



**Australian Government**  
**Australian Industrial Registry**

Level 5, 11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7882  
Fax: (03) 9655 0410  
Email: [michelle.baldini@air.gov.au](mailto:michelle.baldini@air.gov.au)

Mr Dave Oliver  
National Secretary  
Automotive, Food, Metals, Engineering  
Printing and Kindred Industries Union

By email: [amwu@amwu.asn.au](mailto:amwu@amwu.asn.au)

Attention Mr Warren Soos, National Finance Officer

Dear Mr Oliver,

**Re: Financial Reports for the Year Ended 30th September 2007 - Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

**National Council – FR2007/516**

**South Australian Branch – FR2007/519**

**New South Wales Branch – FR2007/517**

**Western Australian Branch – FR2007/522**

I acknowledge receipt of the amended audit reports of the above named organisation and branches for the financial year ended 30 September 2007. The documents were lodged in the Registry on 15 May 2008.

The financial reports of the National Council, New South Wales Branch, South Australian Branch and Western Australian Branch have now been filed.

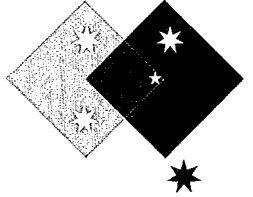
If you wish to discuss this matter I can be contacted on (03) 8661 7882 or by email at [michelle.baldini@air.gov.au](mailto:michelle.baldini@air.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michelle Baldini', written over a white background.

Michelle Baldini  
Statutory Services Branch

15 May 2008



**AMWU**

13 May 2008

The Industrial Registrar  
Australian Industrial Registry  
GPO Box 1994  
MELBOURNE VIC 3001  
Att: Michelle Baldini – Statutory Services Branch



Dear Michelle,

**Re: Financial Reports for the Year Ended 30<sup>th</sup> September 2007 –  
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

In response to your letter dated 8 April 2008, please find attached copies of the amended Auditor's Reports for the following funds and branches:

- National Council General Fund
- National Political Fund
- New South Wales Branch
- South Australian Branch
- Western Australian Branch

As discussed today, you are currently in discussion with the Tasmanian Branch auditors (Craig Barling – Partner, Deloitte Touche Tohmatsu) over their concerns with the wording of the Audit Report. Once those discussions have completed, I will forward a copy of their amended Audit Report to you.

Should you have any further queries on the above, please do not hesitate to contact me on 02 9897 9133.

Regards,

Warren Soos  
National Finance Officer

Australian Manufacturing  
Workers' Union  
Registered as AFMEPKIU  
National Finance & Records  
Department  
Level 4 133 Parramatta Rd  
GRANVILLE NSW 2142  
All Mail To:  
PO Box 844 Granville 2142  
Telephone 02 9897 9133  
Facsimile 02 9897 9274  
amwu@amwu.asn.au

**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.

**Report on the Financial Report**

We have audited the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council General Fund, which comprises the balance sheet as at 30 September 2007, and the income statement, statement of changes in accumulated funds and reserves and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the committee of management's statement for the year then ended.

*Committee of Management and the National Secretary's Responsibility for the Financial Report*

The committee of management and the National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management and national secretary, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Workplace Relations Act 1996.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,  
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NATIONAL COUNCIL GENERAL FUND  
INDEPENDENT AUDIT REPORT (cont'd)**

*Auditor's Opinion*

In our opinion the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council General Fund is presented fairly in accordance with applicable Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.



**A J Williams & Co**  
Chartered Accountants



**David McLean**  
Member of Institute of Chartered Accountants  
And Holder of Current Public Practice Certificate  
Registered Company Auditor  
SYDNEY NSW 2000

6 May 2008

**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 & Kindred Industries Union,  
National Council Political Fund.

**Report on the Financial Report**

We have audited the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council Political Fund, which comprises the balance sheet as at 30 September 2007, and the income statement, statement of changes in accumulated funds and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes for the year then ended.

*Committee of Management and the National Secretary's Responsibility for the Financial Report*

The committee of management and the National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management and national secretary, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Workplace Relations Act 1996.

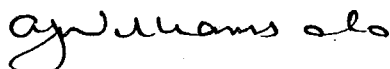
**AUTOMOTIVE, FOOD, METALS, ENGINEERING,  
PRINTING AND KINDRED INDUSTRIES UNION**

**NATIONAL COUNCIL POLITICAL FUND**

**INDEPENDENT AUDIT REPORT (cont'd)**

*Auditor's Opinion*

In our opinion the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council Political Fund is presented fairly in accordance with applicable Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.



**A J Williams & Co**  
Chartered Accountants



**David McLean**  
Member of Institute of Chartered Accountants  
And Holder of Current Public Practice Certificate  
Registered Company Auditor  
SYDNEY NSW 2000

6 May 2008



**Australian Government**  
**Australian Industrial Registry**

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Mr Dave Oliver  
National Secretary  
Automotive, Food, Metals, Engineering  
Printing and Kindred Industries Union  
Level 4  
33-137 Parramatta Road  
GRANVILLE NSW 2142

Attention Mr Warren Soos, National Finance Officer

Dear Mr Oliver,

**Re: Financial Reports for the Year Ended 30th September 2007 - Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

**National Council – FR2007/516**  
**Victorian Branch – FR2007/521**  
**Queensland Branch – FR2007/518**  
**Tasmanian Branch – FR2007/520**

**Western Australian Branch – FR2007/522**  
**South Australian Branch – FR2007/519**  
**New South Wales Branch – FR2007/517**

Thank you for the financial reports of the above named organisation and its branches for the year ended 30 September 2007. The documents were lodged in the Industrial Registry on 27 March 2008.

Before I can file several of the financial reports I require you to attend to the matters set out below.

**Auditor's Opinion – National General and Political Fund, New South Wales, South Australia and Western Australia**

In the above reports, the Auditor's opinion use the term "true and fair view". The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. The following wording in the auditor's opinion would satisfy the requirements:

*"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996".*

You are requested to provide an Auditor's Report containing the correct Auditor's opinion for the above funds and branches.

**Auditor's Qualifications - National General and Political Fund, New South Wales, South Australia and Western Australia**

As you are required to secure another auditor's opinion I would be pleased if the amended report provides details of the Auditor's qualifications to confirm he or she is an 'approved auditor' under s256 of the RAO Schedule and Regulation 4 of the RAO Regulations.

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate. It is our view that the auditor's qualifications should be apparent on the face of the report.

### **Auditor's Opinion - Tasmania**

The Auditor's Opinion is required to state whether the GPFR is presented fairly in accordance with both Australian Accounting Standards and any other requirements imposed by the RAO Schedule. The opinion which has been given does not make any reference to the Australian Accounting Standards or the RAO Schedule.

You are therefore requested to provide an Auditor's Report that the Auditor prepares his or her opinion making express reference both to applicable Australian Accounting Standards and to relevant provisions in the RAO Schedule. It would be sufficient if the Auditor's Opinion made the following statement:

*In my opinion the General Purpose Financial Report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996.*

### **Auditor's Qualifications - Tasmania**

I reiterate my comments above.

On receipt of the abovementioned documents the relevant financial reports will be filed.

### **Preparation of future reports**

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of these comments for this financial year.

### **GPFR – Disclosure of Expenditure – National General Fund**

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

- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));

We note that in your Notes to Financial Statements, Note 11 is headed "Delegation/Employee Expenses". We assume that these expenses are quite probably a combination of the above and should be disclosed separately. Alternatively, if they relate only to conference and meeting expenses then the amount should be disclosed under that, or a similar, heading in future financial years' statements.

### **Notes to Financial Statements – New South Wales**

We note that in your Notes to Financial Statements, Note 1 'Basis of Preparation' states that the "New South Wales Branch is a Branch of the registered organisation and is also a registered organisation in accordance with the Industrial Relations Act, 1996."



Please be advised that under Schedule 1 of the *Workplace Relations Act 1996*, the financial reports only relate to the Branch of the registered organisation under the *Workplace Relations Act 1996* and not the state registered organisation.

### **References to Schedule 1B – South Australia**

The Committee of Management's Report and Note 3 of Notes to Financial Statements contains references to Schedule 1B of the *Workplace Relations Act 1996*. Such references should now be to Schedule 1 or the RAO Schedule.

### **Auditor's Qualifications - Victoria**

In future financial years the Auditor's Report should be amended so that it provides details of the Auditor's qualifications to confirm he or she is an 'approved auditor' under s256 of the RAO Schedule and Regulation 4 of the RAO Regulations.

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate.

### **Summary**

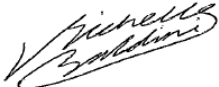
Accordingly, in order to secure compliance with your obligations under the RAO Schedule, I require you to re-file with the Registry Auditor's Reports, addressing the above concerns, for the following funds and branches:

- National General Fund;
- National Political Fund;
- New South Wales Branch;
- South Australian Branch;
- Tasmanian Branch;
- Western Australian Branch.

The financial reports of the Victorian Branch and the Queensland Branch have been filed.

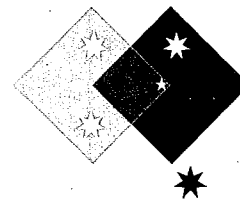
If you wish to discuss this matter I can be contacted on (03) 8661 7882 or by email at [michelle.baldini@air.gov.au](mailto:michelle.baldini@air.gov.au).

Yours sincerely



Michelle Baldini  
Statutory Services Branch

8 April 2008



**AMWU**

Receipt  
Acknowledged  
27/3/08



13 March, 2008

The Industrial Registrar  
Australian Industrial Registry  
GPO Box 1994  
Melbourne Vic 3001

Attention: Robert Pfeiffer

Dear Sir,

**Re: Lodgement of the Full Reports and Certificates of Secretaries  
for the financial year ended 30 September 2007 - 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.

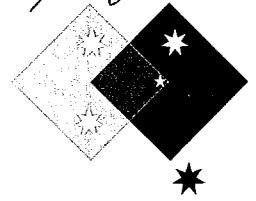
This lodgement is made in accordance with the Workplace Relations Act 1996, section 268 – Reports etc. to be lodged in the Industrial Registry.

Yours sincerely,

DAVE OLIVER  
NATIONAL SECRETARY

Australian Manufacturing  
Workers' Union  
Registered as AFMEPKIU  
National Office  
Level 4  
133 Parramatta Road  
Granville NSW 2142  
Telephone: 02 9897 9133  
Facsimile: 02 9897 9274  
amwu@amwu.asn.au

FR2007/516  
referred CAS



**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING AND  
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**AMWU**

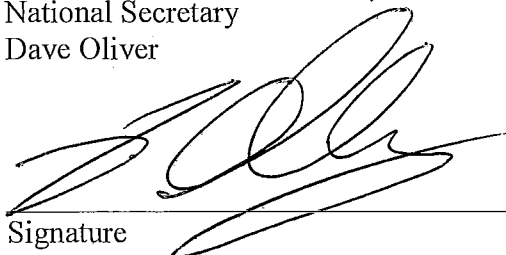
**NATIONAL COUNCIL**

**CERTIFICATE OF NATIONAL SECRETARY**

I, Dave Oliver, 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 RAO Schedule; and
- that the Full Report was provided to members in the month of January 2008; 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 12<sup>th</sup> March 2008 in accordance with section 266 of the RAO Schedule.

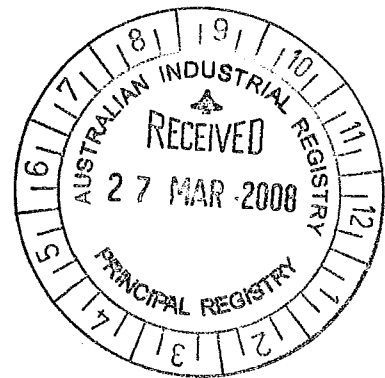
National Secretary  
Dave Oliver

  
Signature

12 March, 2008  
Date



Australian Manufacturing  
Workers' Union  
Registered as AFMEPKIU  
National Office  
Level 4  
133 Parramatta Road  
Granville NSW 2142  
Telephone: 02 9897 9133  
Facsimile: 02 9897 9274  
amwu@amwu.asn.au



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

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

**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 2007.

**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 \$1,510,218.

**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,  
PRINTING AND KINDRED INDUSTRIES UNION**

**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(1) of the Workplace Relations Act 1996. In accordance with section 174(1) of the Workplace Relations Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

**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:

<b>Name</b>	<b>Superannuation Fund</b>	<b>Position</b>
Dave Oliver	Australian Super	Trustee/Director- Member Representative
Mike Nicolaidis	Australian Super	Trustee/Director- Member Representative
Glenn Thompson	C+BUS	Member Director
Marjorie O'Callaghan	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
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
Matthew Lowe	Australian Printing Industry Superannuation Fund	Trustee/Director Employee Representative - Alternate

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

**NATIONAL COUNCIL GENERAL FUND**

**OPERATING REPORT [cont'd]**

**Other Relevant Information**

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

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

- (a) The number of persons who were recorded in the register of members on 30 September 2007 was 123,194.
- (b) The number of persons who were employees of the reporting unit on 30 September 2007 was 309.2, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
- (c) 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:

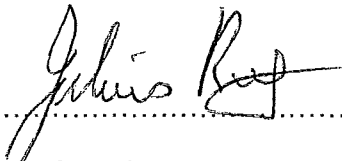
<b>Name</b>	<b>Period Position Held</b>
Doug Cameron	1 October 2006 to 1 May 2007
Julius Roe	1 October 2006 to 30 September 2007
Glenn Thompson	1 October 2006 to 30 September 2007
Jenni Dowell	1 October 2006 to 30 September 2007
Mike Nicolaides	1 October 2006 to 30 September 2007
Steve Walsh	1 October 2006 to 30 September 2007
Ian Jones	1 October 2006 to 30 September 2007
Anne Donnellan	1 October 2006 to 30 September 2007
Dave Smith	1 October 2006 to 30 September 2007
Peter Lees	1 October 2006 to 19 March 2007
Paul Bastian	1 October 2006 to 30 September 2007
Dave Oliver	1 October 2006 to 30 September 2007
Steve Dargavel	1 October 2006 to 30 September 2007
Gayle Tierney	1 October 2006 to 24 November 2006
Jim Reid	1 October 2006 to 30 September 2007
John Camillo	1 October 2006 to 30 September 2007
Jock Ferguson	1 October 2006 to 30 September 2007
Andrew Dettmer	1 October 2006 to 30 September 2007
Tim Ayres	1 October 2006 to 30 September 2007
Matthew Lowe	1 October 2006 to 30 September 2007
John Gresty	1 October 2006 to 14 December 2006
Daniel Dougherty	1 October 2006 to 30 September 2007
Anne Urquhart	1 October 2006 to 30 September 2007
Ian Mortimer	1 October 2006 to 30 September 2007
Mark West	1 October 2006 to 30 September 2007
Craig Lerner	1 October 2006 to 30 September 2007
Jim O'Neill	1 October 2006 to 30 September 2007
Ross Manuel	1 October 2006 to 30 September 2007
Margaret Hay	1 October 2006 to 30 September 2007
Frank Cherry	1 October 2006 to 30 September 2007
Garry Robb	1 July 2007 to 30 September 2007
Darren Trask	19 June 2007 to 30 September 2007
Paul McMahan	20 March 2007 to 30 September 2007
Colin Fenney	20 March 2007 to 30 September 2007
Mick Elston	12 December 2006 to 30 September 2007

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

**NATIONAL COUNCIL GENERAL FUND**

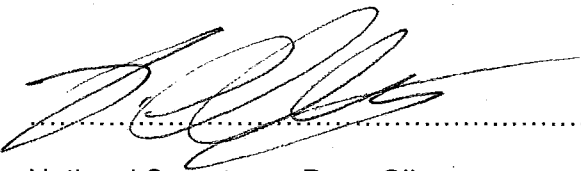
**OPERATING REPORT [cont'd]**

Signed in accordance with a resolution of National Council



.....

National President – Julius Roe



.....

National Secretary – Dave Oliver

11 December, 2007



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

**NATIONAL COUNCIL GENERAL FUND**

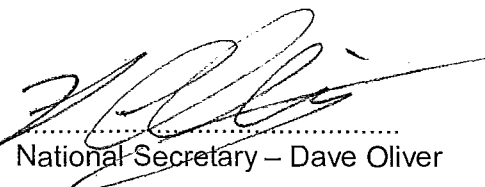
**COMMITTEE OF MANAGEMENT'S STATEMENT**

On 11 December 2007 the Committee of Management of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council passed the following resolution in relation to the general purpose financial report (GPFR) of the National Council General Fund for the year ended 30 September 2007.

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 2007;
- (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 2007 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 the RAO Schedule and the RAO Regulations; 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 the RAO Schedule.
  - (vi) no orders have been made by the Industrial Registrar under section 273 of the RAO Schedule.
- (f) during the financial year ended 30 September 2007 the National Council did not participate in any recovery of wages activity.

For the National Council:

  
National Secretary – Dave Oliver

11 December 2007

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

**NATIONAL COUNCIL GENERAL FUND**

**INCOME STATEMENT FOR THE  
YEAR ENDED 30 SEPTEMBER 2007**

	Note	2007 \$	2006 \$
<b>INCOME</b>			
Contributions		34,709,856	35,276,486
Distribution from Available-for-Sale Financial Assets		15,470	-
Interest on Investments		1,935,136	1,717,521
Interest on Loans		5,808	5,703
Rent Received	8	3,832,263	3,235,651
Sundry Income	9	249,457	430,905
<b>TOTAL INCOME</b>		<u>40,747,990</u>	<u>40,666,266</u>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Buildings		956,831	834,627
Computer Installation		276,609	212,717
Furniture & Fittings		87,381	68,572
Motor Vehicles		1,022,020	1,021,345
		<u>2,342,841</u>	<u>2,137,261</u>
<b>Employee Benefits Expense</b>			
Salaries	14	16,651,214	15,950,222
Redundancies	13	235,573	173,331
Accrued Annual Leave		283,445	232,216
Long Service Leave		410,246	445,195
Fringe Benefits Tax		413,449	390,519
Payroll Tax		259,156	273,301
Superannuation		1,750,221	1,688,868
		<u>20,003,304</u>	<u>19,153,652</u>
<b>State Council Net Expenditure</b>	7	<u>6,072,377</u>	<u>6,409,350</u>

(The attached Notes form part of these Accounts)

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

**NATIONAL COUNCIL GENERAL FUND**

**INCOME STATEMENT FOR THE  
YEAR ENDED 30 SEPTEMBER 2007 [Cont'd]**

	Note	2007 \$	2006 \$
<b>EXPENDITURE [Cont'd]</b>			
<b>Other Expenses</b>			
Affiliation Fees		490,183	437,628
Bank and Government Charges		156,396	153,451
Building Expenses		1,957,414	2,197,817
Collectors Expenses		43,501	44,795
Computing	10	1,055,849	984,708
Delegation/Employee Expenses	11	688,831	693,346
Donations		45,846	35,933
Freight		71,347	18,758
Funeral Benefits		101,024	109,925
General Office Expenses		168,536	168,089
Insurance		89,115	117,143
Interest Paid		-	129,184
Mailing and Printing - State W/C Cards		869,587	820,798
MISTAS		230,864	134,774
Motor Vehicle Expenses	16	210,579	287,451
Organising Unit		47,575	40,063
Postage		37,354	37,144
Printing and Distribution - AMWU News		460,871	413,524
Printing and Distribution - Newsletters		137,177	163,574
Printing and Stationery		216,788	289,133
Professional Services	12	513,744	267,903
Publicity		197,864	320,795
Rent Paid	8	2,553,372	2,359,012
Research		200,750	222,746
Telephone		204,375	241,031
		<u>10,748,942</u>	<u>10,688,725</u>
<b>TOTAL EXPENDITURE</b>		<u>39,167,464</u>	<u>38,388,988</u>
<b>OPERATING SURPLUS FOR YEAR</b>		1,580,526	2,277,278
(Deficit)/Surplus on Disposal of Assets	15	<u>(70,308)</u>	<u>14,864,474</u>
<b>NET SURPLUS FOR YEAR</b>		<u>1,510,218</u>	<u>17,141,752</u>

(The attached Notes form part of these Accounts)

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

**NATIONAL COUNCIL GENERAL FUND**

**BALANCE SHEET AS AT 30 SEPTEMBER 2007**

	Note	2007 \$	2006 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Cash and Cash Equivalents</b>	5	3,962,134	1,767,724
<b>Receivables</b>	6	1,695,406	1,441,808
<b>Investments</b>			
Available for Sale Financial Assets		3,014,472	-
Managed Funds (at Fair Value)		26,427,543	31,149,727
Short Term Deposits		<u>29,442,015</u>	<u>31,149,727</u>
<b>Total Current Assets</b>		<u>35,099,555</u>	<u>34,359,259</u>
<b>Non Current Assets</b>			
<b>Property, Plant and Equipment</b>	4	41,495,421	39,337,167
<b>Investments</b>			
Sundry Investments		350,020	379,990
<b>Receivables</b>			
Loan secured by mortgage	25	<u>378,039</u>	<u>372,231</u>
<b>Total Non Current Assets</b>		<u>42,223,480</u>	<u>40,089,388</u>
<b>TOTAL ASSETS</b>		<u>77,323,035</u>	<u>74,448,647</u>

(The attached Notes form part of these Accounts)

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

**NATIONAL COUNCIL GENERAL FUND**

**BALANCE SHEET AS AT 30 SEPTEMBER 2007 (Cont'd)**

	Note	2007 \$	2006 \$
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
<b>Payables</b>			
Sundry Creditors		22,426	68,008
Trust - Grants (including M.E.R.T)		292,355	132,521
National Council Political Fund		1,392,492	1,344,505
Hardship Fund	18	7,498,532	6,244,405
Education Fund	19	1,855,047	1,693,865
Vehicle Division Education Fund	20	89,696	68,958
Fairfax Chapel Dispute Fund		40,555	40,555
Australian Printing Federation		33,023	33,023
York Endowment		46,313	46,313
IR Campaign Fund	21	<u>(423,675)</u>	<u>(301,309)</u>
		<u>10,846,764</u>	<u>9,370,844</u>
<b>Employee Entitlements</b>			
Employee Entitlements for Annual Leave		2,616,277	2,706,712
Employee Entitlements for Long Service Leave		<u>2,944,483</u>	<u>3,104,274</u>
		<u>5,560,760</u>	<u>5,810,986</u>
<b>Total Current Liabilities</b>		<u>16,407,524</u>	<u>15,181,830</u>
<b>Non Current Liabilities</b>			
<b>Employee Entitlements</b>			
Employee Entitlements for Long Service Leave		<u>484,804</u>	<u>345,330</u>
<b>Total Non Current Liabilities</b>		<u>484,804</u>	<u>345,330</u>
<b>TOTAL LIABILITIES</b>		<u>16,892,328</u>	<u>15,527,160</u>
<b>NET ASSETS</b>		<u>60,430,707</u>	<u>58,921,487</u>
<b>ACCUMULATED FUNDS AND RESERVES</b>			
Available-for-Sale Investment Reserve		(998)	-
Accumulated Funds		<u>60,431,705</u>	<u>58,921,487</u>
<b>ACCUMULATED FUNDS AND RESERVES</b>		<u>60,430,707</u>	<u>58,921,487</u>

(The attached Notes form part of these Accounts)

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

**NATIONAL COUNCIL GENERAL FUND**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES  
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

	Accumulated Funds	Available- for-Sale Investment Reserve	Total
	\$	\$	\$
<b>Balance at 30 September 2005</b>	41,779,735	-	41,779,735
Net Surplus for the Year	<u>17,141,752</u>	<u>-</u>	<u>17,141,752</u>
<b>Balance at 30 September 2006</b>	<u>58,921,487</u>	<u>-</u>	<u>58,921,487</u>
Net decrease in value of Available-for sale financial assets	-	(998)	(998)
Net Surplus for the Year	<u>1,510,218</u>	<u>-</u>	<u>1,510,218</u>
<b>Balance at 30 September 2007</b>	<u>60,431,705</u>	<u>(998)</u>	<u>60,430,707</u>

(The attached Notes form part of these Accounts)

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

**NATIONAL COUNCIL GENERAL FUND**

**CASH FLOW STATEMENT FOR THE  
YEAR ENDED 30 SEPTEMBER 2007**

	Note	2007 \$	2006 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Contributions Received		34,709,856	35,276,486
Payments to Suppliers and Employees		(35,121,756)	(35,267,614)
Interest Received		1,935,136	1,717,521
Rent Received		1,719,463	2,014,781
Sundry Income		249,458	430,905
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	22(b)	<u>3,492,157</u>	<u>4,172,079</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Investments		29,970	312,044
Proceeds from Sale of Property, Plant and Equipment		809,422	28,175,254
Receipts for Other Funds		4,057,419	3,225,912
Payments for Property, Plant and Equipment		(5,380,825)	(9,346,901)
Payments for Investments		(3,000,000)	-
Payments for Other Funds		(2,695,751)	(2,385,804)
Repayment of Bank Bills		-	(17,800,000)
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>		<u>(6,179,765)</u>	<u>2,180,505</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Receipts on Behalf of Grants		835,550	632,895
Payments on Behalf of Grants		(675,716)	(885,547)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		<u>159,834</u>	<u>(252,652)</u>
<b>NET (DECREASE) INCREASE IN CASH HELD</b>		(2,527,774)	6,099,932
Cash at Beginning of Year		<u>32,917,451</u>	<u>26,817,519</u>
<b>CASH AT END OF YEAR</b>	22(a)	<u>30,389,677</u>	<u>32,917,451</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 2007**

**1. SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a general purpose report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Workplace Relations Act 1996, 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.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

**BASIS OF PREPARATION**

The financial report is for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council, and in accordance with the Workplace Relations Act, 1996 the National Council is a reporting unit. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union is an organisation registered under the Workplace Relations Act. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the National Council are not subject to the Corporations Act 2001.

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.



**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 2007 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

**a) Revenue**

All membership contributions are paid direct to the National Council and are accounted for on a cash receipts basis.

**b) Property, Plant and Equipment**

All Property, Plant and Equipment including those located at State Council Offices are recorded in the Balance Sheet of the National Council General Fund and all depreciation thereon is reflected in the National Council General Fund Income Statement.

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

*Depreciation*

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the union commencing from the time the asset is ready for use. The depreciation rates used for each class of asset are:

Buildings	2%-5%
Computer Equipment	20%
Furniture and Fittings	10% - 20%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the income statement in the year that the item is derecognised.

**c) Impairment**

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Union is a not-for profit organisation.

**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 2007 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**d) Employee Benefits**

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 working at State Council offices, 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.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

**e) Income Tax**

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) 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.

**g) Investments**

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

*Short Term Deposits and Sundry Investments*

Short Term Deposits and Sundry Investments are stated at cost.

*Available-for-Sale financial assets*

Investments, which are classified as available for sale, are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Available-for-Sale Investment Reserve until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported for that asset is included in the income statement.

**(h) Accounting Standards Issued But Not Yet Effective**

There have been no accounting standards issued which will have a financial impact on the financial report in future periods and which are not yet effective.

**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 2007 (Cont'd)**

**2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical accounting estimates and assumptions**

The National Council makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

**(b) Critical judgments in applying the National Council's accounting principles**

There are no critical judgments that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

**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 the RAO Schedule 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)

**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 2007 (Cont'd)**

	2007 \$	2006 \$
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Computer Equipment</b>		
Cost	8,275,903	8,158,035
Less Accumulated Depreciation	<u>(7,607,177)</u>	<u>(7,599,389)</u>
	<u>668,726</u>	<u>558,646</u>
<b>Furniture and Fittings</b>		
Cost	4,983,521	4,802,300
Less Accumulated Depreciation	<u>(4,629,987)</u>	<u>(4,546,118)</u>
	<u>353,534</u>	<u>256,182</u>
<b>Motor Vehicles</b>		
Cost	5,661,096	5,408,447
Less Accumulated Depreciation	<u>(1,756,179)</u>	<u>(1,714,962)</u>
	<u>3,904,917</u>	<u>3,693,485</u>
<b>PROPERTIES - Cost</b>		
Land	4,330,000	4,330,000
Buildings	<u>44,154,944</u>	<u>41,458,723</u>
	48,484,944	45,788,723
Less Accumulated Depreciation on Buildings	<u>(11,916,700)</u>	<u>(10,959,869)</u>
	<u>36,568,244</u>	<u>34,828,854</u>
<b>TOTAL PROPERTY PLANT &amp; EQUIPMENT</b>	<u>41,495,421</u>	<u>39,337,167</u>

**MOVEMENTS IN CARRYING AMOUNTS**

	Computer Equipment \$	Furniture and fittings \$	Motor Vehicles \$	Land and Buildings \$	Total \$
Balance at 1 October 2006	558,646	256,182	3,693,485	34,828,854	39,337,167
Additions	393,655	184,733	2,106,216	2,696,221	5,380,825
Disposals	(6,966)	-	(872,764)	-	(879,730)
Depreciation	<u>(276,609)</u>	<u>(87,381)</u>	<u>(1,022,020)</u>	<u>(956,831)</u>	<u>(2,342,841)</u>
Balance at 30 September 2007	<u>668,726</u>	<u>353,534</u>	<u>3,904,917</u>	<u>36,568,244</u>	<u>41,495,421</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 2007 (Cont'd)**

	Note	2007 \$	2006 \$
<b>5. CASH AND CASH EQUIVALENTS</b>			
Advances and Floats		116,369	118,362
Bank Accounts			
National Council General Fund		3,082,107	825,643
State Council General Fund Accounts	7	88,956	88,381
Recoverable Deposits		13,702	13,253
Cash in Transit		661,000	722,085
		<u>3,962,134</u>	<u>1,767,724</u>
<b>6. RECEIVABLES</b>			
National Entitlement Security Trust		1,395,011	1,120,173
Sundry Debtors		300,395	321,635
		<u>1,695,406</u>	<u>1,441,808</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>			
<b>7. STATE COUNCIL BANK BALANCES</b>			
Bank Balances at Beginning of Year		88,381	167,372
Add Remittance to State Council General Fund		5,951,161	6,385,887
Add Remittance to State Council LPA		39,616	43,201
		<u>6,079,158</u>	<u>6,596,460</u>
Less State Council Payments (Net)		<u>(5,990,202)</u>	<u>(6,508,079)</u>
Bank Balances at end of year		<u>88,956</u>	<u>88,381</u>
<b>State Council Payments comprise:</b>			
State Council Net Expenditure		6,072,377	6,409,350
Movement in State Council Debtors/Creditors		<u>(82,175)</u>	<u>98,729</u>
		<u>5,990,202</u>	<u>6,508,079</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 2007 (Cont'd)**

	2007 \$	2006 \$
<b>8. RENTS RECEIVED/RENTS PAID</b>		
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>2,112,800</u>	<u>1,220,870</u>
<b>9. SUNDRY INCOME</b>		
Lease of Equipment	-	32,171
Sundry	90,917	66,209
Dividend Received	8,380	106,914
Service Training Fees	<u>150,160</u>	<u>225,611</u>
	<u>249,457</u>	<u>430,905</u>
<b>10. COMPUTING</b>		
Consultancy Fees	165,397	120,872
Maintenance	199,792	201,307
Software	183,725	216,294
Other	77,529	64,866
Data Lines	<u>429,406</u>	<u>381,369</u>
	<u>1,055,849</u>	<u>984,708</u>
<b>11. DELEGATION/EMPLOYEE EXPENSES</b>		
Employees- Office Holders	143,721	183,856
Employees- Other	352,923	268,245
Members	<u>6,513</u>	<u>57,471</u>
	<u>503,157</u>	<u>509,572</u>
International- Office Holders	105,980	121,559
International- Other	<u>79,694</u>	<u>62,215</u>
	<u>688,831</u>	<u>693,346</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 2007 [Cont'd]**

	2007 \$	2006 \$
<b>12. PROFESSIONAL SERVICES</b>		
Auditors		
Audit Fees	72,800	70,475
Other Services	2,875	-
	<u>75,675</u>	<u>70,475</u>
Legal Expenses	138,069	197,428
Settlement of Legal Disputes	300,000	-
	<u>438,069</u>	<u>197,428</u>
	<u>513,744</u>	<u>267,903</u>
<b>13. SALARIES - REDUNDANCIES</b>		
Payments to Employees	51,411	25,761
Payments to Officials	146,768	147,570
Payments to Officers	37,394	-
	<u>235,573</u>	<u>173,331</u>
<b>14. SALARIES</b>		
Employees	3,817,387	3,700,816
Officials	3,528,033	3,426,224
Officers	9,305,794	8,823,182
	<u>16,651,214</u>	<u>15,950,222</u>
<b>15. (DEFICIT) SURPLUS ON DISPOSAL OF ASSETS</b>		
IT Equipment	(6,966)	-
Motor Vehicles	(63,342)	19,242
Properties	-	14,845,232
	<u>(70,308)</u>	<u>14,864,474</u>
<b>16. MOTOR VEHICLE EXPENSES</b>		
Leasing	1,014	11,624
Registrations and Running Expenses	209,565	275,827
	<u>210,579</u>	<u>287,451</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 2007 [Cont'd]**

	2007 \$	2006 \$
<b>17. OPERATING LEASE COMMITMENTS</b>		
In respect of computer equipment and motor vehicles, payable:		
- not later than 1 year	-	507
- later than 1 year but not later than 5 years	-	-
	<u>-</u>	<u>507</u>
<b>18. HARDSHIP FUND</b>		
Balance brought forward	6,244,405	4,873,732
Add Contributions	1,403,267	1,480,455
Less Benefit Payments	(149,140)	(109,782)
	<u>7,498,532</u>	<u>6,244,405</u>
<b>19. EDUCATION FUND</b>		
Balance brought forward	1,693,865	1,539,380
Add Contributions	467,912	495,328
Less Amounts Expended on Education Projects	(306,730)	(340,843)
	<u>1,855,047</u>	<u>1,693,865</u>
<b>20. VEHICLE DIVISION EDUCATION FUND</b>		
Balance brought forward	68,958	63,692
Add Contributions	26,176	23,041
Less Amounts Expended on Education Projects	(5,438)	(17,775)
	<u>89,696</u>	<u>68,958</u>
<b>21. IR CAMPAIGN FUND</b>		
Balance brought forward	(301,309)	-
Add Contributions	1,393,365	235,928
Less Payments	(1,515,731)	(537,237)
	<u>(423,675)</u>	<u>(301,309)</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 2007 [Cont'd]**

	Note	2007 \$	2006 \$
<b>22. CASH FLOW INFORMATION</b>			
a) For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks and other financial institutions.			
Cash and Bank Balances	5	3,962,134	1,767,724
Short Term Deposits		<u>26,427,543</u>	<u>31,149,727</u>
		<u>30,389,677</u>	<u>32,917,451</u>
b) <b>Reconciliation of Cash Flow from Operations with Net Surplus</b>			
Net Surplus		1,510,218	17,141,752
<b>Non-Cash Flows in Net Surplus</b>			
Depreciation		2,342,841	2,137,261
Deficit/(Surplus) on Disposal of Assets		70,308	(14,864,474)
Reinvestment of income from managed funds		(15,470)	-
<b>Changes in Assets and Liabilities</b>			
(Decrease)/Increase in Creditors		(45,582)	54,676
(Decrease)/Increase in Employee Entitlements		(110,752)	96,409
(Increase) in Receivables		<u>(259,406)</u>	<u>(393,545)</u>
<b>CASH FLOWS FROM OPERATIONS</b>		<u>3,492,157</u>	<u>4,172,079</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 2007 [Cont'd]**

**23. 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.

<b>30 September 2007</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non- interest bearing</b>	<b>Total</b>
<b>Financial Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash Assets	3,832,063	-	130,071	3,962,134
Receivables	1,395,011	378,039	300,395	2,073,445
Managed Funds	3,014,472	-	-	3,014,472
Short term deposits	26,427,543	-	-	26,427,543
	<u>34,669,089</u>	<u>378,039</u>	<u>430,466</u>	<u>35,477,594</u>
Weighted average Interest rate	6.14%	1.50%		
<b>Financial Liabilities</b>				
Payables	-	-	22,426	22,426
	<u>-</u>	<u>-</u>	<u>22,426</u>	<u>22,426</u>
<b>Net financial assets</b>	<u>34,669,089</u>	<u>378,039</u>	<u>408,040</u>	<u>35,455,168</u>
<b>30 September 2006</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non- interest bearing</b>	<b>Total</b>
<b>Financial Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash Assets	1,636,109	-	131,615	1,767,724
Receivables	1,120,173	372,231	321,635	1,814,039
Short term deposits	31,149,727	-	-	31,149,727
	<u>33,906,009</u>	<u>372,231</u>	<u>453,250</u>	<u>34,731,490</u>
Weighted average Interest rate	5.72%	1.50%		
<b>Financial Liabilities</b>				
Payables	-	-	68,008	68,008
	<u>-</u>	<u>-</u>	<u>68,008</u>	<u>68,008</u>
<b>Net financial assets</b>	<u>33,906,009</u>	<u>372,231</u>	<u>385,242</u>	<u>34,663,482</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 2007 [Cont'd]**

**23. FINANCIAL INSTRUMENTS (Cont'd)**

**Credit Risk Exposure**

Credit risk is the risk that counterparties 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.

**24. SUPERANNUATION**

Superannuation plans are defined contribution plans. The benefits provided under these plans are based on accumulated contributions and earnings for each employee. The Union's liability is limited to paying the contributions to the plans.

**25. 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 then National Secretary on 3 August 2004. As at 30 September 2007 the loan amount is \$378,039.
- (ii) The aggregate amount of remuneration paid to office holders during the financial year is disclosed in the income statement under Salaries Officials and Salaries Redundancies as disclosed at note 14 and 13 to the accounts respectively.
- (iii) The aggregate amount paid during the financial year to a superannuation plan in respect of office holders was \$640,685 (2006:\$622,065)
- (iv) There have been no other transactions between the office holders 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.

**26. 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**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2007 [Cont'd]**

**27. CONTINGENT LIABILITIES**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Estimates of the maximum amounts of contingent liabilities that may become payable:		
A claim brought against the Union by Bell a Bike Rottnest Pty Ltd. The amount disclosed based on legal advice represented the maximum amount that the Western Australian Branch may be liable for.	-	4,000,000
A claim brought against the Union and two of its officials by United Group Infrastructure Pty Ltd and United Resources Pty Ltd. The amount disclosed based on legal advice represented the maximum amount that the Western Australian Branch may be liable for.	-	4,000,000
A claim brought against the Union and thirty seven of its members by Total Corrosion Control Pty Ltd. The amount disclosed based on legal advice represented the maximum amount that the Western Australian Branch may be liable for.	-	4,000,000
The above actions were settled during the year ended 30 September 2007 for an amount of \$300,000.		
<b>TOTAL</b>	<u>-</u>	<u>12,000,000</u>

**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.

**Report on the Financial Report**

We have audited the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council General Fund, which comprises the balance sheet as at 30 September 2007, and the income statement, statement of changes in accumulated funds and reserves and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the committee of management's statement for the year then ended.

*Committee of Management and the National Secretary's Responsibility for the Financial Report*

The committee of management and the National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management and national secretary, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Workplace Relations Act 1996.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,**

**PRINTING AND KINDRED INDUSTRIES UNION**

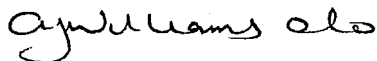
**NATIONAL COUNCIL GENERAL FUND**

**INDEPENDENT AUDIT REPORT (cont'd)**

*Auditor's Opinion*

In our opinion the general purpose 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 2007 and its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent disclosed in Note 1 to the financial statements; and
- (iii) complying with any other requirements of the RAO.

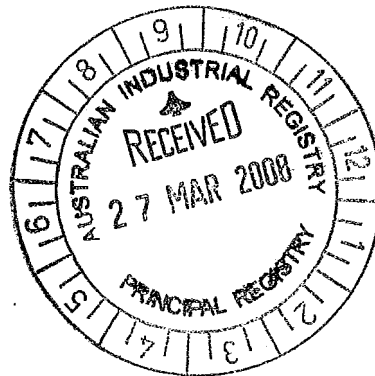


**A J Williams & Co**  
Chartered Accountants



**David McLean**  
Registered Company Auditor.  
SYDNEY NSW 2000

11 December 2007



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

**NATIONAL COUNCIL POLITICAL FUND**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

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

**NATIONAL COUNCIL POLITICAL FUND**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Contributions	677,877	782,003
Interest Received	<u>88,822</u>	<u>66,567</u>
<b>TOTAL INCOME</b>	<u>766,699</u>	<u>848,570</u>
<b>EXPENDITURE</b>		
Affiliation Fees	375,968	488,723
Audit and Accountancy Fees	12,450	400
Bank and Government Charges	257	265
Consultancy	-	11,426
Delegation Expenses - Members	542	1,263
Donations	330,000	74,000
Postage, Printing & Stationery	<u>-</u>	<u>14,247</u>
<b>TOTAL EXPENDITURE</b>	<u>719,217</u>	<u>590,324</u>
<b>SURPLUS FOR YEAR</b>	<u>47,482</u>	<u>258,246</u>

[The attached Notes form part of these Accounts]



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

**NATIONAL COUNCIL POLITICAL FUND**

**BALANCE SHEET AS AT 30 SEPTEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
Cash at Bank	5,909	6,414
National Council General Fund	<u>1,392,492</u>	<u>1,344,505</u>
	<u>1,398,401</u>	<u>1,350,919</u>
<b>LESS LIABILITIES</b>		
Sundry Creditors	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>	<u>1,398,401</u>	<u>1,350,919</u>
<b>ACCUMULATED FUNDS</b>	<u>1,398,401</u>	<u>1,350,919</u>

[The attached Notes form part of these Accounts]

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

**NATIONAL COUNCIL POLITICAL FUND**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS**

	<b>Accumulated Funds</b>
	\$
<b>Balance at 1 October 2005</b>	1,092,673
Surplus for the year	<u>258,246</u>
<b>Balance at 30 September 2006</b>	1,350,919
Surplus for the year	<u>47,482</u>
<b>Balance at 30 September 2007</b>	<u>1,398,401</u>

[The attached Notes form part of these Accounts]

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

**NATIONAL COUNCIL POLITICAL FUND**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

	<b>Note</b>	<b>2007</b> \$	<b>2006</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Contributions		677,877	782,003
Interest Received		88,822	66,567
Payments to Suppliers		(767,204)	(848,571)
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	<b>3(b)</b>	<u>(505)</u>	<u>(1)</u>
<b>NET (DECREASE) IN CASH HELD</b>		(505)	(1)
Cash at Beginning of Year		<u>6,414</u>	<u>6,415</u>
<b>CASH AT END OF YEAR</b>	<b>3(a)</b>	<u>5,909</u>	<u>6,414</u>

[The attached Notes form part of these Accounts]

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

**NATIONAL COUNCIL POLITICAL FUND**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

**1. SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a general purpose report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations and the Workplace Relations Act 1996, 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.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

**BASIS OF PREPARATION**

The financial report is for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council Political Fund. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union is an organisation registered under the Workplace Relations Act. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the National Council are not subject to the Corporations Act 2001.

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.

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

**NATIONAL COUNCIL POLITICAL FUND**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2007 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to the Australian Tax Office is included as part of receivables or payables as appropriate.

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

**2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical accounting estimates and assumptions**

The National Council makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of asset and liabilities.

**(b) Critical judgments in applying the National Council's accounting principles**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

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

**NATIONAL COUNCIL POLITICAL FUND**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2007 (Cont'd)**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>3. CASH FLOW INFORMATION</b>		
a) For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash and Bank Balances	<u>5,909</u>	<u>6,414</u>
<b>b) Reconciliation of Cash Flow from Operations with Surplus</b>		
Surplus	47,482	258,246
<b>Changes in Assets and Liabilities</b>		
(Increase) in National Council General Fund	<u>(47,988)</u>	<u>(258,247)</u>
<b>CASH FLOWS (USED IN) OPERATING ACTIVITIES</b>	<u>(505)</u>	<u>(1)</u>

**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 & Kindred Industries Union, National Council Political Fund.

**Report on the Financial Report**

We have audited the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council Political Fund, which comprises the balance sheet as at 30 September 2007, and the income statement, statement of changes in accumulated funds and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes for the year then ended.

*Committee of Management and the National Secretary's Responsibility for the Financial Report*

The committee of management and the National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management and national secretary, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Workplace Relations Act 1996.

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

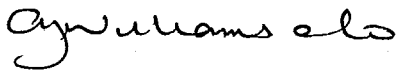
**NATIONAL COUNCIL POLITICAL FUND**

**INDEPENDENT AUDIT REPORT (cont'd)**

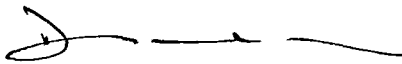
*Auditor's Opinion*

In our opinion the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council Political 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 2007 and its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent disclosed in Note 1 to the financial statements; and
- (iii) complying with any other requirements of the RAO.



**A J Williams & Co**  
Chartered Accountants



**David McLean**  
Registered Company Auditor.  
SYDNEY NSW 2000

11 December 2007