Financial Liabilities** | | | | | | | |
| Trade creditors | - | - | - | - | - | 408,929 | 408,929 |
| Other payables | - | - | - | - | - | 315,024 | 315,024 |
| | | - | - | - | - | 723,953 | 723,953 |
| **Net Financial Assets** | | 8,181,836 | - | - | - | (70,648) | 8,111,188 |

## 29: Financial risk management (Continued)

### (e) Maturity profile of financial instruments (Continued)

**Parent**
**2013**

| | Weighted Average Interest rate | Floating Interest rate | 1 year or less | 1 to 2 years | 2 to 5 years | Non Interest bearing | Total |
|---|---|---|---|---|---|---|---|
| | % | $ | $ | $ | $ | $ | $ |
| **Financial Assets** | | | | | | | |
| Cash at bank | 3 | 3,068,298 | - | - | - | 733 | 3,069,013 |
| Amounts due from branches | - | | - | - | - | 581,543 | 581,543 |
| Other receivables | - | | - | - | - | 363,571 | 363,571 |
| Loans to related parties | 7 | 23,374 | - | - | - | - | 23,374 |
| Investments | 12.3 | 4,640,053 | - | - | - | - | 4,640,053 |
| | | 7,731,725 | - | - | - | 945,847 | 8,677,554 |
| **Financial Liabilities** | | | | | | | |
| Trade creditors | - | - | - | - | - | 415,951 | 415,951 |
| Other payables | - | - | - | - | - | 476,445 | 476,445 |
| | | - | - | - | - | 892,396 | 892,396 |
| **Net Financial Assets (Liabilities)** | | 7,731,725 | - | - | - | 53,451 | 7,785,158 |

**Parent**
**2012**

| | Weighted Average Interest rate | Floating Interest rate | 1 year or less | 1 to 2 years | 2 to 5 years | Non Interest bearing | Total |
|---|---|---|---|---|---|---|---|
| | % | $ | $ | $ | $ | $ | $ |
| **Financial Assets** | | | | | | | |
| Cash at bank | 4 | 2,021,552 | - | - | - | 1,988 | 2,023,540 |
| Amounts due from branches | - | - | - | - | - | 368,707 | 368,707 |
| Other receivables | - | - | - | - | - | 270,227 | 270,227 |
| Loans to related parties | 7 | 398,018 | - | - | - | - | 398,018 |
| Investments | 5.6 | 4,790,072 | - | - | - | - | 4,790,072 |
| | | 7,209,642 | - | - | - | 640,922 | 7,850,564 |
| **Financial Liabilities** | | | | | | | |
| Trade creditors | - | - | - | - | - | 342,143 | 342,143 |
| Other payables | - | - | - | - | - | 315,024 | 315,024 |
| | | - | - | - | - | 657,167 | 657,167 |
| **Net Financial Assets (Liabilities)** | | 7,209,642 | - | - | - | (16,245) | 7,193,397 |

## 29: Financial risk management (Continued)

**(f) Fair value estimation**

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

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial assets available-for-sale is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These are included in level 1.

**Group**

| | Level 1 | | Level 2 | | Level 3 | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | $ | | $ | | $ | | $ | |
| **Assets** | | | | | | | | |
| Available-for-sale financial assets | 741,427 | 331,620 | - | - | 3,597,969 | 3,883,448 | 4,399,396 | 4,215,068 |
| Financial assets through profit and loss | - | - | - | - | - | - | - | - |
| **Total Assets** | 741,427 | 331,620 | - | - | 3,597,969 | 3,883,448 | 4,399,396 | 4,215,068 |

**Parent**

| | Level 1 | | Level 2 | | Level 3 | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | $ | | $ | | $ | | $ | |
| **Assets** | | | | | | | | |
| Available-for-sale financial assets | 407,080 | 331,620 | - | - | 4,232,973 | 4,458,452 | 4,640,053 | 4,790,072 |
| Financial assets through profit and loss | - | - | - | - | - | - | - | - |
| **Total Assets** | 407,080 | 331,620 | - | - | 4,232,973 | 4,458,452 | 4,640,053 | 4,790,072 |

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

## STATEMENT BY COMMITTEE OF MANAGEMENT

On 8th October 2013, the Committee of Management of National Union of Workers – National Office passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2013:

The National Committee of Management declares that in its opinion:

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
    a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
    b. the financial affairs of the reporting unit 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 reporting unit have been kept and maintained in accordance with the RO Act; and
    d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
    e. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
    f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

6. All wage recovery activity has resulted in payments being made directly to members by employers. The reporting unit has not derived any revenue in respect of these activities.

This declaration is made in accordance with a resolution of the National Committee of Management.

Signature of designated officer: ______________

Name of designated officer: Charles Donnelly

Title of designated officer: General Secretary

Dated 8/10/13

BGL PARTNERS
CHARTERED ACCOUNTANTS

Suite 1, Ground Floor
598 St Kilda Rd
MELBOURNE VIC 3004

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

E bgl@bglpartners.com.au
T (03) 9525 2511
F (03) 9525 2829
W bglpartners.com.au

ABN 96 006 935 459

## 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 2013, 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 Committee of Management, as well as evaluating the overall presentation of the financial report.

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

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

Chartered Accountants

BGL PARTNERS
CHARTERED ACCOUNTANTS

Suite 1, Ground Floor
598 St Kilda Rd
MELBOURNE VIC 3004

PO Box 6094
St Kilda Road Central
MELBOURNE VIC 8008

E bgl@bglpartners.com.au
T (03) 9525 2511
F (03) 9525 2829
W bglpartners.com.au

ABN 96 006 935 459

## 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 report of National Union of Workers – National Office and consolidated group presents fairly, in all material respects, the financial position of National Union of Workers – National Office and consolidated group as at 30 June 2013 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:

  a) the Australian Accounting Standards; and

  b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

- the Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.

BGL Partners

BGL Partners
Chartered Accountants

JHinds

I. A. Hinds - C.A. – Partner
Approved Auditor
Member of The Institute of Chartered Accountants in Australia and
Holder of current Public Practice Certificate

Melbourne

8 October 2013

Chartered Accountants