



Australian Government
Australian Industrial Registry

Level 36, 80 Collins Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9655 0401
Email: melbourne@air.gov.au

Mr Doug Stevens
Branch Secretary
Central Branch
National Union of Workers
PO Box 199
NORTH MELBOURNE VIC 3051

Dear Mr Stevens,

National Union of Workers – Central Branch
Financial Report for the Year Ended 30th June 2006 - FR2006/407
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

Thank you for the financial report of the Central Branch of the National Union of Workers for the year ended 30th June 2006. The documents were lodged in the Industrial Registry on 21st December 2006. Receipt is also acknowledged of a Statement of Loans, Grants and Donations that was lodged in the Registry on 9th February, 2007.

I apologise for the delay in responding.

The documents have been filed.

I make the following comments to assist you in preparing financial documents in the future. You do not need to take any further action in respect of the documents that have been lodged.

Additional Financial Data – Auditor’s Disclaimer

Two pages of additional financial data in the form of a detailed income and expenditure statement have been provided under cover of a disclaimer from BGL & Associates. The disclaimer states that the auditors do not express an opinion on such financial data and give no warranty of accuracy or reliability.

The additional financial data sets out many of the items of revenue and expense that are required to be disclosed by Guidelines 10 and 11 respectively of the Registrar’s Reporting Guidelines.

This approach is not consistent with the requirements of the RAO Schedule. Section 253 of the Schedule expressly requires each reporting unit to prepare a General Purpose Financial Report (GPFR), which is defined as including a profit and loss statement (s.253(2)(a)(i)). That GPFR must then be audited and the auditor must state whether, in his or her opinion, the GPFR is presented fairly in accordance with Australian Accounting Standards and the requirements of the RAO Schedule.

The Schedule does not allow for the provision of additional, unaudited financial data. The items that are disclosed in the detailed income and expenditure statement **must**, in future, be included in the GPFR that is audited.

A copy of this letter will be sent to Mr Ian Hinds of BGL & Associates for his information.

Disclosure of Expenses

When preparing a GPFR, section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Industrial Registrar’s Reporting Guidelines. In particular, Guideline 11 sets out in detail those items of expense that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement. Included are such items as:

- grants or donations made by the reporting unit (11(f));
- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));

Each of these items must be *separately* disclosed. It is therefore necessary to ensure, for instance, that any amounts that were paid as *fees and/or allowances for attendance at conferences* do not get bundled into other items, such as 'travel and accommodation'.

Donations

There is a discrepancy in disclosure of donation expenses between the audited Income Statement on page 3 (which shows that no donation expenses were incurred) and page 2 of the unaudited Income and Expenditure Statement (which shows that \$31,381 of donation expenses were incurred). Further, the Statement of Loans, Grants and Donations that was lodged in the Registry on 9th February, 2007 shows that the Branch made donations totalling at least \$2,200 during the financial year.

The Reporting Guidelines require separate disclosure in the **audited GPFR** of grants or donations made by the branch.

You are requested in future to ensure that a fully audited Income and Expenditure Statement accurately itemises all expenses, including loans, grants or donations made by the Branch.

Concise Report – Resolution of Committee of Management

A concise report may only be circulated to members if, under the rules, the committee of management has passed a resolution to that effect (see section 265(2) of the RAO Schedule).

You are requested, when a concise report is to be circulated in the future, to include in that report a statement to the effect that it is being provided to members in accordance with a committee of management resolution and to include the date of that resolution. Such a statement could, for instance, appear in the Discussion and Analysis of the Financial Statements which appears as the first document of the Concise Report.

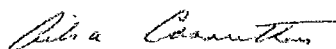
Typographical Error – Resignation of Members

As a minor comment, there is a typographical error in the Operating Report where members are provided with information regarding their right to resign from membership of the organisation. The Report should refer to section 174 of the RAO Schedule (rather than section 74).

Please contact me by email at ailsa.carruthers@air.gov.au or by telephone on a Monday, Wednesday or Thursday on 8661 7767 if you wish to discuss this letter.

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/080Vfs>.

Yours sincerely,



Ailsa Carruthers
Statutory Services Branch

5th September, 2007

cc: I A Hinds, BGL & Associates
Suite 1, Ground Floor, 598 St Kilda Road
MELBOURNE VIC 3004

15 December 2006

Our Ref: DS:YB / L10:06

FR2006/407.

Industrial Registrar
Principle Registry
Australian Industrial Relations Commission
Level 35, Nauru House
80 Collins Street
MELBOURNE VIC 3000

Dear Registrar

**RE: DESIGNATED OFFICERS CERTIFICATE – FINANCIAL ACCOUNTS 2005 - 2006
NATIONAL UNION OF WORKERS CENTRAL BRANCH**

I, Douglas Robert Stevens, Branch Secretary of the National Union of Workers Central Branch certify the following:

- That the financial documents and concise reports for the financial year of 2005 – 2006 attached to this correspondence are copies of the full report as received from our auditors in accordance with Section 268.
- That the financial statement for year ending 30 June 2006 was posted on the NUW website and advised to members in our national journal mailed Friday 8 December 2006.
- That the full report was presented to a meeting of the Committee of Management, the reporting unit, on 14 December 2006 in accordance with Section 266.

If you require any further information in relation to this matter please contact the undersigned on (03) 9287 1855, or alternately on 0417 332 722.

Yours sincerely



DOUG STEVENS
Branch Secretary

Enc

NATIONAL UNION OF WORKERS - CENTRAL BRANCH

ABN 76 490 325 232

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006**

BGL & ASSOCIATES
Chartered Accountants
Suite One, Ground Floor, 598 St Kilda Road Melbourne VIC 3004
PO Box 6094 St Kilda Road Central VIC 8008
Tel: (03) 9525 2511 Fax: (03) 9525 2829
Email: bgl@bglassociates.com.au

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OPERATING REPORT

Your Branch committee of Management present their report on the union for the financial year ended 30 June 2006.

Members of Branch Committee

The names of the members of Committee of Managements in office at any time during or since the end of the financial year are:

Kevin Back

Tim Googh

Ted Milczarek

Doug Stevens

Bill Bolitho

The members of Branch Committee of Management have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The surplus of the union for the financial year amounted to \$135,361 (2005: \$177,185).

Review of Operations

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

Significant Changes in State of Affairs

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

Principal Activity

The principal activity of the union during the financial year was the protection and improvement of employment conditions for its members.

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

After Balance Date Events

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

Membership and employee numbers

As at 30 June 2006, the National Union of Workers - Central Branch had 2,799 (2005: 2,476) members and 3 (2005: 1) employee.

Right of members to resign

The rules of the union provide at Rule 59 - Resignation from Membership, that a member of the union may resign from the union in accordance with the Rule. The Rule itself is in similar terms to s. 74 and meets the requirements of the Workplace Relations Act 1996.

OPERATING REPORT (continued)

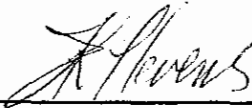
Directorships of Superannuation Fund

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

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

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

Designated Officer



Doug Stevens

Dated this

20th October 2006.

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Revenue	4	<u>481,485</u>	<u>408,857</u>
Donation expenses		-	(7,645)
Campaign expenses		(31,381)	-
Legal and professional fee		(8,150)	(7,210)
Meeting and conference expenses		(5,390)	(3,020)
Motor vehicles expenses		(20,577)	(6,270)
Occupancy expenses		(21,681)	(13,143)
Office expenses		(16,076)	(6,652)
Employee benefits and related expenses		(30,441)	(45,696)
Tasmanian sub-branch expenses		(174,951)	(105,783)
Travel and accommodation		(18,625)	(13,080)
Other expenses		<u>(18,852)</u>	<u>(23,173)</u>
		<u>(346,124)</u>	<u>(231,672)</u>
Surplus attributable to members of the entity		<u>135,361</u>	<u>177,185</u>

The accompanying notes form part of these financial statements.

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

BALANCE SHEET
AS AT 30 JUNE 2006

	Notes	2006 \$	2005 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	215,706	203,083
Trade and other receivables	9	<u>132,891</u>	<u>22,835</u>
Total current assets		<u>348,597</u>	<u>225,918</u>
Non-current assets			
Property, plant and equipment	10	<u>123,653</u>	<u>58,783</u>
Total non-current assets		<u>123,653</u>	<u>58,783</u>
TOTAL ASSETS		<u>472,250</u>	<u>284,701</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	67,423	33,764
Provisions	12	<u>21,453</u>	<u>2,924</u>
Total current liabilities		<u>88,876</u>	<u>36,688</u>
TOTAL LIABILITIES		<u>88,876</u>	<u>36,688</u>
NET ASSETS		<u>383,374</u>	<u>248,013</u>
EQUITY			
Members' fund			
Accumulated surplus		<u>383,374</u>	<u>248,013</u>
TOTAL EQUITY		<u>383,374</u>	<u>248,013</u>

The accompanying notes form part of these financial statements.

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
Balance at the beginning of the financial year	248,013	70,828
Surplus for the year	<u>135,361</u>	<u>177,185</u>
Balance at the end of the financial year	<u><u>383,374</u></u>	<u><u>248,013</u></u>

The accompanying notes form part of these financial statements.

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Membership fees and other income received		531,277	442,572
Payments to suppliers and employees		(332,499)	(280,360)
Interest received		<u>2,514</u>	<u>2,099</u>
Net cash inflows from operating activities	14(a)	<u>201,292</u>	<u>164,311</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(88,669)	(51,222)
Payments to NUW National Office 's Investment Fund		<u>(100,000)</u>	<u>-</u>
Net cash outflows from investing activities		<u>(188,669)</u>	<u>(51,222)</u>
Net increase in cash and cash equivalents held		12,623	113,089
Cash and cash equivalents at beginning of financial year		<u>203,083</u>	<u>89,994</u>
Cash and cash equivalents at end of financial year	8	<u>215,706</u>	<u>203,083</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: ENTITY INFORMATION

The financial report of the National Union of Workers - Central Branch for the year ended 30 June 2006 was authorised for the issue in accordance with the resolution of Branch Committee of Management on 20 October 2006.

The National Union of Workers - Central Branch is a registered trade union under the Workplace Relations Act 1996. The purpose of the entity is to protect and improve conditions and entitlements for members

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basic of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

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

Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

These financial statements are the entity's first financial statements to be prepared in accordance with AIFRSs. AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of the entity until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the entity's financial statements, management has amended certain accounting and valuation methods applied in the AGAAP financial statements to comply with AIFRS. With the exception of financial instruments, the comparative figures in respect of 2005 were restated to reflect these adjustments. The entity has taken the exemption available under AASB 1 to only apply AASB 132 and AASB 139 from 1 July 2005.

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. In preparing the financial statements, no such estimates were made.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include AIFRS. A Statement of compliance with International Financial Reporting Standards cannot be made due to the entity applying the not for profit sector requirements contained in AIFRS.

(c) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment.

Depreciation

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

The depreciation rates and useful lives used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Building improvements	2.5 %	Straight Line
Motor Vehicles	18.75 %	Diminishing Value
Office Equipment	7.5 - 50 %	Diminishing Value

The assets' residual values and useful lives are reviewed, adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

As a not for profit entity whose future economic benefits of an asset (or class of asset) are not primarily dependent on the assets ability to generate cash flows and it would be replaced if the union was deprived of it, value in use is the depreciated replacement cost.

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Employee Benefits

Wages and salaries, annual leave and sick leave

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

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.

(g) Cash and Cash Equivalents

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 values, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(h) Trade and other payables

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

(i) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and that it can be reliably measured. Revenue is recognised for the major operating activities as follows:

Member Fees and Subscriptions

Membership fees are recognised on cash basis.

Rental income

Rental income is recognised in income on a straight-line basis over the lease term.

Interest

Interest revenue is recognised as interest accrues, taking into account the yield on the financial assets.

Other revenue

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances 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 shown inclusive of GST.

Cash flows are included in the Cash Flow Statement on a gross basis and GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to the ATO as classified as operating cash flows. Commitments and contingencies are disclosed inclusive of GST.

(k) Comparative Figures

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 3: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of subsection (1), (2) and (3) of sections 272, which read as follows:

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

(2) the application must be 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).

NOTE 4: REVENUE

	2006	2005
	\$	\$
From continuing operations		
- members subscription	461,435	396,676
- interest	4(a) 2,708	2,096
- rent	9,976	-
- other revenue	<u>7,366</u>	<u>10,085</u>
	<u>481,485</u>	<u>408,857</u>

(a) Interest from:

- other persons	2,708	2,096
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NOTE 5: SURPLUS FOR THE YEAR

	2006	2005
	\$	\$
Surplus for the year includes the following specific expenses:		
(a) Expenses		
Depreciation of non-current assets		
- property, plant and equipment	23,799	6,656
Affiliation fee	4,078	4,972
Legal fee	1,200	1,010
Expenses incurred as consideration for employers making payroll deduction of membership subscription	2,396	6,676

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 6: AUDITORS' REMUNERATION

	2006	2005
	\$	\$
Audit Fees	6,950	6,200
Audit Fee - membership numbers	<u>390</u>	<u>385</u>
	<u><u>7,340</u></u>	<u><u>6,585</u></u>

NOTE 7: EMPLOYEE BENEFITS AND RELATED EXPENSES

	2006	2005
	\$	\$
Salaries & on costs - employee	47,313	79,328
Salaries & on costs - official	48,496	-
Superannuation - employee	7,569	8,359
Superannuation - official	7,759	-
Leave entitlement provision - employee	142	(15,108)
Leave entitlement provision - officer	<u>18,388</u>	<u>(442)</u>
	<u><u>129,667</u></u>	<u><u>72,137</u></u>

Some of the salary and other expenses are included in the Tasmanian sub-branch expenses in the Income Statement

NOTE 8: CASH AND CASH EQUIVALENTS

	2006	2005
	\$	\$
Cash on hand	2,089	2,147
Cash at banks	163,617	180,936
Term Deposit	<u>50,000</u>	<u>20,000</u>
	<u><u>215,706</u></u>	<u><u>203,083</u></u>

(a) Cash on hand - this is non-interest bearing

(b) Cash at banks - these are bearing floating interest rates between 0.5% and 0.7% (2005: 0.5% and 0.7%). These deposits are on call deposits.

(c) Term Deposit - this is bearing fixed interest of 5.9% (2005: 5.3%).

(d) The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 9: TRADE AND OTHER RECEIVABLES

	2006	2005
	\$	\$
CURRENT		
Other debtors	1,593	5,292
Net GST	29,823	16,092
Prepayments	1,475	1,451
NUW-National Office investment fund	<u>100,000</u>	<u>-</u>
	<u><u>132,891</u></u>	<u><u>22,835</u></u>

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2006	2005
	\$	\$
BUILDING IMPROVEMENTS		
At cost	23,898	14,635
Less accumulated amortisation	<u>(2,682)</u>	<u>(1,430)</u>
	<u>21,216</u>	<u>13,205</u>
PLANT AND EQUIPMENT		
(a) Motor vehicles		
At cost	101,290	29,278
Less accumulated depreciation	<u>(20,390)</u>	<u>(2,948)</u>
	<u>80,900</u>	<u>26,330</u>
(b) Office equipment		
At cost	49,266	41,872
Less accumulated depreciation	<u>(27,743)</u>	<u>(22,644)</u>
	<u>21,523</u>	<u>19,228</u>
Under lease	5,953	5,953
Less accumulated depreciation	<u>(5,939)</u>	<u>(5,933)</u>
	<u>14</u>	<u>20</u>
Total property, plant and equipment	<u><u>123,653</u></u>	<u><u>58,783</u></u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

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

	Building improvements	Motor vehicles	Office equipment	Total
	\$	\$	\$	\$
2005				
Balance at the beginning of the year	10,712	-	3,505	14,217
Additions	3,845	29,278	18,099	51,222
Depreciation expense	<u>(1,352)</u>	<u>(2,948)</u>	<u>(2,356)</u>	<u>(6,656)</u>
Carrying amount at end of year	<u>13,205</u>	<u>26,330</u>	<u>19,248</u>	<u>58,783</u>

	Building improvements	Motor vehicles	Office equipment	Total
	\$	\$	\$	\$
2006				
Balance at the beginning of the year	13,205	26,330	19,248	58,783
Additions	9,263	72,012	7,394	88,669
Depreciation expense	<u>(1,252)</u>	<u>(17,442)</u>	<u>(5,105)</u>	<u>(23,799)</u>
Carrying amount at end of year	<u>21,216</u>	<u>80,900</u>	<u>21,537</u>	<u>123,653</u>

NOTE 11: TRADE AND OTHER PAYABLES

	2006	2005
	\$	\$
CURRENT		
Other creditors	-	3,471
NUW - National Office	<u>67,423</u>	<u>30,293</u>
	<u>67,423</u>	<u>33,764</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 12: PROVISIONS

	2006 \$	2005 \$
CURRENT		
Employee benefits - staff	9,975	2,924
Employee benefits - official	<u>11,478</u>	<u>-</u>
	<u>21,453</u>	<u>2,924</u>

NOTE 13: CAPITAL AND LEASING COMMITMENTS

	2006 \$	2005 \$
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
- not later than one year	-	9,797
- later than one year and not later than five years	<u>-</u>	<u>32,310</u>
	<u>-</u>	<u>42,107</u>

General description of leasing arrangement:

The lease is related to the rental of office space and carpark in NSW. The rental is now on month to month basis.

NOTE 14: CASH FLOW INFORMATION

	2006 \$	2005 \$
(a) Reconciliation of cash flow from operations with surplus for the year		
Surplus for the year	135,361	177,185
Non-cash flows in surplus for the year		
Depreciation	23,799	6,656
Changes in assets and liabilities		
Increase in receivables	(10,057)	(6,001)
Increase in payables	33,660	2,021
Increase/(decrease) in provisions	<u>18,529</u>	<u>(15,550)</u>
Cash flows from operations	<u>201,292</u>	<u>164,311</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 15: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The entity'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 financial instruments of the entity consist mainly of deposits with banks, accounts receivable and payable. The branch committee of management meets on a regular basis to analyse interest rate exposure and to evaluate strategies in the context of the most recent economic conditions and forecasts.

Market Risk

Market risk for the entity is mainly a price risk. Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The entity is not exposed to commodity price risk.

Credit Risk

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

The entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the entity.

Liquidity Risk

The entity manages liquidity risk by monitoring forecast cash flows to ensure that there is sufficient cash and marketable securities available.

(b) Interest Rate Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates by maturity periods is as follows:

	Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Non Interest Bearing		Total	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash & cash equivalents	50,000	20,000	163,617	180,936	2,089	2,147	215,706	203,083
Receivables	-	-	-	-	131,416	21,384	131,416	21,384
Total Financial Assets	<u>50,000</u>	<u>20,000</u>	<u>163,617</u>	<u>180,936</u>	<u>133,505</u>	<u>23,531</u>	<u>347,122</u>	<u>224,467</u>
Weighted Average Interest Rate %	5.9	5.3	0.7	0.5				
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	67,423	33,764	67,423	33,764
Total Financial Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,423</u>	<u>33,764</u>	<u>67,423</u>	<u>33,764</u>

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value.

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 16: TRANSITION TO AIFRS

For all the periods up to and including the year ended 30 June 2005, the entity prepared its financial statements in accordance with Australian generally accounting principles (AGAAP). These financial statements for the year ended 30 June 2006 are the first entity is required to prepare in accordance with AIFRS. Accordingly, the entity has prepared financial statements that comply with AIFRS applicable for the reporting period. In complying with AIFRS, there has been no adjustments or restatement of balances for the year ended 30 June 2005.

NOTE 17: UNION DETAILS

The principal place of operation of the union is:
National Union of Workers - Central Branch
552 Victoria Street
NORTH MELBOURNE VICTORIA 3051

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 18: NEW AUSTRALIAN ACCOUNTING STANDARDS

The following Australian Accounting Standards issued or amended which may be applicable but are not yet effective and have not been adopted in the preparation of the financial statements at the reporting date.

AASB Standard Affected	Nature of Change in Accounting Policy and Impact	Application Date of the Standard
AASB 119: Employee Benefits: Accounting for actuarial gains and losses and group plans	No change, no impact	1 January 2006
AASB 2005-1: Amendments to Australian Accounting Standard[AASB 139] Cash flow hedge accounting of forecast intra-group transactions	No change, no impact	1 January 2006
AASB 2005-4: Amendments to Australian Accounting Standard[AASB 139, AASB 132, AASB1, AASB 1023 & AASB 1038] Fair value option	No change, no impact	1 January 2006
UIG 4: Determining whether an asset contains a lease	No change, no impact	1 January 2006
UIG 5: Rights to interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	No change, no impact	1 January 2006
AASB 2005-6: Amendments to Australian Accounting Standard[AASB 3]: Business combinations involving entities under common control	No change, no impact	1 January 2006
AASB 2005-9: Amendments to Australian Accounting Standard[AASB 4, AASB 1023, AASB 139 & AASB 132]: Financial guarantee contracts	No change, no impact	1 January 2006
AASB 7: Financial instruments: Disclosures	No change, no impact	1 January 2007
AASB 2005-10 Amendments to Australian Accounting Standard[AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]: consequential amendments arising from the issue of AASB 7	No change, no impact	1 January 2007
UIG 6: Liabilities arising from Participating in a specific Market - Waste Electrical and Electronic Equipment	No change, no impact	1 December 2005
AASB 2006-1 Amendments to Australian Accounting Standard[AASB 121]: Clarification regarding monetary items forming part of net investment in a foreign operation	No change, no impact	Financial years ending 31 December 2006
UIG 7: Applying the Restatement Approach under AASB129 Financial Reporting in Hyperinflationary Economies	No change, no impact	1 March 2006
UIG 8: Scope of AASB 2	No change, no impact	1 May 2006
UIG 9: Reassessment of Embedded Derivatives	No change, no impact	1 June 2006

STATEMENT BY COMMITTEE OF MANAGEMENT

I, Doug Stevens, being the designated officer of National Union of Workers - Central Branch, state that on behalf of the Committee of Management and in accordance with a resolution passed by the Committee of Management on
20 October 2006 that:

In the opinion of the Committee of Management:

1. the financial statements and notes, as set out on pages 3 to 18 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 3 to 18 comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of National Union of Workers - Central Branch for the financial year to which they relate;
4. there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 30 June 2006:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
 - b. the financial affairs of National Union of Workers - Central Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of National Union of Workers - Central Branch have been kept and maintained in accordance with the Registration and Accountability of Organisations (RAO) Schedule and the RAO Regulations; and
 - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
 - e. no requests have been made from any member of National Union of Workers - Central Branch or a Registrar under section 272 of the RAO Schedule; and
 - f. no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

Designated Officer



Doug Stevens

Dated this

20th October 2006.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS - CENTRAL BRANCH

Scope

The financial report and Committee of Management's responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and the Statement by Committee of Management for National Union of Workers - Central Branch, for the year ended 30 June 2006.

The Committee of Management is responsible for the preparation and true and fair presentation of the financial report, in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form opinion whether, in all material respects, the financial report is presented fairly, in accordance with the Workplace Relations Act 1996 and Accounting Standards in Australia so as to present a view which is consistent with our understanding of the entity's financial position, and of its performance as represented by the results of its operations, its changes in equity and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Divisional Executive.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

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

Audit Opinion

In our opinion, the financial report of National Union of Workers - Central Branch is presents fairly the financial position of National Union of Workers - Central Branch as at 30 June 2006 and the results of its operations, its changes in equity and cash flows for the financial year then ended, in accordance with any of the following that apply to the entity:

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

BGL & Associates

BGL & Associates
Chartered Accountants
Suite One, Ground Floor
598 St Kilda Road
Melbourne VIC 3004

I Hinds

I. A. Hinds - A.C.A.
Partner
Melbourne, 20 October 2006

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006

BGL & ASSOCIATES
Chartered Accountants
Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004
PO Box 6094 St Kilda Road Central VIC 8008
Tel: (03) 9525 2511 Fax: (03) 9525 2829
Email: bgl@bglassociates.com.au

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DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on National Union of Workers - Central Branch Concise Financial Report:

The financial statements and disclosures in the concise financial report have been derived from the 2006 financial report of National Union of Workers - Central Branch.

A copy of the full financial report and auditors report can be sent to any member, free of charge, upon request.

This discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on National Union of Workers - Central Branch financial statements and the information contained in the concise financial report has been derived from the full 2006 Financial Report of National Union of Workers - Central Branch.

Income Statement:

The surplus attributable to members for the year is \$135,361 compared to a surplus of \$177,185 in 2005. This reduced surplus is mainly despite revenue growing by 18% since 2005. Expenses have increased by 49% over the same period resulting in the reduced surplus compared to last year. The significant increase in expenses was due to the cost of new IR campaigns and legal cases initiated on behalf of members.

Balance Sheet:

Our balance sheet position continues to remain strong with net asset position improving by 54.58%. Cash and cash equivalents are higher than 2005 due to positive cash inflows for subscription payments. Total assets increased by \$187,549 or 65% mainly due to an increase in receivables while total liabilities increased by \$52,188 or 142% mainly due to increase in provision of leave entitlements. As a consequence members fund increased by \$135,361 from the 2005 year.

Cash Flow Statement:

Our cash flow and liquidity continues to strengthen with the cash position growing by \$12,623 (6%). Cash assets increased from \$203,083 as at 30 June 2005 to \$215,706 as at 30 June 2006. Cash flows from operations increased by 22% during the year from a surplus cash of \$164,311 in 2005 to a surplus of cash of \$201,292 in 2006. This improvement was mainly a result of the increase in overall income.

Designated Officer



Doug Stevens

Dated:

20th October 2006

OPERATING REPORT

Your Branch Committee of Management present the report on the union for the financial year ended 30 June 2006.

Members of Branch Committee

The names of the members of the Branch Committee of Management in office at any time during or since the end of the financial year are:

Kevin Back

Tim Googh

Ted Milczarek

Doug Stevens

Bill Bolitho

The members of the Branch Committee of Management have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The surplus of the union for the financial year amounted to \$135,361 (2005: \$177,185).

Review of Operations

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

Significant Changes in State of Affairs

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

Principal Activity

The principal activity of the union during the financial year was the protection and improvement of employment conditions for its members.

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

After Balance Date Events

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

Membership and employee numbers

As at 30 June 2006, the National Union of Workers - Central Branch had 2,799 (2005: 2,476) members and 3 (2005: 1) employee.

OPERATING REPORT (continued)

Rights of members to resign


The rules of the union provide at Rule 59 - Resignation from Membership, that a member of the union may resign from the union in accordance with the Rule. The Rule itself is in similar terms to s. 74 and meets the requirements of the Workplace Relations Act 1996.

Directorships of Superannuation Fund

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

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

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

Designated Officer 

Doug Stevens

Dated this 

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Revenue	4	<u>481,485</u>	<u>408,857</u>
Donation expenses		-	(7,645)
Campaign expenses		(31,381)	-
Legal and professional fees		(8,150)	(7,210)
Meeting and conference expenses		(5,390)	(3,020)
Motor vehicles expenses		(20,577)	(6,270)
Occupancy expenses		(21,681)	(13,143)
Office expenses		(16,076)	(6,652)
Employee benefits and related expenses		(30,441)	(45,696)
Tasmanian sub-branch expenses		(174,951)	(105,783)
Travel and accommodation expenses		(18,625)	(13,080)
Other expenses		<u>(18,852)</u>	<u>(23,173)</u>
		<u>(346,124)</u>	<u>(231,672)</u>
Surplus attributable to members of the entity		<u>135,361</u>	<u>177,185</u>

The accompanying notes form part of this concise financial report.

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

BALANCE SHEET
AS AT 30 JUNE 2006

	2006 \$	2005 \$
ASSETS		
Current assets		
Cash and cash equivalents	215,706	203,083
Trade and other receivables	<u>132,891</u>	<u>22,835</u>
Total current assets	<u>348,597</u>	<u>225,918</u>
Non-current assets		
Property, plant and equipment	<u>123,653</u>	<u>58,783</u>
Total non-current assets	<u>123,653</u>	<u>58,783</u>
TOTAL ASSETS	<u>472,250</u>	<u>284,701</u>
Current liabilities		
Trade and other payables	67,423	33,764
Provisions	<u>21,453</u>	<u>2,924</u>
Total current liabilities	<u>88,876</u>	<u>36,688</u>
TOTAL LIABILITIES	<u>88,876</u>	<u>36,688</u>
NET ASSETS	<u>383,374</u>	<u>248,013</u>
EQUITY		
Members' fund		
Accumulated surplus	<u>383,374</u>	<u>248,013</u>
TOTAL EQUITY	<u>383,374</u>	<u>248,013</u>

The accompanying notes form part of this concise financial report.

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
Balance at the beginning of the financial year	248,013	70,828
Surplus for the year	<u>135,361</u>	<u>177,185</u>
Balance at the end of the financial year	<u>383,374</u>	<u>248,013</u>

The accompanying notes form part of this concise financial report.

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Membership fees and other income received	531,277	442,572
Payments to suppliers and employees	(332,499)	(280,360)
Interest received	<u>2,514</u>	<u>2,099</u>
Net cash inflows from operating activities	<u>201,292</u>	<u>164,311</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(88,669)	(51,222)
Payment to NUW National Office's Investment Fund	<u>(100,000)</u>	<u>-</u>
Net cash outflows from investing activities	<u>(188,669)</u>	<u>(51,222)</u>
Net increase in cash and cash equivalents held	12,623	113,089
Cash and cash equivalents at beginning of financial year	<u>203,083</u>	<u>89,994</u>
Cash and cash equivalents at end of financial year	<u>215,706</u>	<u>203,083</u>

The accompanying notes form part of this concise financial report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: BASIC OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full report of National Union of Workers - Central Branch.

The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of National Union of Workers - Central Branch as the full financial report.

The entity changed its policies on 1 July 2005 to comply with the Australian equivalents to International Financial Reporting Standards ("A-IFRS"). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1: First time Adoption of Australian Equivalents to International Financial Reporting Standards, with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the entity's financial position, financial performance and cash flows is discussed at Note 3.

A full description of the accounting policies adopted by the entity is provided in the 2006 Financial Statements which form part of the full report.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of subsection (1), (2) and (3) of sections 272, which read as follows:

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

(2) the application must be 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).

NOTE 3: TRANSITION TO A-IFRS

For all the periods up to and including the year ended 30 June 2005, the entity prepared its financial statements in accordance with Australian generally accounting principles (AGAAP). These financial statements for the year ended 30 June 2006 are the first entity is required to prepare in accordance with AIFRS. Accordingly, the entity has prepared financial statements that comply with AIFRS applicable for the reporting period. In complying with AIFRS, there has been no adjustments or restatement of balances for the year ended 30 June 2005.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 4: REVENUE

	2006	2005
	\$	\$
From continuing operation		
- members subscription	461,435	396,676
- interest	2,708	2,096
- rent	9,976	-
- other revenue	<u>7,366</u>	<u>10,085</u>
	<u>481,485</u>	<u>408,857</u>
 (a) Interest from:		
- other persons	<u>2,708</u>	<u>2,096</u>

STATEMENT BY COMMITTEE OF MANAGEMENT

I, Dough Stevens, being the designated officer of National Union of Workers - Central Branch does state that on behalf of the Committee of Management and in accordance with a resolution passed by the Committee of Management on
26 October 2006 that:

In the opinion of the Committee of Management:

1. the financial statements and notes, as set out on pages 4 to 9 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 4 to 9 comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of National Union of Workers - Central Branch for the financial year to which they relate;
4. there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 30 June 2006:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
 - b. the financial affairs of National Union of Workers - Central Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of National Union of Workers - Central Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
 - e. no requests have been made from any member of National Union of Workers - Central Branch or a Registrar duly made under section 272 of the RAO Schedule; and
 - f. no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

Designated Officer

Dough Stevens
Doug Stevens

Dated

20th October 2006

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS - CENTRAL BRANCH

Scope

The financial report and Committee of Management's responsibility

We have audited the concise financial report of National Union of Workers - Central Branch for the year ended 30 June 2006 as set out on pages 4 to 11, in order to express an opinion on it to the members of the entity. The Committee of Management is responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standards AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

Audit approach

We conducted an independent audit of the concise financial report in order to express an opinion on it to the members of the entity. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We have also performed an independent audit of the full report of the entity for the year ended 30 June 2006. Our audit report on the full financial report was signed on 20 October 2006, and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports.

We formed our audit opinion on the basis of these procedures, which included:

- ◆ testing that the information included in the concise financial report is consistent with the information in the full financial report, and
- ◆ examining, on a test basis, information to provide evidence supporting the amounts and other disclosures in the concise financial report which were not directly derived from the full financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the concise financial report.

Independence

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

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the concise financial report of National Union of Workers - Central Branch complies with Australian Accounting Standard AASB 1039: Concise Financial Reports.

BGL & Associates

BGL & Associates
Chartered Accountants
Suite One, Ground Floor
598 St Kilda Road
Melbourne VIC 3004

I. A. Hinds

I. A. Hinds - A.C.A.
Partner
Melbourne, 20 October 2006

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

BGL & ASSOCIATES
Chartered Accountants
Suite One, Ground Floor, 598 St Kilda Road Melbourne VIC 3004
PO Box 6094 St Kilda Road Central VIC 8008
Tel: (03) 9525 2511 Fax: (03) 9525 2829
Email: bgl@bglassociates.com.au

NATIONAL UNION OF WORKERS - CENTRAL BRANCH
ABN 76 490 325 232

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**DISCLAIMER TO THE DIVISIONAL EXECUTIVE OF
NATIONAL UNION OF WORKERS - CENTRAL BRANCH**

The additional financial data presented on pages 2 - 3 is in accordance with the books and records of the entity which have been subjected to the auditing procedures applied in our statutory audit of the entity for the financial year ended 30 June 2006. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than National Union of Workers - Central Branch) in respect of such data, including any errors of omissions therein however caused.

BGL & Associates

BGL & Associates
Chartered Accountants
Suite One, Ground Floor
598 St Kilda Road
Melbourne VIC 3004

I. A. Hinds

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

20 October 2006

Melbourne

**INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
INCOME		
Members subscription	461,435	396,676
Interest	2,708	2,096
Rental income	9,976	-
Other income	7,366	10,085
TOTAL INCOME	481,485	408,857
LESS EXPENSES		
Affiliation fee	1,125	483
Audit fees	6,950	6,200
Bank charges	1,154	3,563
Conference delegates expenses	2,547	1,292
Depreciation	18,628	3,210
Donations	31,381	7,645
Electricity	596	283
Equipment rental	-	227
Entertainment expenses	7,663	9,594
Filing fees	52	93
Function expenses	-	227
General expenses	943	731
Insurance - workcover	1,028	-
Holiday pay	(613)	(10,851)
Mortality fund	1,500	1,500
Legal costs	1,200	1,010
Lost time	-	446
Long service leave	2,324	(5,187)
Movie tickets	4,294	5,275
Meeting expenses	2,843	1,300
Motor vehicle expenses	3,135	3,322
Office expenses	19	9
Payroll tax	1,086	7,806
Postage	7,352	2,091
Printing and stationery	8,360	4,552
Rent	15,226	7,707
Salaries and wages	22,772	52,307
Seminar expenses	-	200

These financial statements should be read in conjunction with the attached Disclaimer.

**INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
Subscriptions	633	623
Sundry expenses	301	376
Superannuation	3,643	-
Telephone	5,858	5,154
Training expenses	545	1,621
Travelling and entertainment	<u>18,625</u>	<u>13,080</u>
TOTAL EXPENSES	<u>171,170</u>	<u>125,889</u>
TASMANIAN SUB BRANCH EXPENSES		
Audit & Accounting	390	385
Affiliation Fee	4,953	4,489
BCM	-	2,526
Conference/Delegate Expenses	3,465	8,278
Payroll Tax	5,783	5,728
Insurance	1,476	1,362
Officers Expenses	-	69
Long service leave (TAS)	5,966	44
Loss of sales of fixed assets	-	-
Repairs & Maintenance	1,118	997
Rates & Taxes	2,614	1,674
Superannuation (TAS)	11,686	8,359
Salaries	73,037	27,021
Travel & Accommodation	17,844	11,096
Holiday pay (TAS)	10,852	444
Telephone	2,477	3,475
Training	250	3,202
Workers Compensation	5,351	3,577
Other expenses	<u>27,689</u>	<u>23,057</u>
TOTAL TASMANIAN SUB-BRANCH EXPENSES	<u>174,951</u>	<u>105,783</u>
TOTAL EXPENSES	<u>346,121</u>	<u>231,672</u>
OPERATING SURPLUS	<u>135,364</u>	<u>177,185</u>

These financial statements should be read in conjunction with the attached Disclaimer.



National Union of Workers

Central Branch

19 October 2006

Our Ref: J39/05: DS/CG

Mr Ian Hines
Accountant
BGL & Associates
Level 1, 600 St Kilda Road
MELBOURNE VIC 3004

Dear Ian

RE: NATIONAL UNION OF WORKERS – CENTRAL BRANCH

Please find enclosed signed documents in relation to the relation to the financial report for the year ended 30 June 2006.

- Operating report
- Committee of Management Statement
- Signed concise financial report document for year ended 30 June 2004
- Discussion and analysis of the financial statements
- Operating report

Would you please make arrangements for the final documentation to be forwarded, if possible, in PDF format by email transmission to enable report to be posted on our website.

Please contact the undersigned should you require further information.

Yours sincerely

DOUG STEVENS
Branch Secretary

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