



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibitions Street,
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7817
Fax: (03) 9655 0410

Mr Mark Furner
Branch Secretary
National Union of Workers
Queensland Branch
1st Floor, 17 Cribb Street
MILTON QLD 4064

Dear Mr Furner,

Re: Financial reports for year ended 30 June 2006 - FR2006/409
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

Thank you for the financial reports of the Queensland Branch of the National Union of Workers for the year ended 30 June 2006. The documents were lodged in the Industrial Registry on 3 January 2007. May I extend our apologies for our late response to your lodged documents.

The documents have been filed.

Although these documents have been filed, the following comments are made to assist you with future financial reports and you do not need to take any further action in respect of the financial reports already lodged.

Timeline provisions:

While the rules of the organisation permit the reporting unit to present its financial reports to a meeting of the Committee of Management, that meeting cannot predate the auditor's report. The presentation of financial reports must include the consideration of the auditor's report. From the information gathered from the financial reports, it would seem that the auditor's report was made on 14 September 2006, whereas the meeting to present the financial reports was held on 13 September 2006.

Operating Report:

The Operating Report is required to state whether any officer or member of the organisation is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) – see section 254(2)(d) of the RAO Schedule.

In the event that no officer or member of the organisation is a trustee or director of a superannuation entity, the Operating Report should include a comment to that effect.

Committee of Management Statement:

I note that much of the information which you have provided in your Committee of Management's Statement accords with the requirements of the Registrar's Reporting Guidelines.

The Statement however does not provide details of when the resolution of the Committee was passed nor does it provide details of whether or not the branch undertook any recovery of wages activity during the financial period. Items 25(f) and 26 of the Registrar's Reporting Guidelines require such information be disclosed in the Committee of Management's Statement.

In relation to recovery of wages, where the reporting unit has not undertaken any recovery of wages activity for the financial year a statement by the auditor or a declaration in the committee of management statement to the effect that there was no recovery of wages activity for the financial year would be sufficient.

Please do not hesitate to contact me by email at robert.pfeiffer@air.gov.au or on (03) 8661 7817 if you wish to discuss this letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Pfeiffer', written in a cursive style.

Robert Pfeiffer
Statutory Services Branch

15 October 2007



National Union of Workers
Queensland Branch

Ref: Australian Industrial Registrar/Financial Report 2006/MF

3 January 2007

Mr Robert Pfeiffer
Statutory Services Branch
Australian Industrial Registrar
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir

Reference is made to RAO Requirements in relation to the National Union of Workers Queensland Branch Financial Report 2005/2006.

Attached is a copy of the Secretary's Certificate and Financial Report of the Queensland Branch for 2005/2006.

Trusting the attached documentation meets the standard required.

Should there be any further matters outstanding please contact the undersigned on either 07 3368 1077 or mobile 0418 873 075.

Yours faithfully

MARK FURNER
BRANCH SECRETARY

NATIONAL UNION OF WORKERS INDUSTRIAL UNION OF EMPLOYEES QUEENSLAND

Branch Secretary: Mark Furner
1st Floor, 17 Cribb St., MILTON, Q. 4064.
Email nuwqld@nuw.org.au

Phone (07) 3368 1077
Toll Free 1800 802 545
Fax (07) 3368 1634

SECRETARY'S CERTIFICATE

I Mark Lionel Furner, Branch Secretary of the Queensland Branch of the National Union of Workers certify as follows:

1. The auditors report, the accounts and statements, and the certificates of the accounting officer and of the Branch Committee in respect to the financial year commencing 1 July 2005 and ending 30 June 2006 were distributed to members free of charge or available on the NUW web site as of 10 October 2006.
2. The enclosed documents are copies of the concise auditors report, the accounts and statements, the certificates of the accounting officer and of the Branch Committee, prepared for the Branch in accordance with the Act in respect to the year ending 30 June 2006 and are as presented to the Branch Committee of Management meeting of the Queensland Branch of the National Union of Workers, on 13 September 2006.



MARK FURNER
BRANCH SECRETARY

Dated: 3 January 2007

National Union of Workers (Queensland Branch)

Registered in Queensland as

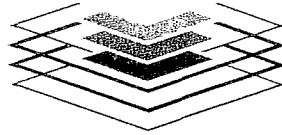
**National Union of Workers Industrial Union of Employees
Queensland**

**Financial Report
for the Year Ended 30 June 2006**

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)
Registered in Queensland as
THE NATIONAL UNION OF WORKERS INDUSTRIAL UNION OF EMPLOYEES QUEENSLAND

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Alexander Partners

CHARTERED ACCOUNTANTS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)

Registered in Queensland as

THE NATIONAL UNION OF WORKERS INDUSTRIAL UNION OF EMPLOYEES QUEENSLAND

Scope

The financial report and Committee of Management's ("Committee") responsibility

The financial report comprises the Balance Sheet, Income Statement, Cash Flow Statement, accompanying notes to the financial statements, accounting officers certificate and the Committee of Management statement for the National Union of Workers (Queensland Branch) ("Union"), for the year ended 30 June 2006.

The Committee of the Union is responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996 as amended ("Act") and where relevant the Industrial Relations Act 1999 as amended. 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 of the Union. 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 judgment, 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 assess whether in all material respects the financial report presents fairly, in accordance with the Act and Union's Rules, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations 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 Committee.

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.

Please note our physical address has changed to level 20, Central Plaza Two, 66 Eagle Street.

Level 8, 288 Edward Street, Brisbane Queensland 4000. G.P.O. Box 992 Brisbane Queensland 4001.

Telephone (07) 3221 2322 Facsimile (07) 3221 2050 Email admin@alexanderpartners.com.au

Audit Opinion

In our opinion:

- (1) The financial report of the Union is in accordance with:
 - a. the Act, including:
 - i. giving a fair view of the Union's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards in Australia; and
 - b. other mandatory professional reporting requirements.
- (2) The Union has kept satisfactory accounting records for the financial year including records of:
 - (i) The sources and nature of the Union's income, including membership subscriptions and other income from members; and
 - (ii) The nature of and reasons for the Union's expenditure.
- (3) All the information and explanations that officers or employees of the Union were required to provide have been provided; and
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above.

Alexander Partners

ALEXANDER PARTNERS
Chartered Accountants

M A Georghiou

M A Georghiou
Registered Company Auditor

Brisbane
Date: 14 September 2006

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)
Registered in Queensland as
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**COMMITTEE OF MANAGEMENT OPERATING REPORT AND STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

(a) Operating Report

In accordance with section 254 of the Workplace Relations Act 1996 ("Act") the Committee of Management presents its Operating Report on the National Union of Workers (Queensland Branch) ("Union") for the year ended 30 June 2006.

Principal Activities

The principal activity of the Union was to act on behalf of members in respect of:

- employment terms and conditions;
- to secure improved conditions of employment for the members;
- to assist members in dispute resolution;
- to assist members who may become injured in the course of their employment;
- to assist dependants of members through financial benefits; and
- to assist member in unfair dismissal matters before the relevant tribunals.

Results

The profit for the financial year amounted to \$301,608.

Significant Changes

There were no significant changes in the nature of the Union's activities during the financial year.

Financial Affairs

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (IFRS), the Union's financial report has been prepared in accordance with those standards. However, there was no material impact on the Union upon the introduction of IFRS.

Members Right to Resign

The following extract from the Union's rules details the members' right to resign from the Union.

Union members may resign from the Union in accordance with Rule 59 – Resignation from Membership as contained within the Union's Rules

Number of Members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for s.230 of the RAO Schedule and who are taken to be members of the Union under s.244 of the RAO Schedule is: Financial Members - 5,041; Unfinancial Members - 56

Number of Employees

The number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 8.

Members of the Committee of Management

The name of each person who has been a member of the committee of management of the Union at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Period of Appointment	Name	Period of Appointment
L. Seaman (Continuing)	Whole Period	M. Salter (Resigned)	To 14/12/05
C. Flage (Continuing)	Whole Period	W. Cooke (Appointed)	From 8/02/06
G. Singh (Continuing)	Whole Period	M. Furner (Continuing)	Whole Period
B. Crick (Resigned)	To 14/12/05	M. Conners (Appointed)	From 8/02/06
T. Forbes (Continuing)	Whole Period		

Other Information

There is no other information that the Union considers relevant.

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)
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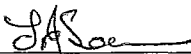
**COMMITTEE OF MANAGEMENT OPERATING REPORT AND STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

(b) Statement

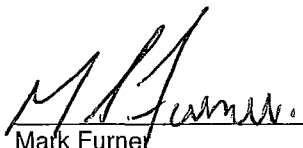
The Committee of Management of the Union declares that:

1. The financial statements and notes, as set out in pages 5 to 23, are in accordance with the Workplace Relations Act 1996 as amended and Industrial Relations Act 1999 as amended:
 - a. comply with Accounting Standards in Australia and the Reporting Guidelines of the Industrial Registrar; and
 - b. give a true and fair view of the financial position as at 30 June 2006 and of the performance for the year ended on that date of the Union.
2. In the Committee's opinion the Union was solvent for the whole financial year and there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable.
3. From 1 July 2005 to the date of this report and in the Committee's opinion:
 - i. meetings of the committee of management were held in accordance with the rules of the Union;
 - ii. the financial affairs of the Union have been managed in accordance with the rules of the Union;
 - iii. the financial records of the Union have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - iv. the information sought in any request of a member of the Union or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - v. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
4. To the knowledge of any Committee members there have been no instances during the financial year where records, rules or copies of these records or rules required by the Industrial Relations Act 1999 as amended or the rules to be provided to a member have not been so provided.

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



Leslie Seaman
Branch President



Mark Furner
Branch Secretary

Dated 13th September 2006

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Revenue from ordinary activities	2	1,585,489	1,446,180
Employee benefits expense	3	617,817	670,184
Depreciation and amortisation expenses	3	22,373	19,441
Other expenses from ordinary activities	3	<u>643,691</u>	<u>579,834</u>
Profit from ordinary activities before income tax expense			
	3	301,608	176,721
Income tax expense	1(e)	<u>-</u>	<u>-</u>
Net profit from ordinary activities after income tax expense		<u>301,608</u>	<u>176,721</u>
Profit attributable to members		<u>301,608</u>	<u>176,721</u>

This statement should be read in conjunction with the Notes to the Financial Statements.

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)
Registered in Queensland as
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BALANCE SHEET
AS AT 30 JUNE 2006

	Notes	2006 \$	2005 \$
CURRENT ASSETS			
Cash and Cash equivalents	4	490,850	365,588
Trade and other Receivables	5	102,475	97,556
Other Current Assets	6	<u>21,340</u>	<u>23,787</u>
TOTAL CURRENT ASSETS		<u>614,665</u>	<u>486,931</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	486,049	507,604
Other Financial Assets	8	402,434	124,413
TOTAL NON-CURRENT ASSETS		<u>888,483</u>	<u>632,017</u>
TOTAL ASSETS		<u>1,503,148</u>	<u>1,118,948</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	244,721	173,170
TOTAL CURRENT LIABILITIES		<u>244,721</u>	<u>173,170</u>
NON CURRENT LIABILITIES			
Trade and Other Payables	10	<u>59,260</u>	<u>48,219</u>
TOTAL NON CURRENT LIABILITIES		59,260	48,219
TOTAL LIABILITIES		<u>303,981</u>	<u>221,389</u>
NET ASSETS		<u>1,199,167</u>	<u>897,559</u>
MEMBERS EQUITY			
Retained Earnings	11	<u>1,199,167</u>	<u>897,559</u>

This Statement should be read in conjunction with the Notes to the Financial Statements.

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)

Registered in Queensland as

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

	Notes	Retained Earnings		Total Equity	
		\$ 2006	\$ 2005	\$ 2006	\$ 2005
Opening Balance		897,559	720,838	897,559	720,838
Profit/Loss		301,608	176,721	301,608	176,721
Closing Balance	11	<u>1,199,167</u>	<u>897,559</u>	<u>1,199,167</u>	<u>897,559</u>

This Statement should be read in conjunction with the Notes to the Financial Statements.

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)

Registered in Queensland as

THE NATIONAL UNION OF WORKERS INDUSTRIAL UNION OF EMPLOYEES QUEENSLAND**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
Cash Flows from Operating Activities			
Membership Contributions		1,428,976	1,304,191
Interest Received		22,443	11,542
Other receipts		11,165	70,841
Rent		38,591	37,964
Dividends		5,758	14,190
Affiliation Fees		(65,374)	(48,421)
Salaries and Allowances		(563,407)	(677,370)
Other Expenses		(547,687)	(478,754)
Net Cash flows provided by Operating Activities	12(a)	<u>330,465</u>	<u>234,183</u>
Cash Flows from Investing Activities			
Payment for Property, Plant & Equipment		(819)	(40,456)
Proceeds from sale of property, plant & equipment		-	-
Payment for Investments		(204,384)	(4,235)
Net Cash provided by/(used in) Investing Activities		<u>(205,203)</u>	<u>(44,691)</u>
Net Increase in Cash Held		125,262	189,492
Cash at the Beginning of the Financial Year		<u>365,588</u>	<u>176,096</u>
Cash at the End of the Financial Year	12(b)	<u>490,850</u>	<u>365,588</u>

This Statement should be read in conjunction with the Notes to the Financial Statements.

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)

Registered in Queensland as

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with Australian Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB'), Urgent Issues Group interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996. International Financial Reporting Standards ('IFRSs') form the basis of Australian Accounting Standards ('AASBs') adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS ('AIFRS') to distinguish them from previous Australian GAAP. The financial report of the economic entity also complies with IFRSs and interpretations adopted by the International Accounting Standards Board.

This is Union's First time Adoption of Australian Equivalents to International Financial Reporting Standards (IFRS). The financial statements have complied with all (IFRS) in their entirety unless otherwise stated. An explanation of how the transition to IFRS has affected the reported balance sheet, income statement and cash flows of the Union is provided in note 18.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Union in preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

(a) Principles of Preparation

It has been practice to present financial statements representing the combined operations and combined financial position of the National Union of Workers Industrial Union of Employees Queensland ("State") and the National Union of Workers (Queensland Branch) ("Branch")

With certain exceptions each entity is required by Federal and State legislation respectively to prepare and lodge financial statements recording their separate financial positions.

Accordingly, investigations have been undertaken to ensure that assets and liabilities are recorded in the financial statements of the entity which is determined to be the rightful owner. As a result of these investigations it has been determined that all assets, liabilities, income and expenditure are/ is attributed to the Branch. That is, the State Union effectively does not trade and does not own any assets or owe liabilities.

(b) Accounting Methods

In accordance with the Workplace Relations Act 1996 it is a requirement for federally registered unions to prepare a general purpose financial report.

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(c) Comparatives

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

Critical accounting estimates and judgments

The Committee of management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairments

The Union assesses impairment at each reporting 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.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Committee of management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Property

Freehold land and buildings are measured on the cost basis. It is the policy of the Union to have an independent valuation every three years, with annual appraisals being made by the Committee of management.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax as the Union is exempt from income tax (refer note 1 (a)).

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)

Registered in Queensland as

THE NATIONAL UNION OF WORKERS INDUSTRIAL UNION OF EMPLOYEES QUEENSLAND

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Note 1 (d) (cont.)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis (except buildings which are depreciated on a straight line basis) over their estimated useful lives to the Union commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	5% - 40%
Motor Vehicles	18.75%

(e) Income Tax

The Union is exempt from income tax by virtue of s50-45 of the Income Tax Assessment Act 1997.

(f) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(g) Acquisition of Non Current Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(h) Financial Instruments

Recognition

Financial instruments are initially measured at cost on the trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investment is stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising the original debt less principal payments and amortisation

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Employee Benefits

Provision is made for the Union's liability for employee benefits (Annual Leave and Long Service Leave) arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Provision has been made in the financial statements for employees' annual leave, long service leave and paid sick leave entitlements on the following basis:

Annual Leave

Annual leave has been provided for as the estimated accrued entitlements of all employees on the basis of each employee's terms of employment.

Long Service Leave

Provision for employee benefits in the form of long service leave has been made for the estimated accrued entitlements of employees. Official's long service leave is accrued from the date of the commencement of employment. The clerical employee's long service leave entitlements begin to perform after 5 years of service has been performed. These benefits have been discounted to their present value.

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Union are classified as finance leases. Finance leases are capitalised, recording an asset and liability equal to the present value of the minimum lease payments including any guaranteed residual values. Leased assets are amortised on a straight line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense of the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

(k) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies.

(l) Revenue

Revenue from membership contributions is recognised on an accruals basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
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NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(m) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(n) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

NOTE 2 – REVENUE FROM OPERATIONS

General Fund

Interest Received	17,894	11,542
Membership Fees	1,433,895	1,312,743
Rental Income	38,591	37,964
Sundry Income	21,472	83,931
Increment for fair value in financial assets available for sale	73,637	-
TOTAL REVENUE	1,585,489	1,446,180

NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax has been determined after the following expenses

General Fund

Action Costs – State Office	2,291	149
Action Costs – National Office	62,831	-
Advertising	-	1,263
Affiliation Fees	47,645	48,821
Audit/Accountant Fees	13,573	8,670
ALP Expenses	883	1,550
Bank Charges	3,403	3,869
Brokerage/Macquarie CMT mgt fees	3,345	-
Cards and Journal Production	1,050	5,252
Cleaning	10,805	10,639
Computer Expenses	4,664	7,925
Credit Card Charges	455	649
Depreciation	22,373	19,441
Delegates Expenses	2,981	2,554
Donations	500	3,500
Electricity & Power	2,969	7,996

NATIONAL UNION OF WORKERS (QUEENSLAND BRANCH)

Registered in Queensland as

THE NATIONAL UNION OF WORKERS INDUSTRIAL UNION OF EMPLOYEES QUEENSLAND**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES (cont.)			
General Fund (cont.)			
Employee Entitlements – Annual Leave	1(i)	15,748	(1,709)
Employee Entitlements – Long Service Leave	1(i)	14,892	(15,261)
Entertainment		85	2,659
Fair Value Decrement in Financial Assets available for sale		-	36,527
Fringe Benefits Tax		11,138	3,460
Finance/Admin Charge		84	70
Gifts, Flowers		105	422
Hire of Equipment		17,555	16,343
Insurance – Building		2,523	3,156
Insurance – Motor Vehicle		3,290	-
Insurance – Income Protection		6,280	-
Labour Day Expenses		12,257	3,979
Legal Costs		1,382	6,196
Meeting Costs, BCM		2,921	1,864
Merchandise		1,359	1,142
Motor Vehicle Expenses		20,752	24,224
Outgoings – Buildings		27,679	11,466
Payroll Tax		30,317	33,584
Postage and Couriers		12,866	13,599
Printing & Stationery		7,320	13,109
Rent		20,981	40,602
Reimbursement Expenses		3,908	-
Repairs and Maintenance		1,498	1,644
Salaries and Wages – Officials		400,709	498,148
Salaries and Wages – Clerical		111,608	112,797
Staff Amenities		685	128
Sundry Expenses		1,758	1,061
Subscriptions		7,284	13,033
Superannuation		74,861	76,208
Sustentation Fees		241,055	196,456
Telephone and Facsimile		18,598	25,936
Training Expenses		2,032	4,837
Transcripts		719	1,687
Travel		27,320	18,696
Work Cover		2,543	1,118
TOTAL OPERATING EXPENSES		<u>1,283,881</u>	<u>1,269,459</u>

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash on Hand	909	859
Cash at Bank	423,092	310,097
Term Deposit	57,719	54,632
Knight Frank	8,075	-
Cash Management Trust	1,055	-
	<u>490,850</u>	<u>365,588</u>

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

	Notes	2006 \$	2005 \$
NOTE 5 – TRADE AND OTHER RECEIVABLES			
	1(l)		
Debtors		102,475	97,556
		<u>102,475</u>	<u>97,556</u>
NOTE 6 – OTHER CURRENT ASSETS			
Deposits		600	600
GST Paid	1(m)	20,690	19,548
Other		50	3,639
		<u>21,340</u>	<u>23,787</u>
NOTE 7 – NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (AT COST)			
	1(d)		
Land and Buildings (at cost)		466,574	466,574
Accumulated Depreciation		<u>(27,993)</u>	<u>(18,662)</u>
		438,581	447,912
Carpet (at cost)		4,022	4,022
Accumulated Depreciation		<u>(2,109)</u>	<u>(1,897)</u>
		1,913	2,125
Computers (at cost)		33,875	40,749
Accumulated Depreciation		<u>(26,992)</u>	<u>(29,492)</u>
		6,883	11,257
Plant and Equipment (at cost)		102,975	102,167
Accumulated Depreciation		<u>(88,466)</u>	<u>(85,404)</u>
		14,509	16,763
Motor Vehicles (at cost)		32,085	32,085
Accumulated Depreciation		<u>(7,922)</u>	<u>(2,538)</u>
		24,163	29,547
		<u>486,049</u>	<u>507,604</u>

An independent valuation of the Union's building at Cribb St was undertaken in 30 June 2005. The Valuation was undertaken by J Crawford, AAPI, Certified Practising Valuer. The valuation was based on an assessment of the property's market value and valued the buildings at \$1,100,000. The Union's share is 50% or approximately \$550,000. The financial statements of the Union do not reflect the revaluation increment of approximately \$83,426

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

	Notes	2006 \$	2005 \$
NOTE 7B – MOVEMENTS IN CARRYING AMOUNTS			
Land and Buildings at Cost			
Balance at the beginning of the year		466,574	466,574
Additions		-	-
Disposals/write offs		-	-
Accumulated Depreciation write back		-	-
Depreciation Expense		(27,993)	(18,662)
Carrying amount at the end of the year		<u>438,581</u>	<u>447,912</u>
Carpet at Cost			
Balance at the beginning of the year		4,022	4,022
Additions		-	-
Disposals/write offs		-	-
Accumulated Depreciation write back		-	-
Depreciation Expense		(2,109)	(1,897)
Carrying amount at the end of the year		<u>1,913</u>	<u>(2,125)</u>
Computers at Cost			
Balance at the beginning of the year		40,749	40,749
Additions		-	-
Disposals/write offs		(6,874)	-
Accumulated Depreciation write back		-	-
Depreciation Expense		(26,992)	(29,492)
Carrying amount at the end of the year		<u>6,883</u>	<u>11,257</u>
Plant and Equipment at Cost			
Balance at the beginning of the year		102,167	96,803
Additions		818	13,518
Disposals/write offs		(10)	(8,154)
Accumulated Depreciation write back		-	-
Depreciation Expense		(88,466)	(85,404)
Carrying amount at the end of the year		<u>14,509</u>	<u>16,763</u>
Motor Vehicles at Cost			
Balance at the beginning of the year		32,085	-
Additions		-	32,085
Disposals/write offs		-	-
Accumulated Depreciation write back		-	-
Depreciation Expense		(7,922)	(2,538)
Carrying amount at the end of the year		<u>24,163</u>	<u>29,547</u>

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FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
NOTE 8 – OTHER FINANCIAL ASSETS			
Investments in Listed Corporations – at fair value		<u>402,434</u>	<u>124,413</u>
Cost price of shares in listed corporations		361,904	157,520

The above are held for long term investment, to provide future income in terms of a dividend stream, and not short term trading profits.

NOTE 9 – CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade Creditors		72,260	61,724
GST Collected	1(m)	34,036	30,071
Employee Benefits – AL	1(i)	43,628	28,099
Employee Benefits – LSL	1(i)	23,571	19,500
Other Creditors		71,226	33,776
		<u>244,721</u>	<u>173,170</u>

NOTE 10 – NON CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

Employee Benefits – AL	1(i)	39,239	39,020
Employee Benefits – LSL	1(i)	20,021	9,199
		<u>59,260</u>	<u>48,219</u>

NOTE 11 – MEMBERS EQUITY – ACCUMULATED FUNDS

Balance at Beginning of Year		897,559	720,838
Net Surplus/(Deficiency) for the Year		301,608	176,721
Balance at End of Year		<u>1,199,167</u>	<u>897,559</u>

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FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
NOTE 12 – NOTES TO THE CASH FLOW STATEMENT			
(a) Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus after Income Tax			
Operating Surplus (Deficiency)		<u>301,608</u>	<u>176,721</u>
Add/(Subtract) Non-Cash Items			
Depreciation		22,373	19,441
(increment)/Decrement in Financial assets available for sale		<u>(73,637)</u>	<u>36,527</u>
		<u>(51,264)</u>	<u>55,968</u>
Changes in Assets and Liabilities			
Trade and other Receivables		(1,330)	(13,605)
GST Liability		3,965	2,914
Trade and other Payables		47,987	13,443
Employee Benefits		30,641	(16,970)
GST Paid		(1,142)	15,712
		<u>80,121</u>	<u>1,494</u>
Net Cash from Operating Activities		<u>330,465</u>	<u>234,183</u>
(b) Reconciliation of Cash			
For the purposes of the Cash Flow Statement, cash includes cash on hand, at banks and on deposit. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:			
Cash on Hand		909	859
Cash at Bank		423,092	310,097
Term Deposit		57,719	54,632
Knight Frank		8,075	-
Cash Management Trust		<u>1,055</u>	<u>-</u>
		<u>490,850</u>	<u>365,588</u>

NOTE 13 – COMMITMENTS**(a) Operating Lease Commitments**

Operating Leases contracted for but not capitalised in the financial statements.

1(j)

Payable

- | | | |
|---|--------|--------|
| • Not longer than 1 year | 11,460 | 11,460 |
| • Greater than 1 year but not longer than 5 years | 30,560 | 42,020 |

In addition the Union rents its premises at Cribb St, Milton at a normal commercial rental. However there is no rental agreement and no defined term.

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THE NATIONAL UNION OF WORKERS INDUSTRIAL UNION OF EMPLOYEES QUEENSLAND**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006****NOTE 14 – FINANCIAL INSTRUMENTS****(a) Interest Rate Risk**

The Union'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 on those financial assets and financial liabilities, is as follows:

	Weighted Average		Floating Interest Rate		Non Interest Bearing		TOTAL	
	Effective Interest Rate		2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
	2006 %	2005 %						
Financial Assets								
Cash on hand					909	859	909	859
Cash at bank	4.10	4.10	423,092	310,097	8,075		431,167	310,097
Term Deposits	5.70	5.65	57,719	54,632			57,719	54,632
Investments					361,904	157,520	361,904	157,520
Cash Management Trust	4.65	-	1,055	-			1,055	-
Trade and other Receivables					102,475	97,556	102,475	97,556
Other					21,340	23,737	21,340	23,737
Total Financial Assets			481,866	364,729	494,703	279,672	976,569	644,401
Financial Liabilities								
Trade and other Payables					303,981	221,389	303,981	221,389
Total Financial Liabilities					303,981	221,389	303,981	221,389

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes the financial statements.

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

(c) Net Fair Values

The net fair values of listed investments have been valued at cost at balance date. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

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

Notes	2006 \$	2005 \$
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NOTE 15 – UNION DETAILS

The principal place of business is:

17 Cribb Street
Milton, Brisbane
Queensland

**NOTE 16 - INFORMATION TO BE PROVIDED TO
MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996 as amended the attention of members is drawn to the following provisions:

Workplace Relations Act 1996 - Sections 272 (1), (2) and (3):

Sub Section (1)

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation to be made available to the person making the application.

Sub-Section (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 organisation.

Sub-Section (3)

The organisation must comply with an application made under sub section (1) above.

NOTE 17 – RELATED PARTY TRANSACTIONS

During the year the following normal commercial payments were made:

Rent of premises	20,981	40,602
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THE NATIONAL UNION OF WORKERS INDUSTRIAL UNION OF EMPLOYEES QUEENSLAND**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006****NOTE 18 - ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Union has elected to change its accounting policies in respect of the following items to reflect changes to the recognition and measurement criteria resulting from the introduction of Australian equivalents to International Financial Reporting Standards. Retrospective adjustments have been made to comparative information where applicable.

Financial Assets

Available for sale financial assets for which there is a quoted market are revalue to fair value at reporting date. All adjustments resulting from changes in fair value are taken directly to equity. The entity previously measured these investments at cost. This accounting policy has been retrospectively applied.

The reconciliation of the financial effects of the previous GAAP and AIFRS in accordance with AASB1 is set out
Reconciliation of Equity at 1 July 2004 (date of transition to Australian equivalents to IFRSs)

	Previous GAAP 1 July 2004	Effect of transition to AIFRSs	AIFRSs 1 July 2004
Financial Assets (current and non current)	153,285	3,420	156,705
Net Assets	<u>717,418</u>	<u>3,420</u>	<u>720,838</u>
Members Equity			
Retained profits/(Accumulated losses)	<u>717,418</u>	<u>3,420</u>	<u>720,838</u>
	<u>717,418</u>	<u>3,420</u>	<u>720,838</u>

Reconciliation of Equity at 30 June 2005

	Previous GAAP 30 June 2005	Effect of transition to AIFRSs	AIFRSs 30 June 2005
Financial Assets (current and non current)	157,520	(33,107)	124,413
Net Assets	<u>930,666</u>	<u>(33,107)</u>	<u>897,559</u>
Members Equity			
Retained profits/(Accumulated losses)	<u>930,666</u>	<u>(33,107)</u>	<u>897,559</u>
	<u>930,666</u>	<u>(33,107)</u>	<u>897,559</u>

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FOR THE YEAR ENDED 30 JUNE 2006****NOTE 18 - ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont.)**

Reconciliation of Income Statement (formerly Statement of Financial Performance) for the Year Ended 30 June 2005

	Previous GAAP 30 June 2005	Effect of transition to AIFRSs	AIFRSs 30 June 2005
Revenue			
Interest Received	11,542	-	11,542
Membership Fees	1,312,743	-	1,312,743
Rental Income	37,964	-	37,964
Sundry Income	83,931	-	83,931
Total Revenue	<u>1,446,180</u>		<u>1,446,180</u>
Expenses			
Affiliation Fees	48,821	-	48,821
Depreciation and amortisation expenses	19,441	-	19,441
Employee Benefits Expense	670,184	-	670,184
Fair Value Decrement in Financial Assets available for sale	-	36,527	36,527
Motor Vehicle Expenses	24,224	-	24,224
Payroll Tax	33,584	-	33,584
Rent/Building Expenses	52,068	-	52,068
Sustentation Fees	196,456	-	196,456
Telephone and Facsimile	25,936	-	25,936
Other Expenses	162,218	-	162,218
Total Expenses	<u>1,232,932</u>		<u>1,269,459</u>
Net Profit	<u>213,248</u>		<u>176,721</u>