



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7799
Fax: (03) 9654 6672

Mr D Cameron
National Secretary
Automotive, Food, Metals, Engineering,
Printing and Kindred Industries Union
PO Box 160
GRANVILLE NSW 2142

Dear Mr Cameron,

Attention: Mr Warren Soos - National Finance Officer

**Re: Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Financial Documents - year ended 30 September 2004
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)**

National Council	FR2004/620
Victoria	FR2004/625
New South Wales	FR2004/621
Queensland	FR2004/622
Tasmania	FR2004/624
South Australia	FR2004/623
Western Australia	FR2004/626

I have received your letter of 5 May 2005 dealing with the disclosure of donations and grants made by the organisation during the financial year ending 30 September 2004. Included with the letter was a copy of the financial report for the National Council Political Fund which provided additional material relating to the disclosure of donations and grants by the organisation.

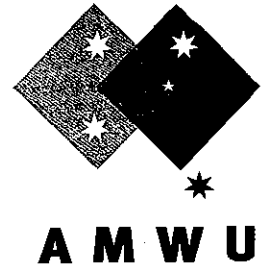
Thank you for your response with respect to this matter. I also note that, if in future years details of donations made by the organisation are included in the financial report of the Political Fund it would assist if this report was lodged with the financial documents relating to the National Office of the organisation.

Yours sincerely,

Andrew O'Brien
Manager
Statutory Services Branch
Principal Registry

6 May 2005

5.5.05



The Industrial Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001
Attention: Andrew O'Brien

Dear Sir,

**Re: Automotive, Food, Metals, Engineering, Printing and Kindred
Industries Union
Financial Reports – year ended 30 September 2004 – Schedule 1B –
Workplace Relations Act 1996 (RAO Schedule)**

National Council	FR2004/620
Victoria	FR2004/625
New South Wales	FR2004/621
Queensland	FR2004/622
Tasmania	FR2004/624
South Australia	FR2004/623
Western Australia	FR2004/626

I refer to your correspondence dated 12 April 2005 in relation to the above documents lodged under s268 of the RAO Schedule.

You have noted the apparent inconsistency between the Statement of Loans, Grants and Donations which disclosed total grants and donations made by the National and State Offices during the financial year of \$178,736, and the aggregate of donations according to the financial returns listed above totaling \$58,460. You also noted that the inconsistency may relate to donations made by a Fund of the National Office, for example, the Political Fund which has in previous financial years had a separate audited return lodged.

Your observation is quite correct. The audited accounts for the Political Fund were accidentally omitted when the National Council financial reports were lodged. To rectify this omission, please find attached a copy of the audited accounts of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union National Council Political Fund. These accounts should have been part of National Council return (FR2004/620).

When the donations shown in the Political Fund of \$152,000 are added to the aggregated total above of \$58,460, this amount now becomes \$210,460. The discrepancy between the Statement of Loans, Grants and Donations is now \$31,724.

Australian Manufacturing
Workers' Union
Registered as AFMEPKIU
National Office
Level 4 133 Parramatta Rd
GRANVILLE NSW 2142
PO Box 160 Granville 2142
Telephone 02 9897 9133
Facsimile 02 9897 9274
amwu2@amwu.asn.au

Part of this discrepancy relates to \$13,300 worth of items that appear in the Donations account, which are not donations, but are 'contributions' to such organisations as our Retired Members Association for their Christmas party. The balance of the discrepancy relates to donations that are below \$1,000, and therefore, are not required to be lodged on the return to the Industrial Registry.

In relation to your comments to assist future financial reports, these comments will be incorporated into any future financial reports the AFMEPKIU prepares.

Thank you for bringing these matters to our attention.

Yours sincerely,

A handwritten signature in black ink that reads "Doug Cameron". The signature is stylized with a long, sweeping horizontal stroke at the end.

DOUG CAMERON
NATIONAL SECRETARY
AFMEPKIU

Attach.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL POLITICAL FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL POLITICAL FUND

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

	2004 \$	2003 \$
INCOME		
Contributions	786,050	795,717
Interest Received	55,057	32,820
TOTAL INCOME	<u>841,107</u>	<u>828,537</u>
EXPENDITURE		
Affiliation Fees	430,015	614,803
Audit and Accountancy Fees	4,000	3,400
Bank and Government Charges	320	241
Campaigns – Advertising	0	16,652
Delegations	0	0
Donations	152,000	20,350
Election Expenses - Advertising	12,898	18,883
Marginal Seats Campaign	0	0
Postage, Printing & Stationery	178,063	0
Promotional Material	0	21,730
Research	0	15,000
TOTAL EXPENDITURE	<u>777,296</u>	<u>711,059</u>
SURPLUS (DEFICIT) FOR YEAR	63,811	117,478
Accumulated Surplus at Beginning of Year	<u>1,072,886</u>	<u>955,408</u>
ACCUMULATED SURPLUS AT END OF YEAR	<u>1,136,697</u>	<u>1,072,886</u>

[The attached Note forms part of these Accounts]

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL POLITICAL FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2004

	2004	2003
	\$	\$
ACCUMULATED FUNDS	<u>1,136,697</u>	<u>1,072,886</u>
Represented by Net Assets as follows:		
ASSETS		
Cash at Bank	1,228	2,217
Prepayments	14,940	17,801
Sundry Debtor	492	0
National Council General Fund	<u>1,120,037</u>	<u>1,052,868</u>
	<u>1,136,697</u>	<u>1,072,886</u>
LESS LIABILITIES		
Sundry Creditors	<u>0</u>	<u>0</u>
NET ASSETS	<u>1,136,697</u>	<u>1,072,886</u>

[The attached Note forms part of these Accounts]

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL POLITICAL FUND

**NOTE TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

STATEMENT OF ACCOUNTING POLICIES

The accounts have been prepared and presented in accordance with applicable Accounting Standards and other mandatory professional reporting requirements. The accounts have also been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the accounts.

- [a] Contributions are accounted for on a cash receipts basis.
- [b] No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL POLITICAL FUND

INDEPENDENT AUDIT REPORT

To the members of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union.

SCOPE

We have audited the financial report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council Political Fund for the year ended 30 September 2004 as set out on pages 2 to 4. The Union's Committee of Management and National Secretary are responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian accounting standards and other mandatory professional reporting requirements in Australia and other statutory requirements so as to present a view of the Political Fund which is consistent with our understanding of its financial position and the results of its operations.

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

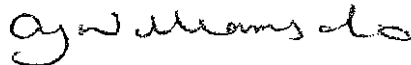
AUDIT OPINION

We have received all the information and explanations required for the purposes of our audit.

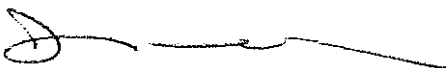
In our opinion:

- (i) There were kept by the Union in respect of the year under review, satisfactory records detailing the sources and nature of income of the Political Fund [including income from members] and the nature and purposes of expenditure, and
- (ii) The financial report has been prepared from the accounting records of the Union and is properly drawn up so as to give a true and fair view of:
 - [a] the financial position of the Political Fund as at 30 September 2004; and
 - [b] the financial performance of the Political Fund for the year ended on that date;

and is in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia.



A.J. WILLIAMS & CO.
Chartered Accountants.



D.S. McLEAN.
Registered Company Auditor.
2 Market Street,
SYDNEY NSW 2000
2 December 2004



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8681 7799
Fax: (03) 9654 6872

Mr Doug Cameron
National Secretary
Automotive, Food, Metals, Engineering,
Printing and Kindred Industries Union
PO Box 160
GRANVILLE NSW 2142

Dear Mr Cameron,

Attention: Mr Warren Soos

**Re: Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Financial Reports - year ended 30 September 2004 - Schedule 1B - Workplace
Relations Act 1996 (RAO Schedule)**

National Council	FR2004/620
Victoria	FR2004/625
New South Wales	FR2004/621
Queensland	FR2004/622
Tasmania	FR2004/624
South Australia	FR2004/623
Western Australia	FR2004/626

I refer to the financial reports lodged under s268 of the RAO Schedule for the above-mentioned organisation and its branches for the financial year ending 30 September 2004, lodged in the Industrial Registry on 1 April 2005.

The financial reports have been filed and are available for viewing at www.e-airc.gov.au/188v/.

Further information required - Grants and Donations

The Statement of Loans, Grants and Donations lodged by the National Office on 1 December 2004 under s237 of the RAO Schedule disclosed a total for grants and donations made by the National and State Offices during the financial year of \$178,736, whereas the aggregate of donations according to the financial returns listed above totals \$58,460. The reports for the National and State Offices do not appear to disclose separately any expenditure relating to grants.

In the light of this apparent inconsistency, could you provide further information regarding the above issue by Friday 6 May 2005. The inconsistency may relate to donations made by a Fund of the National Office. For example, in previous financial years the National Office has lodged a separately audited return for the Political Fund which has disclosed an amount in respect of donations.

The Reporting Guidelines require each reporting entity to identify the amount expended on grants and donations in the General Purpose Financial Report (GPFR) - see Item 11(f) at Attachment A. This obligation is in addition to the requirement to notify the details of grants

and donations under s237 of the RAO Schedule. It should be borne in mind that the words 'grant' and 'donation' have the same meaning for the purpose of the GPFR as for s237 of the RAO Schedule - see the Glossary of the Reporting Guidelines.

Comments to assist future financial reports

The comments below may assist you when you prepare financial reports in future financial years. These comments chiefly concern the correct disclosure of expenditure as required by Item 11 of the Reporting Guidelines.

'Delegation Expenses'

Many of the branches have disclosed significant amounts of expenditure as '*delegation expenses*'. While the Reporting Guidelines do not specifically require the disclosure of delegation expenses there are express mandatory requirements to disclose, amongst other things, the following items:

- 11 (g) *employee benefits to holders of office of the reporting unit;*
- (h) *employee benefits to employees (other than holders of office) of the reporting unit;*
- (i) *fees or allowances (other than any amount included in an amount referred to in subparagraphs (g) or (h) of this paragraph) to persons in respect of their attendance as representatives of the reporting unit at conferences or other meetings;....*
- (k) *expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible*

Accordingly, in future financial years please ensure that any 'delegation expenses' that relate to any of the above expenditure items (or to any other expenditure items specified in paragraph 11 of the Reporting Guidelines) are separately disclosed in the accounts.

Tasmanian Branch - 'Employee Expenses'

The Tasmanian Branch accounts disclose an amount for Employee Expenses of \$132,556. This would appear to be inconsistent with Note 1(e) of the Notes to the Branch Accounts which states:

No provisions is made for benefits accruing to employees in respect of wages and salaries, annual leave, long services leave and sick leave at the Branch level.

In future financial years this apparent inconsistency should be clarified - again, please refer to Item 11 of the Reporting Guidelines for a list of mandatory expenditure requirements.

Victorian Branch - Legal Expenses

While the accounts for the Victorian Branch disclosed an amount for Professional Services of \$195,840 there was no separate disclosure regarding '*legal costs and other expenses related to litigation or other legal matters*' as required under Item 11(j) of the Reporting Guidelines.

Statement of Accounting Policies - consistency between branches

The RAO Schedule requires the financial records for each of the reporting units of an organisation to be kept, as far as practicable, on a consistent basis - see s252(2) of the RAO Schedule and Item 17(e)(iv) of the Reporting Guidelines.

With respect to the above, I note that the 'Statement of Accounting Policies' of many of the branches appear to vary on a number of issues. For example, while most of the branches generally affirm that 'Salaries and Employee Entitlements' are paid by the National Council rather than the branches, the South Australian and Western Australian accounts vary as follows:


- South Australia - the relevant Note only refers to annual leave and long service leave,
- Western Australia - there is no Note regarding this issue

There are similar variations of wording between the branches regarding other issues such as Receivables, Fixed Assets, Depreciation Charges and Goods and Services Tax.

In the light of the above the branches should, to the extent that it is practicable, adopt a consistent approach and consistent wording in their respective Statement of Accounting Policies.

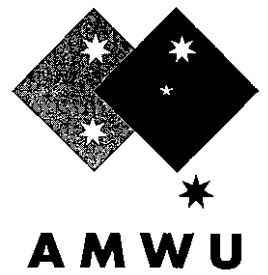
If you have any queries please contact Andrew Schultz at this Registry on (03) 8661 7799.

Yours faithfully,



Andrew O'Brien
Principal Registry
Statutory Services Branch

12 April 2005



24 March 2005

The Industrial Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001
Att: Andrew O'Brien

Dear Sir,

**Re: Lodgement of the Full Reports and Certificates of Secretaries
for the financial year ended 30 September 2004
Automotive, Food, Metals, Engineering, Printing and Kindred
Industries Union**

Please find enclosed copies of the Full Report of the reporting units together with certificates of the prescribed designated officers of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union.

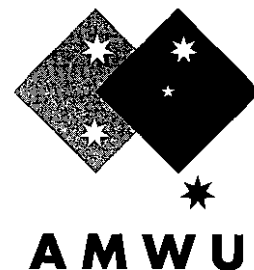
This lodgement is made in accordance with the Workplace Relations Act 1996, section 268 – Reports etc. to be lodged in the Industrial Registry.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Doug Cameron', is written over a horizontal line.

Doug Cameron
National Secretary
AFMEPKIU

Australian Manufacturing
Workers' Union
Registered as AFMEPKIU
**National Finance & Records
Department**
Level 4 133 Parramatta Rd
GRANVILLE NSW 2142
PO Box 160 Granville 2142
Telephone 02 9897 9133
Facsimile 02 9897 9274
amwu2@amwu.asn.au



**AUTOMOTIVE, FOOD, METALS, ENGINEERING , PRINTING
AND KINDRED INDUSTRIES UNION**

CERTIFICATE OF NATIONAL SECRETARY

I, Doug Cameron, being the National Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union National Council certify:

- that the documents lodged herewith are copies of the Full Report, referred to in section 268 of the ROA Schedule; and
- that the Full Report was provided to members in the month of January 2005; and
- that the Full Report was presented to a meeting of the Committee of Management of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union National Council on the 22nd March 2005 in accordance with section 266 of the ROA Schedule.

National Secretary

A handwritten signature in black ink, appearing to read 'Doug Cameron', is written over a horizontal line.

Signature

22nd March 2005

Date

Australian Manufacturing
Workers' Union
Registered as AFMEPKIU
National Finance & Records
Department
Level 4 133 Parramatta Rd
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**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT

The National Council, being the Committee of Management for the purposes of the Workplace Relations Act 1996, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council for the financial year ended 30 September 2004.

Review of the Union's Principal Activities

The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council's principal industrial objectives are aimed at the improvement of wages and working conditions for members throughout industry. This has been done primarily by way of industrial awards and enterprise agreements. The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council has also been active in trying to influence governments at all levels in a wide range of political issues.

Significant Changes in Nature of Principal Activities

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

Results of Principal Activities

The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council's principal activities resulted in a surplus for the financial year, of \$908,954.

Significant Changes in the Union's Financial Affairs

No matters or circumstances arose during the reporting year, which significantly affected the financial affairs of the Union.

The Rights of Members to Resign

Rule 43(8) of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Rules states that a member may resign his/her membership by notifying his/her State Secretary in writing, addressed and delivered to that officer.

A notice of resignation from membership takes effect:

- (a) where the member ceases to be eligible to become a member of the organisation:
 - (i) on the day on which the notice is received by the organisation; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
whichever is later; or
- (b) in any other case:
 - (i) at the end of two weeks after the notice is received by the organisation; or
 - (ii) on the day specified in the notice;
whichever is later.

Any dues payable but not paid by a former member of the organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

A notice delivered to the State Secretary shall be taken to have been received by the organisation when it is delivered.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT [Cont'd]

The Rights of Members to Resign [Cont'd]

A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered to the State Secretary.

A resignation from membership is valid even if it is not effected in accordance with this Rule if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

Nothing in Rule 43(8) of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Rules interferes with a member's right to resign from the union as set out under section 174 of the Workplace Relations Act 1996.

National Officers or Members who are Trustees of a Superannuation Entity

The following officers of the reporting unit were trustees of a superannuation entity.

Name	Superannuation Fund	Position
Doug Cameron	Superannuation Trust of Australia	Trustee/Director-Member Representative
Nixon Apple	Superannuation Trust of Australia	Trustee/Director-Member Representative
Glenn Thompson	C+BUS	Member Director
Ian Jones	Motor Trades Association of Australia Superannuation Fund	Member Representation Director
Alex Sachinidis	Motor Trades Association of Australia Superannuation Fund	Member Representation Director
Michelle Burgess	Food Industry Superannuation Trust	Member Director
Ray Campbell	Food Industry Superannuation Trust	Member Director
Anne Urquhart	Food Industry Superannuation Trust	Member Director
Steve Walsh	Australian Printing Industry Superannuation Fund	Trustee/Director Employee Representative
Katrina Ford	Australian Printing Industry Superannuation Fund	Trustee/Director Employee Representative
George Wilson	Australian Printing Industry Superannuation Fund	Trustee/Director Employee Representative
Stuart Gordon	Australian Printing Industry Superannuation Fund	Trustee/Director Employee Representative
George Maatouk	AMWU Printing Superannuation Fund	Trustee – Employer Representative
Steve Walsh	AMWU Printing Superannuation Fund	Trustee – Employer Representative
Narelle Barker	AMWU Printing Superannuation Fund	Trustee – Employer Representative
Peter Cozens	AMWU Printing Superannuation Fund	Trustee – Employer Representative

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT [Cont'd]

Number of Members

The number of persons who were recorded in the register of members on 30 September 2004 was 138,773.

Number of Employees

The number of persons who were employees of the reporting unit on 30 September 2004 was 323, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis;

Members of National Council (Committee of Management)

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

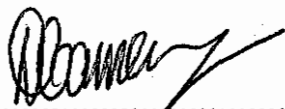
Name	Period Position Held
Doug Cameron	1 October 2003 to 30 September 2004
Julius Roe	1 October 2003 to 30 September 2004
Glenn Thompson	1 October 2003 to 30 September 2004
Jenni Dowell	1 October 2003 to 30 September 2004
Mike Nicolaidides	1 October 2003 to 30 September 2004
Steve Walsh	1 October 2003 to 30 September 2004
Ian Jones	1 October 2003 to 30 September 2004
Anne Donnellan	1 October 2003 to 30 September 2004
Pat Johnston	1 October 2003 to 30 September 2004
Dave Smith	1 October 2003 to 30 September 2004
David Harrison	1 October 2003 to 7 November 2003
Peter Lees	1 October 2003 to 30 September 2004
Paul Bastian	1 October 2003 to 30 September 2004
John Parkin	1 October 2003 to 16 June 2004
Amanda Perkins	1 October 2003 to 16 June 2004
Dorothy Hilbery	1 October 2003 to 30 September 2004
Dave Oliver	1 October 2003 to 30 September 2004
Paul Wisniewski	1 October 2003 to 30 September 2004
Steve Dargavel	1 October 2003 to 30 September 2004
Gayle Tierney	1 October 2003 to 30 September 2004
Jim Reid	1 October 2003 to 30 September 2004
John Camillo	1 October 2003 to 30 September 2004
John Watson	1 October 2003 to 30 June 2004
Craig Larnar	1 October 2003 to 21 July 2004
Jock Ferguson	1 October 2003 to 30 September 2004
Ron Knox	1 October 2003 to 30 September 2004
Phil Barker	1 October 2003 to 30 September 2004
Jorge Gerard	6 November 2003 to 30 September 2004
Frank Armenio	6 November 2003 to 30 September 2004
Lewis Farrugia	6 November 2003 to 30 September 2004
Andrew Dettmer	26 November 2003 to 30 September 2004
Tim Ayres	20 July 2004 to 30 September 2004
Matthew Lowe	20 July 2004 to 30 September 2004
John Gresty	12 August 2004 to 30 September 2004
Daniel Dougherty	12 August 2004 to 30 September 2004

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

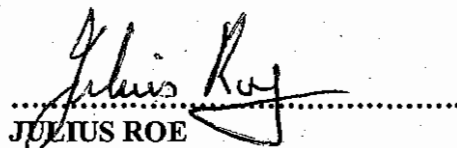
NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT [Cont'd]

Signed in accordance with a resolution of National Council



.....
DOUG CAMERON



.....
JULIUS ROE

2 December 2004

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

COMMITTEE OF MANAGEMENT'S STATEMENT

On 2 December 2004 the Committee of Management of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council General Fund passed the following resolution in relation to the general purpose financial report (GPFR) of the Committee of Management for the year ended 30 September 2004.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the National Council for the financial year ended 30 September 2004;
- (d) there are reasonable grounds to believe that the National Council will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 September 2004 and since the end of the financial year:
 - (i) meetings of the National Council were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the National Council have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the National Council have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
 - (iv) the financial records of the National Council have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request of a member of the National Council or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - (vi) no orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996

For the National Council:



.....
DOUG CAMERON

2 December 2004

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE
YEAR ENDED 30 SEPTEMBER 2004**

	Note	2004 \$	2003 \$
INCOME			
Contributions		33,799,076	32,123,140
Interest on Investments		984,034	935,657
Interest on Loans		894	805
Rent Received	10	4,664,342	4,139,690
Sundry Income	11	<u>575,817</u>	<u>(2,586)</u>
TOTAL INCOME		<u>40,024,163</u>	<u>37,196,706</u>
 EXPENDITURE			
Depreciation			
Buildings		1,066,517	982,692
Computer Installation		337,290	429,676
Furniture & Fittings		87,885	121,154
Motor Vehicles		<u>525,112</u>	<u>425,592</u>
		<u>2,016,804</u>	<u>1,959,114</u>
 Employee Benefits Expense			
Salaries	16	14,018,590	13,849,959
Redundancies	15	120,486	85,972
Annual Leave Increase in Provision		700,151	377,535
Long Service Leave Increase in Provision		830,328	315,261
Fringe Benefits Tax		247,564	205,004
Payroll Tax		179,932	198,876
Superannuation		<u>1,503,604</u>	<u>1,415,486</u>
		<u>17,600,655</u>	<u>16,448,093</u>
 State Council Net Expenditure	 9	 <u>5,961,858</u>	 <u>5,775,482</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE
YEAR ENDED 30 SEPTEMBER 2004 [Cont'd]**

	Note	2004 \$	2003 \$
EXPENDITURE [Cont'd]			
Other Expenses			
Affiliation Fees		519,188	552,684
Bank and Government Charges		149,114	204,512
Building Expenses		2,998,833	2,785,305
Collectors Expenses		44,135	57,185
Computing	12	1,548,018	948,246
Delegations	13	865,242	697,903
Donations		37,673	32,887
Freight		12,562	18,966
Funeral Benefits		116,835	120,650
General Office Expenses		128,503	107,973
Insurance		74,852	34,212
Interest Paid		1,287,634	933,747
Mailing and Printing - State M/C Cards		658,062	334,594
MISTAS		172,841	179,757
Motor Vehicle Expenses	18	917,750	1,209,894
Postage		23,252	29,050
Printing and Distribution - AMWU News		574,258	544,910
Printing and Distribution - Newsletters		135,202	148,505
Printing and Stationery		109,455	616,598
Professional Services	14	419,617	818,585
Publicity		286,105	232,844
Rent Paid	10	1,862,831	1,944,802
Research		149,864	131,133
Telephone		492,861	490,576
		<u>13,584,687</u>	<u>13,175,518</u>
TOTAL EXPENDITURE		<u>39,164,004</u>	<u>37,358,207</u>
OPERATING SURPLUS (DEFICIT) FOR YEAR		860,159	(161,501)
Add Surplus on Disposal of Assets	17	48,795	167,132
NET SURPLUS FOR YEAR		908,954	5,631
Add Accumulated Funds at Beginning of Year		<u>40,003,098</u>	<u>39,997,467</u>
ACCUMULATED FUNDS AT END OF YEAR		<u>40,912,052</u>	<u>40,003,098</u>

(The attached Notes 1 to 26 form part of these Accounts]

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2004

	Note	2004 \$	2003 \$
ACCUMULATED FUNDS		<u>40,912,052</u>	<u>40,003,098</u>
Represented by Net Assets as follows			
CURRENT ASSETS			
Cash Assets	7	<u>2,871,691</u>	<u>1,633,277</u>
Receivables			
Accrued Interest		61,053	51,276
Prepayments		702,969	667,151
Sundry Debtors	8	<u>875,168</u>	<u>808,409</u>
		<u>1,639,190</u>	<u>1,526,836</u>
Investments			
Short Term Deposits		20,069,352	18,504,426
Sundry Investments		<u>383,573</u>	<u>530,709</u>
		<u>20,452,925</u>	<u>19,035,135</u>
TOTAL CURRENT ASSETS		<u>24,963,806</u>	<u>22,195,248</u>
NON CURRENT ASSETS			
Property, Plant and Equipment			
Computer Equipment	3	570,039	711,395
Furniture and Fittings	4	288,372	357,487
Motor Vehicles	5	2,627,817	1,578,002
Properties	6	<u>41,832,141</u>	<u>43,022,825</u>
		<u>45,318,369</u>	<u>45,669,709</u>
Investments			
Sundry Investments		<u>1,159,490</u>	<u>946,131</u>
Receivables			
Loan secured by mortgage	26	<u>360,894</u>	<u>0</u>
TOTAL NON CURRENT ASSETS		<u>46,838,753</u>	<u>46,615,840</u>
TOTAL ASSETS		<u>71,802,559</u>	<u>68,811,088</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2004 (Cont'd)

	Note	2004 \$	2003 \$
LESS LIABILITIES			
CURRENT LIABILITIES			
Payables			
Sundry Creditors		113,977	403,095
Trust - Grants (including M.E.R.T)		736,951	1,071,932
National Council Political Fund		1,120,042	1,052,873
Hardship Fund	20	3,574,090	2,295,173
Education Fund	21	1,439,854	1,207,571
Vehicle Division Education Fund	22	62,070	43,529
Fairfax Chapel Dispute Fund		40,555	40,555
Australian Printing Federation		33,023	33,023
York Endowment		46,313	46,313
		<u>7,166,875</u>	<u>6,194,064</u>
Interest-bearing Liabilities			
Bank Bills Payable (secured)		<u>0</u>	<u>13,300,000</u>
Provisions			
Provision for Annual Leave		2,650,207	2,150,269
Provision for Long Service Leave		3,273,425	2,663,657
		<u>5,923,632</u>	<u>4,813,926</u>
TOTAL CURRENT LIABILITIES		<u>13,090,507</u>	<u>24,307,990</u>
NON CURRENT LIABILITIES			
Interest-bearing Liabilities			
Bank Bills Payable (secured)		<u>17,800,000</u>	<u>4,500,000</u>
TOTAL LIABILITIES		<u>30,890,507</u>	<u>28,807,990</u>
NET ASSETS		<u>40,912,052</u>	<u>40,003,098</u>

[The attached Notes 1 to 26 form part of these Accounts]

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 SEPTEMBER 2004**

	Note	2004 \$	2003 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions Received		33,799,076	32,123,140
Payments to Suppliers and Employees		(34,886,039)	(34,051,198)
Interest Received		1,074,363	999,131
Rent Received		3,121,192	2,576,387
Sundry Income		575,817	(2,586)
NET CASH PROVIDED BY OPERATING ACTIVITIES	24	<u>3,684,409</u>	<u>1,644,874</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investments		147,136	36,959
Proceeds from Sale of Property, Plant and Equipment		1,376,560	2,006,833
Proceeds from Repayment of Mortgage Loans		0	61,405
Receipts for Other Funds		2,946,374	2,882,585
Payments for Property, Plant and Equipment		(2,993,229)	(10,037,754)
Payments for Investments		(213,359)	(14,195)
Payments for Other Funds		(1,404,521)	(1,370,634)
Payment for Mortgage Loan		(360,000)	0
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(501,039)</u>	<u>(6,434,801)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts from Bank Bills		0	5,000,000
Receipts on Behalf of Grants		125,704	198,522
Payments on Behalf of Grants		(505,734)	(482,491)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES		<u>(380,030)</u>	<u>4,716,031</u>
NET INCREASE (DECREASE) IN CASH HELD		2,803,340	(73,896)
Cash at Beginning of Year		<u>20,137,703</u>	<u>20,211,599</u>
CASH AT END OF YEAR	23	<u>22,941,043</u>	<u>20,137,703</u>

[The attached Notes 1 to 26 form part of these Accounts]

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report prepared and presented in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Workplace Relations Act, 1996. The report has also been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the National Council in the preparation of the financial report.

- a) All membership contributions are paid direct to the National Council and are accounted for on a cash receipts basis.
- b) All Fixed Assets including those located at State Council Offices are recorded in the Statement of Financial Position of the National Council General Fund and all depreciation thereon is reflected in the National Council General Fund Statement of Financial Performance.
- c) Depreciation of Fixed Assets is calculated on the straight line basis in order to write the assets off over their useful lives to the National Council.
- d) Provisions for employee benefits in the form of Annual Leave and Long Service Leave have been made for the estimated entitlements of all employees, including those of State Councils, on the basis of their terms of employment.

In the case of Long Service Leave, the provision has been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting estimated future cash flows.

- e) No provision for Income Tax is necessary as the Union is exempt from income tax under Section 50 - 15 of the Income Tax Assessment Act.
- f) Australian Equivalents to International Financial Reporting Standards (IFRS's)

Commencing with the year ending 30 September 2006, the Union's financial reports will be required to comply with Australian equivalents to International Financial Reporting Standards (IFRS's) instead of Australian Accounting Standards presently on issue. Comparative financial statements must also be presented in accordance with Australian equivalents to IFRS's for the year ending 30 September 2005.

The Committee of Management considers that no key accounting policy changes will arise out of this transition to IFRS's. A more detailed review will be conducted during year ending 30 September 2005.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

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 Sub-Sections (1), (2) and (3) of Section 272 of Schedule 1B which reads as follows:

- 1) A member of a reporting unit, or 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)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 [Cont'd]**

	Note	2004 \$	2003 \$
3. COMPUTER EQUIPMENT			
Cost		7,770,097	7,564,018
Less Accumulated Depreciation		<u>7,200,058</u>	<u>6,852,623</u>
		<u>570,039</u>	<u>711,395</u>
4. FURNITURE AND FITTINGS			
Cost		4,681,445	4,662,073
Less Accumulated Depreciation		<u>4,393,073</u>	<u>4,304,586</u>
		<u>288,372</u>	<u>357,487</u>
5. MOTOR VEHICLES			
Cost		3,509,308	2,135,374
Less Accumulated Depreciation		<u>881,491</u>	<u>557,372</u>
		<u>2,627,817</u>	<u>1,578,002</u>
6. PROPERTIES - Cost			
Land		6,780,000	6,930,000
Buildings		<u>46,552,761</u>	<u>46,564,912</u>
		53,332,761	53,494,912
Less Accumulated Depreciation on Buildings		<u>11,500,620</u>	<u>10,472,087</u>
		<u>41,832,141</u>	<u>43,022,825</u>
7. CASH AND BANK BALANCES			
Advances and Floats		79,654	51,376
Bank Accounts			
National Council General Fund		2,453,181	1,061,041
State Council General Fund Accounts	9	(6,105)	137,328
Recoverable Deposits		13,052	12,802
Cash in Transit		<u>331,909</u>	<u>370,730</u>
		<u>2,871,691</u>	<u>1,633,277</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 [Cont'd]**

	2004	2003
	\$	\$
8. SUNDRY DEBTORS		
National Entitlement Security Trust	618,087	406,390
Other	257,081	402,019
	<u>875,168</u>	<u>808,409</u>
<p>National Council has transferred monies to Nest in order to secure the current provision of long service leave entitlements for its employees, officers and officials.</p>		
9. STATE COUNCIL BANK BALANCES		
Bank Balances at Beginning of Year	137,328	30,555
Add Remittance to State Council General Fund	5,173,873	6,084,000
Add Remittance to State Council LPA	45,938	46,181
Add Remittance of State GST Debt	1,053,627	0
	<u>6,410,766</u>	<u>6,160,736</u>
Less State Council Payments (Net)	6,416,871	6,023,408
BANK BALANCES AT END OF YEAR	<u>(6,105)</u>	<u>137,328</u>
State Council Payments comprise:		
State Council Net Expenditure	5,961,858	5,775,482
Movement in State Council Debtors/Creditors	455,013	247,926
	<u>6,416,871</u>	<u>6,023,408</u>
10. RENTS RECEIVED/RENTS PAID		
Rents applicable to the Union's occupancy of its own premises are assessed at market value and included in these financial accounts as both Rents Received and Rents Paid.	<u>1,543,150</u>	<u>1,563,303</u>
11. SUNDRY INCOME		
Lease of Equipment	17,200	0
Sundry	26,064	(2,586)
Service Training Fees	298,510	0
Transfer from Qld Branch	234,043	0
	<u>575,817</u>	<u>(2,586)</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 [Cont'd]**

	2004	2003
	\$	\$
12. COMPUTING		
Consultancy Fees	612,951	438,625
Maintenance	225,684	161,884
Software	544,393	76,462
Other	164,990	271,275
	<u>1,548,018</u>	<u>948,246</u>
13. DELEGATIONS		
Employees	635,851	467,048
Members	114,649	109,398
	<u>750,500</u>	<u>576,446</u>
International	114,742	121,457
	<u>865,242</u>	<u>697,903</u>
14. PROFESSIONAL SERVICES		
Auditors		
Audit Fees	65,000	59,000
Other Services	13,850	0
	<u>78,850</u>	<u>59,000</u>
Legal Expenses	340,767	759,585
	<u>419,617</u>	<u>818,585</u>
15. SALARIES - REDUNDANCIES		
Payments to Employees	0	0
Payments to Officials	120,486	85,972
	<u>120,486</u>	<u>85,972</u>
16. SALARIES		
Employees	3,088,351	3,305,115
Officers and Officials	10,930,239	10,544,844
	<u>14,018,590</u>	<u>13,849,959</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 [Cont'd]**

	2004	2003
	\$	\$
17. SURPLUS (DEFICIT) ON DISPOSAL OF ASSETS		
Computer Installation	(423)	6,721
Investments - Shares	0	36,959
Motor Vehicles	35,514	43,662
Properties	17,308	78,309
Sale of Surplus Furniture	(3,604)	1,481
	<u>48,795</u>	<u>167,132</u>
 18. MOTOR VEHICLE EXPENSES		
Leasing	723,573	1,000,211
Registrations and Running Expenses	194,177	209,683
	<u>917,750</u>	<u>1,209,894</u>
 19. OPERATING LEASE COMMITMENTS		
In respect of computer equipment and motor vehicles, payable:		
- not later than 1 year	218,121	787,872
- later than 1 year but not later than 5 years	12,617	255,876
	<u>230,738</u>	<u>1,043,748</u>
 20. HARDSHIP FUND		
Balance brought forward	2,295,173	1,293,058
Add Contributions	1,575,177	1,524,793
Less Benefit Payments	296,260	522,678
	<u>3,574,090</u>	<u>2,295,173</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 [Cont'd]**

	Note	2004 \$	2003 \$
21. EDUCATION FUND			
Balance brought forward		1,207,571	804,679
Add Contributions		525,061	508,265
Less Amounts Expended on Education Projects		<u>292,778</u>	<u>105,373</u>
		<u>1,439,854</u>	<u>1,207,571</u>
22. VEHICLE DIVISION EDUCATION FUND			
Balance brought forward		43,529	0
Add Contributions		60,086	48,823
Less Amounts Expended on Education Projects		<u>41,545</u>	<u>5,294</u>
		<u>62,070</u>	<u>43,529</u>
23. RECONCILIATION OF CASH			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows			
Cash and Bank Balances	7	2,871,691	1,633,277
Short Term Deposits		<u>20,069,352</u>	<u>18,504,426</u>
		<u>22,941,043</u>	<u>20,137,703</u>
24. CASH FLOW INFORMATION			
Reconciliation of Cash Flow from Operations with Net Surplus			
Net Surplus		908,954	5,631
Non-Cash Flows in Net Surplus			
Depreciation		2,016,804	1,959,114
Increase in Provisions for Employee Entitlements		1,109,706	274,509
Surplus on Sale of Shares, Property, Plant and Equipment		(48,795)	(167,132)
Transfer of Interest to Other Funds		100,106	72,562
Changes in Assets and Liabilities			
(Decrease) Increase in Creditors		(289,118)	28,304
Increase in Accrued Interest		(9,777)	(9,893)
Increase in Prepayments		(35,818)	(52,188)
Increase in Receivables		<u>(67,653)</u>	<u>(466,033)</u>
CASH FLOWS FROM OPERATIONS		<u>3,684,409</u>	<u>1,644,874</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 [Cont'd]**

25. FINANCIAL INSTRUMENTS

Interest Rate Risk

The Union's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

30 September 2004	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	\$	\$	\$	\$
Financial Assets				
Cash Assets	2,778,985	0	92,706	2,871,691
Receivables	618,087	0	257,081	875,168
Investments (< 1 year)	383,573	0	0	383,573
Short term deposits	20,069,352	0	0	20,069,352
	<u>23,849,997</u>	<u>0</u>	<u>349,787</u>	<u>24,199,784</u>
Weighted average Interest rate	4.82%			
Financial Liabilities				
Payables	0	0	113,977	113,977
Commercial Bills	0	17,800,000	0	17,800,000
	<u>0</u>	<u>17,800,000</u>	<u>113,977</u>	<u>17,913,977</u>
Weighted average Interest rate		6.10%		
Net financial assets/(liabilities)	<u>23,849,997</u>	<u>(17,800,000)</u>	<u>235,810</u>	<u>6,285,807</u>
30 September 2003				
Financial Assets				
Cash Assets	1,569,099	0	64,178	1,633,277
Receivables	406,390	0	402,019	808,409
Investments (< 1 year)	530,709	0	0	530,709
Short term deposits	18,504,426	0	0	18,504,426
	<u>21,010,624</u>	<u>0</u>	<u>466,197</u>	<u>21,476,821</u>
Weighted average Interest rate	4.61%			
Financial Liabilities				
Payables	0	0	403,094	403,094
Commercial Bills	0	17,800,000	0	17,800,000
	<u>0</u>	<u>17,800,000</u>	<u>403,094</u>	<u>18,203,094</u>
Weighted average Interest rate		7.10%		
Net financial assets/(liabilities)	<u>21,010,624</u>	<u>(17,800,000)</u>	<u>63,103</u>	<u>3,273,727</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004 [Cont'd]**

FINANCIAL INSTRUMENTS (Cont'd)

Credit Risk Exposure

Credit risk is the risk that counter parties to a financial asset will fail to discharge their obligations, causing the National Council to incur a financial loss.

The credit risk exposure of the Union to financial assets which have been recognised in the Statement of Financial Position is generally the carrying amounts, net of any provisions for doubtful debts.

The carrying amounts of cash and non-interest bearing monetary financial assets and liabilities (eg receivables and payables) approximate net fair values.

26. RELATED PARTIES

- (i) In accordance with a resolution of National Council an interest bearing loan of \$360,000 secured by mortgage over land and buildings was made to the National Secretary on 3 August 2004.
- (ii) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the statement of financial performance under Salaries- Officers & Officials as disclosed at note 16 to the accounts.
- (iii) The aggregate amount paid during the financial year to a superannuation plan in respect of officers was \$1,172,355 (2003:1,077,698)
- (iv) There have been no other transactions between the officers and the union other than those relating to their membership of the union and reimbursement by the union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

INDEPENDENT AUDIT REPORT

To the members of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union,
National Council General Fund.

Scope

The Financial Report and the Responsibility of the Committee of Management and the National Secretary

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the Committee of Management's Statement for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council General Fund, for the year ended 30 September 2004.

The Committee of Management and the National Secretary are 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 have conducted an independent audit of the financial report in order to express an opinion on it to the members of the union. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance 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 controls, 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 Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the union's financial position and 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 of Management and the National Secretary.

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 and the Workplace Relations Act 1996.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

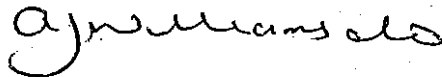
NATIONAL COUNCIL GENERAL FUND

INDEPENDENT AUDIT REPORT (Cont'd)

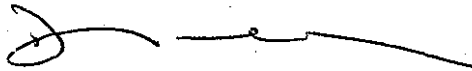
Audit Opinion

In our opinion:

- (a) the financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council General Fund is in accordance with the Workplace Relations Act 1996, including:
- (i) giving a true and fair view of the Union's financial position as at 30 September 2004 and its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards; and
 - (iii) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- (b) the financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council General Fund is in accordance with other mandatory professional reporting requirements in Australia.



A.J. WILLIAMS & CO.
Chartered Accountants.



D. S. MCLEAN
Registered Company Auditor.
SYDNEY NSW 2000

2 December 2004