



Australian Government

Australian Industrial Registry

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

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

Dear Mr Cameron,

**Re: Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Financial Reports for year ended 30 September 2005
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

National Council	FR2005/542	New South Wales	FR2005/543
Queensland	FR2005/544	South Australia	FR2005/545
Tasmania	FR2005/546	Victoria	FR2005/547
Western Australia	FR2005/548		

Thank you for the financial reports of the above named organisation and its branches for the year ended 30 September 2005. The documents were lodged in the Industrial Registry on 24 March 2006. Please excuse the delay in responding to you, our attention in recent months has been diverted to the new Workchoices legislation.

The documents have been filed.

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

New South Wales Branch

I would like to make the following comments regarding this financial report:

- A 'Committee of Management's Certificate' has been included with the other financial documents. Reference is made in the certificate to the New South Wales *Industrial Relations Act 1996*, suggesting that it has been prepared for lodgement with the State Commission. This certificate is not required under the RAO Schedule;
- The document which sets out all of the information required by the Committee of Management Statement is entitled 'Branch's Statement' (see section 253(2)(c) of the RAO Schedule and Reporting Guidelines 23 and 24). Would you please ensure in future years that this document is properly entitled 'Committee of Management Statement'.
- The lodged documents include an Accounting Officer's Certificate. The Accounting Officer's Certificate was a document required under the former financial reporting requirements of the *Workplace Relations Act 1996*. This certificate is not required under the RAO Schedule as it has, in effect, been replaced by the Operating Report.
- While a comparison of signatures suggests that it was executed by the State Secretary, Mr Paul Bastian, the Operating Report does not identify the signatory either by name or position. In order to verify that the Report has been prepared by a member of the Committee of Management or a 'designated officer' (as required by RAO s.254 and s.243), it is necessary for the Report to identify its signatory. Would you please ensure that this occurs in the future.

South Australian Branch

Auditor's Report

The Auditor's Report is undated. The Australian Accounting Standards require the Auditor's Report to be dated. In particular, AUS 702 *'The Audit Report on a General Purpose Financial Report'* states that the date is one of the essential elements of the Audit Report (see AUS 702.13(i)). Similarly, section 257(9) of the RAO Schedule requires the Auditor's Report to be *'...dated as at the date that the auditor signs the report...'* You are requested to bring this matter to the Auditor's attention.

Committee of Management Statement

Item 17(e)(iv) of the Reporting Guidelines which have been issued by the Industrial Registrar requires a declaration by the Committee of Management that:

where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.

Paragraph (e)(iv) of the Committee of Management Statement of the South Australian Branch states *'as the organisation does not consists of 2 or more reporting units...'*. This statement is incorrect. The organisation consists of a Federal Office and a number of branches, each being a reporting unit.

Section 242 of the RAO Schedule determines what constitutes a 'reporting unit' for the purposes of the Act:

Organisations not divided into branches

(2) Where an organisation is not divided into branches, the *reporting unit* is the whole of the organisation.

Organisations divided into branches

(3) Where an organisation is divided into branches, each branch will be a *reporting unit* unless a certificate issued by the Industrial Registrar stating that the organisation is, for the purpose of compliance with this Part, divided into reporting units on an alternative basis (see section 245) is in force.

Queensland Branch

The Operating Report is required to state whether any officer or member of the Branch 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 Branch is a trustee or director of a superannuation entity, the Operating Report should include a comment to this effect.

Employee-Related Expenses – Victorian and Tasmanian Branches

The Victorian Branch's Statement of Financial Performance includes an item for 'Salaries' of \$47,027 and the Tasmanian Branch includes an item for 'Employee Expense' of \$94,870. Both of these Branches, however, include in Note 1 the following statements:

(iv) Other operational expenses eg salaries which relate to the Branch are paid for by the National Council and are included in the financial report of the National Council only.

(v) Provision for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment in the financial report of the National Council.

You are requested to rectify these apparent discrepancies in future financial reports.

Consistency of Accounting Policies Between Branches

Section 252(2) of the RAO Schedule and Item 17(e)(iv) of the Reporting Guidelines require the financial records of each reporting unit of an organisation to be kept, as far as practicable, on a consistent basis.

All of the reporting units other than the Tasmanian Branch have a very similarly worded statement in Note 1 that the financial report has been prepared on a cash basis rather than an accrual basis as required by applicable Accounting Standards. Each Note 1 (other than for Tasmania) goes on to state that 'The Union has determined to adopt the cash basis of accounting in the preparation of the financial reports of national council *and all branches* following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts' (emphasis added).

The one exception is the Tasmanian Branch, which contains no statement in Note 1 that the financial reports have been prepared on a cash basis. Further, Note 18 of the Tasmanian accounts states 'Previously, AMWU reported on a cash basis. On transition to accrual accounting for the year ended 30 September 2004...' There is, however, a statement in paragraph (e)(iv) of the Committee of Management Statement for the Tasmanian Branch that the financial records of the reporting unit have been kept in a 'consistent manner to each of the other reporting units'.

It would appear that the Tasmanian Branch has adopted accounting policies which are not consistent with National Council or the other reporting units of the Union. You are requested to examine this issue in order to meet the requirements of section 252(2) of the RAO Schedule and Item 17(e)(iv) of the Reporting Guidelines in future years.

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.

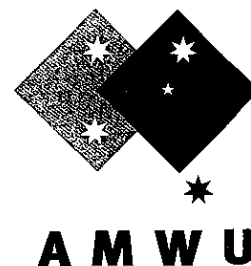
Copies of the financial reports have been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/188V>.

Yours sincerely,



Robert Pfeiffer
Statutory Services Branch

31 August 2006



23 March, 2006

The Industrial Registrar
Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Attention: Andrew Schultz

Dear Sir,

**Re: Lodgement of the Full Reports and Certificates of Secretaries
for the financial year ended 30 September 2005 - 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.

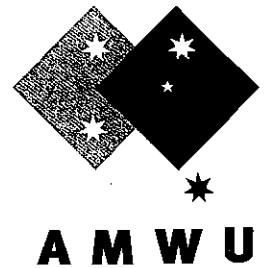
This lodgement is made in accordance with the Workplace Relations Act 1996, section 268 – Reports etc. to be lodged in the Industrial Registry.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Doug Cameron', is positioned above the typed name.

DOUG CAMERON
NATIONAL SECRETARY

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
amwu2@amwu.asn.au



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

NATIONAL COUNCIL

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 2006; 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 22nd March 2006 in accordance with section 266 of the ROA Schedule.

National Secretary
Doug Cameron

Signature

22 March 2006

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
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amwu2@amwu.asn.au

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL GENERAL FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2005**

**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 2005.

Review of the Union's Principal Activities

The AFMEPKIU'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 AFMEPKIU 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 AFMEPKIU National Council's principal activities resulted in a surplus for the financial year, of \$867,683.

The National Council has determined to keep its financial records on the cash basis as they relate to the income and expenditure of the National Council.

This is a change in accounting policy in that in previous years the National Council kept its financial records on the accrual basis as they related to the income and expenditure of the National Council. The effect of the change in accounting policy has been to decrease net surplus for the year from \$1,100,316 to \$867,683, decrease accrued interest by \$192,618, decrease prepayments by \$108,636 and decrease trade creditors by \$68,621.

Significant Changes in the National Council's Financial Affairs

None

The Right of Members to Resign

Rule 43(8) of the AFMEPKIU 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.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT (cont'd)

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.

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 AFMEPKIU 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 either Directors or Trustees of a Superannuation Entity

The details of each officer or member of the National Council who is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation, are as follows:

Name	Superannuation Fund	Position
Doug Cameron	Superannuation Trust of Australia	Trustee/Director- Member Representative
Mike Nicolaidis	Superannuation Trust of Australia	Trustee/Director- Member Representative
Glenn Thompson	C+BUS	Member Director
Pat Johnston	C+BUS	Member Director-Alternate
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

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

NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT (Cont'd)

Name	Superannuation Fund	Position
Stuart Gordon	Australian Printing Industry Superannuation Fund	Trustee/Director Employee Representative
Matthew Lowe	Australian Printing Industry Superannuation Fund	Trustee/Director Employee Representative - Alternate
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

Other Relevant Information

The National Council is not aware of any other relevant information.

Prescribed Information Required Under the Workplace Relations (RAO) Regulations 2003

The number of persons who were recorded in the register of members on 30 September 2005 was 136,273.

The number of persons who were employees of the reporting unit on 30 September 2005 was 331, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.

The name 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 2004 to 30 September 2005
Julius Roe	1 October 2004 to 30 September 2005
Glenn Thompson	1 October 2004 to 30 September 2005
Jenni Dowell	1 October 2004 to 30 September 2005
Mike Nicolaidis	1 October 2004 to 30 September 2005
Steve Walsh	1 October 2004 to 30 September 2005
Ian Jones	1 October 2004 to 30 September 2005
Anne Donnellan	1 October 2004 to 30 September 2005
Pat Johnston	1 October 2004 to 30 September 2005
Dave Smith	1 October 2004 to 30 September 2005
Peter Lees	1 October 2004 to 30 September 2005
Paul Bastian	1 October 2004 to 30 September 2005
Dorothy Hilbery	1 October 2004 to 30 September 2005
Dave Oliver	1 October 2004 to 30 September 2005
Paul Wisniewski	1 October 2004 to 30 September 2005
Steve Dargavel	1 October 2004 to 30 September 2005


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

NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT (Cont'd)

Name	Period Position Held
Gayle Tierney	1 October 2004 to 30 September 2005
Jim Reid	1 October 2004 to 30 September 2005
John Camillo	1 October 2004 to 30 September 2005
Jock Ferguson	1 October 2004 to 30 September 2005
Ron Knox	1 October 2004 to 30 September 2005
Jorge Gerard	1 October 2004 to 30 September 2005
Frank Armenio	1 October 2004 to 30 September 2005
Lewis Farrugia	1 October 2004 to 30 September 2005
Andrew Dettmer	1 October 2004 to 30 September 2005
Tim Ayres	1 October 2004 to 30 September 2005
Matthew Lowe	1 October 2004 to 30 September 2005
John Gresty	1 October 2004 to 30 September 2005
Daniel Dougherty	1 October 2004 to 30 September 2005
Anne Urquhart	5 October 2004 to 30 September 2005
Ian Mortimer	31 May 2005 to 30 September 2005

Signed in accordance with a resolution of the National Council


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DOUG CAMERON – National Secretary


.....

JULIUS ROE – National President

7 December 2005

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

NATIONAL COUNCIL GENERAL FUND

COMMITTEE OF MANAGEMENT'S STATEMENT

On 7 December 2005 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 2005.

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 to the extent disclosed in note 1 to the financial statements;
- (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 2005;
- (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 2005 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

7 December 2005

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

NATIONAL COUNCIL GENERAL FUND

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE
YEAR ENDED 30 SEPTEMBER 2005**

	Note	2005 \$	2004 \$
INCOME			
Contributions		34,985,637	33,799,076
Interest on Investments		1,069,337	984,034
Interest on Loans		5,634	894
Rent Received	11	5,272,221	4,664,342
Sundry Income	12	<u>357,924</u>	<u>575,817</u>
TOTAL INCOME		<u>41,690,753</u>	<u>40,024,163</u>
 EXPENDITURE			
Depreciation			
Buildings		1,078,368	1,066,517
Computer Installation		245,558	337,290
Furniture & Fittings		81,547	87,885
Motor Vehicles		<u>812,288</u>	<u>525,112</u>
		<u>2,217,761</u>	<u>2,016,804</u>
 Employee Benefits Expense			
Salaries	17	15,657,083	14,018,590
Redundancies	16	80,923	120,486
Annual Leave Increase in Provision		318,579	700,151
Long Service Leave Increase in Provision		295,118	830,328
Fringe Benefits Tax		368,403	247,564
Payroll Tax		217,249	179,932
Superannuation		<u>1,667,945</u>	<u>1,503,604</u>
		<u>18,605,300</u>	<u>17,600,655</u>
 State Council Net Expenditure	 10	 <u>6,014,136</u>	 <u>5,961,858</u>

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

NATIONAL COUNCIL GENERAL FUND

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE
YEAR ENDED 30 SEPTEMBER 2005 [Cont'd]**

	Note	2005 \$	2004 \$
EXPENDITURE [Cont'd]			
Other Expenses			
Affiliation Fees		607,284	519,188
Bank and Government Charges		144,095	149,114
Building Expenses		3,783,067	2,998,833
Collectors Expenses		46,760	44,135
Computing	13	894,400	1,548,018
Delegations	14	787,682	865,242
Donations		502,409	37,673
Freight		24,113	12,562
Funeral Benefits		104,500	116,835
General Office Expenses		218,089	128,503
Insurance		42,440	74,852
Interest Paid		1,404,252	1,287,634
Mailing and Printing - State M/C Cards		879,013	658,062
MISTAS		119,829	172,841
Motor Vehicle Expenses	19	454,232	917,750
Postage		10,103	23,252
Printing and Distribution - AMWU News		574,653	574,258
Printing and Distribution - Newsletters		23,181	135,202
Printing and Stationery		172,536	109,455
Professional Services	15	379,414	419,617
Publicity		116,098	286,105
Rent Paid	11	1,957,849	1,862,831
Research		171,436	149,864
Telephone		564,453	492,861
		<u>13,981,888</u>	<u>13,584,687</u>
TOTAL EXPENDITURE		<u>40,819,085</u>	<u>39,164,004</u>
OPERATING SURPLUS FOR YEAR		871,668	860,159
Surplus/(Deficit) on Disposal of Assets	18	<u>(3,985)</u>	<u>48,795</u>
NET SURPLUS FOR YEAR		867,683	908,954
Add Accumulated Funds at Beginning of Year		<u>40,912,052</u>	<u>40,003,098</u>
ACCUMULATED FUNDS AT END OF YEAR		<u>41,779,735</u>	<u>40,912,052</u>

(The attached Notes 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 2005

	Note	2005 \$	2004 \$
ACCUMULATED FUNDS		<u>41,779,735</u>	<u>40,912,052</u>
Represented by Net Assets as follows			
CURRENT ASSETS			
Cash Assets	8	<u>2,675,314</u>	<u>2,871,691</u>
Receivables			
Accrued Interest		-	61,053
Prepayments		-	702,969
Sundry Debtors	9	<u>1,053,966</u>	<u>875,168</u>
		<u>1,053,966</u>	<u>1,639,190</u>
Investments			
Short Term Deposits		23,739,788	20,069,352
Sundry Investments		<u>402,417</u>	<u>383,573</u>
		<u>24,142,205</u>	<u>20,452,925</u>
TOTAL CURRENT ASSETS		<u>27,871,485</u>	<u>24,963,806</u>
NON CURRENT ASSETS			
Property, Plant and Equipment			
Computer Equipment	4	514,117	570,039
Furniture and Fittings	5	283,666	288,372
Motor Vehicles	6	3,391,918	2,627,817
Properties	7	<u>41,248,606</u>	<u>41,832,141</u>
		<u>45,438,307</u>	<u>45,318,369</u>
Investments			
Sundry Investments		<u>692,034</u>	<u>1,159,490</u>
Receivables			
Loan secured by mortgage	27	<u>366,528</u>	<u>360,894</u>
TOTAL NON CURRENT ASSETS		<u>46,496,869</u>	<u>46,838,753</u>
TOTAL ASSETS		<u>74,368,354</u>	<u>71,802,559</u>

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

NATIONAL COUNCIL GENERAL FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2005 (Cont'd)

	Note	2005 \$	2004 \$
LESS LIABILITIES			
CURRENT LIABILITIES			
Payables			
Sundry Creditors		13,332	113,977
Trust - Grants (including M.E.R.T)		385,172	736,951
National Council Political Fund		1,086,263	1,120,042
Hardship Fund	21	4,873,732	3,574,090
Education Fund	22	1,539,380	1,439,854
Vehicle Division Education Fund	23	63,692	62,070
Fairfax Chapel Dispute Fund		40,555	40,555
Australian Printing Federation		33,023	33,023
ABM Plastics Distress Fund		647,249	-
York Endowment		46,313	46,313
		<u>8,728,711</u>	<u>7,166,875</u>
Provisions			
Provision for Annual Leave		2,749,513	2,650,207
Provision for Long Service Leave		3,310,395	3,273,425
		<u>6,059,908</u>	<u>5,923,632</u>
TOTAL CURRENT LIABILITIES		<u>14,788,619</u>	<u>13,090,507</u>
NON CURRENT LIABILITIES			
Interest-bearing Liabilities			
Bank Bills Payable (secured)		<u>17,800,000</u>	<u>17,800,000</u>
TOTAL LIABILITIES		<u>32,588,619</u>	<u>30,890,507</u>
NET ASSETS		<u>41,779,735</u>	<u>40,912,052</u>

[The attached Notes 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 2005**

	Note	2005 \$	2004 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions Received		34,985,637	33,799,076
Payments to Suppliers and Employees		(36,498,372)	(34,886,039)
Interest Received		1,216,131	1,074,363
Rent Received		3,729,071	3,121,192
Sundry Income		357,924	575,817
NET CASH PROVIDED BY OPERATING ACTIVITIES	25	<u>3,790,391</u>	<u>3,684,409</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investments		467,456	147,136
Proceeds from Sale of Property, Plant and Equipment		335,884	1,376,560
Receipts for Other Funds		3,516,831	2,946,374
Payments for Property, Plant and Equipment		(2,677,568)	(2,993,229)
Payments for Investments		(18,844)	(213,359)
Payments for Other Funds		(1,560,156)	(1,404,521)
Payment for Mortgage Loan		0	(360,000)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>63,603</u>	<u>(501,039)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts on Behalf of Grants		311,570	125,704
Payments on Behalf of Grants		(691,505)	(505,734)
NET CASH (USED IN) FINANCING ACTIVITIES		<u>(379,935)</u>	<u>(380,030)</u>
NET INCREASE IN CASH HELD		3,474,059	2,803,340
Cash at Beginning of Year		<u>22,941,043</u>	<u>20,137,703</u>
CASH AT END OF YEAR	24	<u>26,415,102</u>	<u>22,941,043</u>

[The attached Notes 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 2005**

1. STATEMENT OF ACCOUNTING POLICIES

This financial report is a general purpose report that has been prepared in accordance with the Workplace Relations Act 1996, applicable Accounting Standards and other mandatory professional reporting requirements, with the exception that the financial report has been prepared on the cash basis rather than the accrual basis as required by applicable Accounting Standards. The Union has determined to adopt the cash basis of accounting in the preparation of the financial reports of national council and all branches following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts. Section 253(3) states that financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

The financial report has been prepared on a cash basis as regards the income and expenditure of the National Council and on the basis of historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for 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 and presentation of the financial report:

- i) All membership contributions are paid direct to the National Council and are accounted for on a cash receipts basis.
- ii) 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.
- iii) Depreciation of Fixed Assets is calculated on the straight line basis in order to write the assets off over their useful lives to the Union.
- iv) 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.

- v) 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,
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NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005**

1. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

vi) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST, except:

- (a) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of an item of expense; or
- (b) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables as appropriate.

Cash flows are included in the statement of cash flows on a gross basis.

vii) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards.

The National Council is preparing and managing transition to Australian equivalents to International Financial Reporting Standards (AIFRSs) effective for financial reporting periods commencing from 1 January 2005. The adoption of AIFRSs will be reflected in the financial statements for the year ending 30 September 2006. On first time adoption of AIFRSs, comparatives for the financial year ended 30 September 2005 are required to be restated. The majority of the AIFRSs transitional adjustments will be made retrospective against retained earnings at 1 October 2004.

The National Council is of the opinion that the key difference in the accounting policies on conversion to AIFRSs is:

Impairment of Assets

The union currently assesses the amount of impairment of assets by determining the recoverable amount on the basis of undiscounted cash flows. Under AIFRS's the union will be required to determine the recoverable amount as the higher of fair value less costs to sell and value in use (which is depreciated replacement cost). The National Council is of the opinion that no impairment losses are likely to arise in respect of the union's assets.

Users of the financial statements should, however, note that the amounts disclosed could change if there are any amendments to current AIFRSs by standard-setters, or interpretation of the AIFRSs requirements changes due to the continuing transition work of the National Council.

2. CHANGE IN ACCOUNTING POLICY

This year the National Council has accounted for income and expenditure on a cash basis. In previous years the National Council prepared financial reports on an accruals basis in respect of the income and expenditure of the National Council.

The effect of the change in accounting policy has been to (decrease) net surplus for the year from \$1,100,316 to \$867,683, (decrease) accrued interest by (\$192,618), (decrease) prepayments by (\$108,636) and decrease trade creditors by \$68,621.

**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 2005**

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of Schedule 1B which read 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)

	2005	2004
	\$	\$
4. COMPUTER EQUIPMENT		
Cost	7,961,454	7,770,097
Less Accumulated Depreciation	<u>7,447,337</u>	<u>7,200,058</u>
	<u>514,117</u>	<u>570,039</u>
5. FURNITURE AND FITTINGS		
Cost	4,758,918	4,681,445
Less Accumulated Depreciation	<u>4,475,252</u>	<u>4,393,073</u>
	<u>283,666</u>	<u>288,372</u>
6. MOTOR VEHICLES		
Cost	4,978,401	3,509,308
Less Accumulated Depreciation	<u>1,586,483</u>	<u>881,491</u>
	<u>3,391,918</u>	<u>2,627,817</u>
7. PROPERTIES - Cost		
Land	6,780,000	6,780,000
Buildings	<u>47,047,594</u>	<u>46,552,761</u>
	53,827,594	53,332,761
Less Accumulated Depreciation on Buildings	<u>12,578,988</u>	<u>11,500,620</u>
	<u>41,248,606</u>	<u>41,832,141</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005**

PROPERTIES (Continued)

SALE OF PROPERTY

On 14th September 2005 the union entered into a contract for the sale of the Elizabeth Street Property for the amount of \$28,000,000. Settlement took place on 14 November 2005, the written down value of the property as at 30 September 2005 was \$12,488,303 and after costs incurred by the union in relation to the sale of \$666,465, resulted in a profit on sale of \$14,845,232. This will be included as income in the 2006 financial statements.

	Note	2005 \$	2004 \$
8. CASH AND BANK BALANCES			
Advances and Floats		98,224	79,654
Bank Accounts			
National Council General Fund		1,941,741	2,453,181
State Council General Fund Accounts	10	167,372	(6,105)
Recoverable Deposits		13,052	13,052
Cash in Transit		454,925	331,909
		<u>2,675,314</u>	<u>2,871,691</u>
9. SUNDRY DEBTORS			
National Entitlement Security Trust		859,682	618,087
Other		194,284	257,081
		<u>1,053,966</u>	<u>875,168</u>
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.			
10. STATE COUNCIL BANK BALANCES			
Bank Balances at Beginning of Year		(6,105)	137,328
Add Remittance to State Council General Fund		6,241,018	5,173,873
Add Remittance to State Council LPA		44,483	45,938
Add Remittance of State GST Debt		470,982	1,053,627
		<u>6,750,378</u>	<u>6,410,766</u>
Less State Council Payments (Net)		6,583,006	6,416,871
Bank Balances at end of year		<u>167,372</u>	<u>(6,105)</u>
State Council Payments comprise:			
State Council Net Expenditure		6,014,136	5,961,858

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL GENERAL FUND

Movement in State Council Debtors/Creditors	<u>568,870</u>	<u>455,013</u>
	<u>6,583,006</u>	<u>6,416,871</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005 [Cont'd]**

	Note	2005 \$	2004 \$
11. 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>1,645,898</u>	<u>1,543,150</u>
12. SUNDRY INCOME			
Lease of Equipment		28,364	17,200
Sundry		49,896	26,064
Dividend Received		129,379	-
Service Training Fees		150,285	298,510
Transfer from Qld Branch		-	234,043
		<u>357,924</u>	<u>575,817</u>
13. COMPUTING			
Consultancy Fees		345,524	612,951
Maintenance		229,775	225,684
Software		96,220	544,393
Other		222,881	164,990
		<u>894,400</u>	<u>1,548,018</u>
14. DELEGATIONS			
Employees- Office Holders		137,552	136,455
Employees- Other		464,442	499,396
Members		19,864	114,649
		<u>621,858</u>	<u>750,500</u>
International- Office Holders		40,430	56,713
International- Other		125,394	58,029
		<u>787,682</u>	<u>865,242</u>
15. PROFESSIONAL SERVICES			
Auditors			
Audit Fees		75,700	65,000
Other Services		900	13,850
		<u>76,600</u>	<u>78,850</u>
Legal Expenses		302,814	340,767
		<u>379,414</u>	<u>419,617</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005 [Cont'd]**

	2005	2004
	\$	\$
16. SALARIES - REDUNDANCIES		
Payments to Employees	-	-
Payments to Officials	80,923	120,486
	<u>80,923</u>	<u>120,486</u>
17. SALARIES		
Employees	3,803,287	3,088,351
Officers and Officials	11,853,796	10,930,239
	<u>15,657,083</u>	<u>14,018,590</u>
18. SURPLUS (DEFICIT) ON DISPOSAL OF ASSETS		
Computer Installation	-	(423)
Motor Vehicles	(3,985)	35,514
Properties	-	17,308
Sale of Surplus Furniture	-	(3,604)
	<u>(3,985)</u>	<u>48,795</u>
19. MOTOR VEHICLE EXPENSES		
Leasing	210,665	723,573
Registrations and Running Expenses	243,567	194,177
	<u>454,232</u>	<u>917,750</u>
20. OPERATING LEASE COMMITMENTS		
In respect of computer equipment and motor vehicles, payable:		
- not later than 1 year	11,495	218,121
- later than 1 year but not later than 5 years	1,014	12,617
	<u>12,509</u>	<u>230,738</u>
21. HARDSHIP FUND		
Balance brought forward	3,574,090	2,295,173
Add Contributions	1,545,472	1,575,177
Less Benefit Payments	245,830	296,260
	<u>4,873,732</u>	<u>3,574,090</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005 [Cont'd]**

	Note	2005 \$	2004 \$
22. EDUCATION FUND			
Balance brought forward		1,439,854	1,207,571
Add Contributions		515,157	525,061
Less Amounts Expended on Education Projects		<u>415,631</u>	<u>292,778</u>
		<u>1,539,380</u>	<u>1,439,854</u>
23. VEHICLE DIVISION EDUCATION FUND			
Balance brought forward		62,070	43,529
Add Contributions		28,773	60,086
Less Amounts Expended on Education Projects		<u>27,151</u>	<u>41,545</u>
		<u>63,692</u>	<u>62,070</u>
24. 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 statement of financial position as follows			
Cash and Bank Balances	8	2,675,314	2,871,691
Short Term Deposits		<u>23,739,788</u>	<u>20,069,352</u>
		<u>26,415,102</u>	<u>22,941,043</u>
25. CASH FLOW INFORMATION			
Reconciliation of Cash Flow from Operations with Net Surplus			
Net Surplus		867,683	908,954
Non-Cash Flows in Net Surplus			
Depreciation		2,217,761	2,016,804
Deficit/(Surplus) on Sale of Shares, Property, Plant and Equipment		3,985	(48,795)
Transfer of Interest to Other Funds		85,741	100,106
Changes in Assets and Liabilities			
(Decrease) in Creditors		(100,645)	(289,118)
Decrease/(Increase) in Accrued Interest		61,053	(9,777)
Decrease/(Increase) in Prepayments		702,969	(35,818)
Increase in Provisions		136,276	1,109,706
(Increase) in Receivables		<u>(184,432)</u>	<u>(67,653)</u>
CASH FLOWS FROM OPERATIONS		<u>3,790,391</u>	<u>3,684,409</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 2005 [Cont'd]**

26. 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 2005	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	\$	\$	\$	\$
Financial Assets				
Cash Assets	2,564,038	-	111,276	2,675,314
Receivables	859,682	-	194,284	1,053,966
Investments (< 1 year)	402,417	-	-	402,417
Short term deposits	23,739,788	-	-	23,739,788
	<u>27,565,925</u>	<u>-</u>	<u>305,560</u>	<u>27,871,485</u>
Weighted average Interest rate	5.27%			
Financial Liabilities				
Payables	-	-	13,332	13,332
Commercial Bills	-	17,800,000	-	17,800,000
	<u>-</u>	<u>17,800,000</u>	<u>13,332</u>	<u>17,813,332</u>
Weighted average Interest rate		6.10%		
Net financial assets/(liabilities)	<u>27,565,925</u>	<u>(17,800,000)</u>	<u>292,228</u>	<u>10,058,153</u>
 30 September 2004				
Financial Assets				
Cash Assets	2,778,985	-	92,706	2,871,691
Receivables	618,087	-	257,081	875,168
Investments (< 1 year)	383,573	-	-	383,573
Short term deposits	20,069,352	-	-	20,069,352
	<u>23,849,997</u>	<u>-</u>	<u>349,787</u>	<u>24,199,784</u>
Weighted average Interest rate	4.82%			
Financial Liabilities				
Payables	-	-	113,977	113,977
Commercial Bills	-	17,800,000	-	17,800,000
	<u>-</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>

**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 2005 [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.

27. 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. As at 30 September 2005 the loan amount is \$366,528.
- (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 \$711,822 (2004:\$686,061)
- (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.

28. CONTINGENT LIABILITIES

Estimate of the maximum amounts of contingent liabilities that may become payable:

A litigation claim has been brought against the Union and others by directors and owners of Bell-A-Bike Pty Ltd. The maximum amount for which the Union and others may be jointly and severally liable is estimated to be \$4,000,000. This amount is based on legal advice. The action is being rigorously defended by the Union.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005 [Cont'd]**

29. ADDITIONAL INFORMATION

The registered office and principal place of business of the union is:

Level 4,
133 – 137 Parramatta Road
Granville NSW 2142

**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 2005.

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 to the extent disclosed in Note 1 to the financial statements 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,
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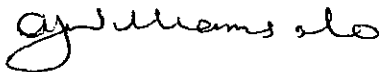
NATIONAL COUNCIL GENERAL FUND

INDEPENDENT AUDIT REPORT (Cont'd)

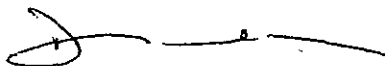
Audit Opinion

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 2005 and its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements; 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. McLean
Registered Company Auditor

2 Market Street
SYDNEY NSW 2000

7 December 2005

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

NATIONAL COUNCIL POLITICAL FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2005**

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL POLITICAL FUND

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 SEPTEMBER 2005**

	2005	2004
	\$	\$
INCOME		
Contributions	779,646	786,050
Interest Received	58,119	55,057
TOTAL INCOME	<u>837,765</u>	<u>841,107</u>
EXPENDITURE		
Affiliation Fees	458,617	430,015
Audit and Accountancy Fees	7,955	4,000
Bank and Government Charges	347	320
Consultancy	10,000	-
Delegation Expenses - Members	75,409	-
Donations	185,455	152,000
Election Expenses - Advertising	-	12,898
Marginal Seats Campaign	23,277	-
Postage, Printing & Stationery	120,729	178,063
TOTAL EXPENDITURE	<u>881,789</u>	<u>777,296</u>
SURPLUS (DEFICIT) FOR YEAR	(44,024)	63,811
Accumulated Surplus at Beginning of Year	<u>1,136,697</u>	<u>1,072,886</u>
ACCUMULATED SURPLUS AT END OF YEAR	<u>1,092,673</u>	<u>1,136,697</u>

[The attached Notes 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 2005

	2005 \$	2004 \$
ACCUMULATED FUNDS	<u>1,092,673</u>	<u>1,136,697</u>
Represented by Net Assets as follows:		
ASSETS		
Cash at Bank	6,415	1,228
Prepayments	-	14,940
Sundry Debtor	-	492
National Council General Fund	<u>1,086,258</u>	<u>1,120,037</u>
	<u>1,092,673</u>	<u>1,136,697</u>
LESS LIABILITIES		
Sundry Creditors	<u>-</u>	<u>-</u>
NET ASSETS	<u>1,092,673</u>	<u>1,136,697</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions		779,646	786,050
Interest Received		58,119	55,057
Payments to Suppliers and Employees		<u>(832,578)</u>	<u>(842,096)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	3	<u>5,187</u>	<u>(989)</u>
NET INCREASE (DECREASE) IN CASH HELD		5,187	(989)
Cash at Beginning of Year		<u>1,228</u>	<u>2,217</u>
CASH AT END OF YEAR		<u>6,415</u>	<u>1,228</u>

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

NATIONAL COUNCIL POLITICAL FUND

[The attached Notes forms part of these Accounts]

**NOTE TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005**

1. STATEMENT OF ACCOUNTING POLICIES

This financial report has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements, with the exception that the financial report has been prepared on the cash basis rather than the accrual basis as required by applicable Accounting Standards. The Union has determined to adopt the cash basis of accounting in the preparation of the financial report of National Council Political Fund following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts. Section 253(3) states that financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

The financial report has been prepared on a cash basis as regards the income and expenditure of the national council political fund and on the basis of historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for 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 Political Fund in the preparation and presentation of the financial report:

- [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.
- (c) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST, except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables as appropriate.

Cash flows are included in the statement of cash flows on a gross basis.

- (d) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards.

The National Council Political Fund is preparing and managing transition to Australian equivalents to International Financial Reporting Standards (AIFRSs) effective for financial reporting periods commencing from 1 January 2005. The adoption of AIFRSs will be reflected in the financial statements for the year ending 30 September 2006. On first time adoption of AIFRSs, comparatives for the financial year ended 30 September 2005 are required to be restated. The majority of the AIFRSs transitional adjustments will be made retrospective against retained earnings at 1 October 2004.

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

NATIONAL COUNCIL POLITICAL FUND

The National Council Political Fund is of the opinion that there are no key difference in the accounting policies on conversion to AIRFSs.

2. CHANGE IN ACCOUNTING POLICY

This year the National Council Political Fund has accounted for income and expenditure on a cash basis. In previous years the National Council Political Fund prepared financial reports on an accruals basis in respect of the income and expenditure of the National Council Political Fund.

The effect of the change in the accounting policy is immaterial.

3. CASH FLOW INFORMATION

	2005	2004
	\$	\$
Reconciliation of Cash Flow from Operations with Net Surplus (Deficit)		
Net Surplus (Deficit)	(44,024)	63,811
Changes in Assets and Liabilities		
Decrease in Prepayments	14,940	2,861
Decrease (Increase) in Sundry Debtors	492	(492)
Decrease (Increase) in National Council General Fund	33,779	(67,169)
	<hr/>	<hr/>
CASH FLOWS FROM OPERATIONS	5,187	(989)

**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 2005 as set out on pages 1 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 to the extent disclosed in Note 1 to the financial statements 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.

Independence

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

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

NATIONAL COUNCIL POLITICAL FUND

INDEPENDENT AUDIT REPORT (Continued)

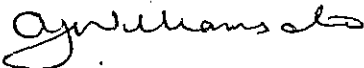
AUDIT OPINION

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

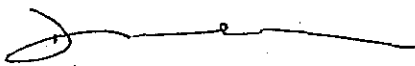
In our opinion:

- [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 2005; and
 - [b] the financial performance of the Political Fund for the year ended on that date;

and is in accordance with Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements and other mandatory professional reporting requirements in Australia .



A.J. WILLIAMS & CO.
Chartered Accountants



D. McLean
Registered Company Auditor

2 Market Street
SYDNEY NSW 2000

7 December 2005