



FAIR WORK
AUSTRALIA

13 April 2011

Mr Dave Oliver
National Secretary
"Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" Known as the
Australian Manufacturing Workers' Union (AMWU)
Level 4, 133 Parramatta Road
Granville 2142
New South Wales

By email: amwu@amwu.asn.au

Dear Mr Oliver,

Re: Fair Work (Registered Organisations) Act 2009 financial reports for year ended 30 September 2010 for the National Council: FR2010/2799

I refer to the above financial report for the AMWU National Council for the year ended September 2010 which was lodged 29 March 2011. The financial report has now been filed.

Comments to assist future financial reports

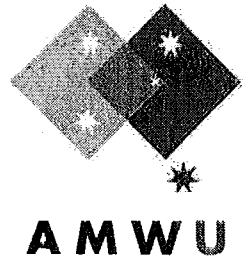
I note that there is ongoing correspondence between Fair Work Australia and the National Council regarding the disclosure of employee benefits, and refer you to Fair Work Australia's letter dated 5 April 2011 and AMWU National Finance Officer Warren Soos in this regard.

If you have any queries regarding the matters referred to in this letter, please contact me on (03) 8661 7988 or by email at olaf.richter@fwa.gov.au.

Yours sincerely,

Olaf Richter
Tribunal Services and Organisations
Fair Work Australia
Tel: (03) 8661 7988
Email: olaf.richter@fwa.gov.au

FR2010/2799



**“AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING AND KINDRED
INDUSTRIES UNION” KNOWN AS THE
AUSTRALIAN MANUFACTURING WORKERS’ UNION (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 Fair Work (Registered Organisations) Act 2009; and
- that the Full Report was provided to members in the month of January 2011; 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” known as the Australian Manufacturing Workers’ Union (AMWU) National Council on 24 March, 2011 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature

National Secretary
Dave Oliver

24 March, 2011

Australian Manufacturing
Workers' Union
Registered as AFMEPKIU
National Office
Level 4
133 Parramatta Road
Granville NSW 2142
Telephone: 02 9897 9133
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FR 2010/2799



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

NATIONAL COUNCIL POLITICAL FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

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

NATIONAL COUNCIL POLITICAL FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	2010	2009
	\$	\$
INCOME		
Contributions	725,499	720,904
Interest Received	64,282	63,982
Sundry Receipts	4,233	-
TOTAL INCOME	<u>794,014</u>	<u>784,886</u>
EXPENDITURE		
Affiliation Fees	359,298	418,684
Audit and Accountancy Fees	5,580	5,500
Bank and Government Charges	468	393
Consultancy Fees	-	23,000
Delegation Expenses - Members	-	4,865
Donations	430,200	57,964
Election Expenses - Advertising	6,585	-
General Office	20,285	2,714
Postage, Printing & Stationery	19,592	9,857
TOTAL EXPENDITURE	<u>842,008</u>	<u>522,977</u>
(DEFICIT) / SURPLUS FOR YEAR	<u>(47,994)</u>	<u>261,909</u>

(The attached Notes form 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 2010**

	2010 \$	2009 \$
ASSETS		
Cash at Bank	6,460	9,062
National Council General Fund	1,552,036	1,623,541
Prepayments	<u>35,625</u>	<u>9,512</u>
TOTAL ASSETS	<u>1,594,121</u>	<u>1,642,115</u>
LESS LIABILITIES		
Sundry Creditors	<u>3,000</u>	<u>3,000</u>
TOTAL LIABILITIES	<u>3,000</u>	<u>3,000</u>
NET ASSETS	<u>1,591,121</u>	<u>1,639,115</u>
ACCUMULATED FUNDS	<u>1,591,121</u>	<u>1,639,115</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**

	Accumulated Funds
	\$
Balance at 30 September 2008	1,377,206
Surplus for the year	261,909
Balance at 30 September 2009	<hr/> 1,639,115
Deficit for the year	(47,994)
Balance at 30 September 2010	<hr/> 1,591,121

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL POLITICAL FUND

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions		725,499	720,904
Interest Received		64,282	63,982
Payments to Suppliers		(792,383)	(781,629)
		<hr/>	<hr/>
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	3(b)	(2,602)	3,257
		<hr/>	<hr/>
NET (DECREASE) / INCREASE IN CASH HELD		(2,602)	3,257
Cash at Beginning of Year		9,062	5,805
		<hr/>	<hr/>
CASH AT END OF YEAR	3(a)	6,460	9,062
		<hr/>	<hr/>

(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 2010**

1. SIGNIFICANT ACCOUNTING POLICIES

This financial report 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 Fair Work (Registered Organisations) Act 2009.

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 Fair Work (Registered Organisations) Act 2009. 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 the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. 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 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 statement of financial position 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.

**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 2010 (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 amounts 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 amounts of assets and liabilities.

3. CASH FLOW INFORMATION

a) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.

	2010 \$	2009 \$
Cash and Bank Balances	<u>6,460</u>	<u>9,062</u>

b) Reconciliation of Cash Flow from Operations with (Deficit) / Surplus

(Deficit) / Surplus	(47,994)	261,909
Changes in Assets and Liabilities		
(Increase) in Prepayments	(26,113)	(9,512)
Decrease / (Increase) in National Council General Fund	71,505	(252,140)
Increase in Sundry Creditors	<u>-</u>	<u>3,000</u>
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(2,602)</u>	<u>3,257</u>

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 2010 (Cont'd)

4. FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

The National Council Political Fund is exposed to risks that arise from its use of financial instruments. This note describes the National Council Political Fund's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the National Council Political Fund's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The National Council Political Fund's financial instruments consist mainly of deposits with banks and receivables. The main risks the National Council Political Fund is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The National Council have overall responsibility for the determination of the National Council Political Fund's risk management objectives and policies.

(b) *Credit Risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the National Council Political Fund incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the National Council Political Fund.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2010	2009
	\$	\$
Cash and cash equivalents	6,460	9,062
	<hr/>	<hr/>
National Council General Fund	1,552,036	1,623,541
	<hr/>	<hr/>

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

**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 2010 (Cont'd)**

4. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Liquidity Risk

Liquidity risk is the risk that the National Council Political Fund may encounter difficulties raising funds to meet commitments associated with financial instruments.

The National Council Political Fund is not significantly exposed to this risk; as at 30 September 2010 it had \$6,460 (\$9,062 - 2009) of cash and cash equivalents to meet these obligations as they fall due. The financial liabilities recorded in the financial statements at 30 September 2010 and 30 September 2009 were \$3,000 and \$3,000 respectively.

The National Council Political Fund manages liquidity risk by monitoring cash flows.

(d) Market Risk

Market risk arises from the use of interest bearing financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk).

(e) Interest Rate Risk

The National Council Political Fund's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

30 September 2010	Floating interest rate	Non interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	6,460	-	6,460
Receivable	1,552,036	-	1,552,036
	<u>1,558,496</u>	<u>-</u>	<u>1,558,496</u>
Weighted average interest rate	4.13%		
Financial Liabilities			
Payables	-	3,000	3,000
	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Net Financial Assets / (Liabilities)	<u>1,558,496</u>	<u>(3,000)</u>	<u>1,555,496</u>

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 2010 (Cont'd)

4. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

30 September 2009	Floating interest rate	Non interest bearing	Total
<i>Financial Assets</i>	\$	\$	\$
Cash and cash equivalents	9,062	-	9,062
Receivable	1,623,541	-	1,623,541
	<u>1,632,603</u>	<u>-</u>	<u>1,632,603</u>
Weighted average Interest rate	4.30%		
<i>Financial Liabilities</i>			
Payables	-	3,000	3,000
	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Net Financial Assets / (Liabilities)	<u>1,632,603</u>	<u>(3,000)</u>	<u>1,629,603</u>

Sensitivity Analysis

2010	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	<u>6,460</u>	<u>65</u>	<u>(65)</u>
2010	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Receivable	<u>1,552,036</u>	<u>15,520</u>	<u>(15,520)</u>

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 2010 (Cont'd)

4. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) *Interest Rate Risk (Cont'd)*

2009	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
Cash and cash equivalents	\$ 9,062	\$ 91	\$ (91)
2009	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
Receivable	\$ 1,623,541	\$ 16,235	\$ (16,235)

INDEPENDENT AUDIT REPORT

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

We have audited the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council Political Fund, which comprises the statement of financial position as at 30 September 2010 and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows 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 Fair Work (Registered Organisations) Act 2009. 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 Fair Work (Registered Organisations) Act 2009.



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 and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



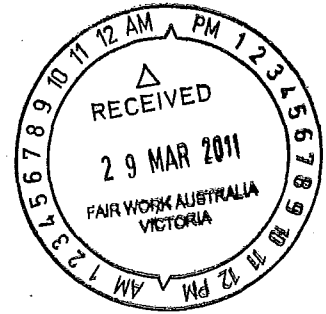
BDO Audit (NSW - VIC) Pty Ltd

A handwritten signature in black ink, appearing to read 'David McLean', with a long horizontal flourish extending to the right.

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

14 December 2010

FR2010/2799



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

NATIONAL COUNCIL GENERAL FUND

FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

**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 Fair Work (Registered Organisations) Act 2009, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council for the financial year ended 30 September 2010

Review of the National Council'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 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 net surplus for the financial year of \$1,617,367 (2009: net surplus of \$2,836,459).

Significant Changes in Financial Affairs

There were no significant changes in the financial affairs of the National Council during the financial year.

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 Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 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 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 of officer or member	Superannuation Fund	Position Held
Dave Oliver	Australian Super	Member Director
Nixon Apple	Australian Super	Member Director-Alternate
Mike Nicolaidis	Australian Super	Member Non-Director of the Member and Employer Services Committee
Glenn Thompson	C+BUS	Member Director
Tim Ayres	C+BUS	Member Director-Alternate
Ian Jones	MTAA Super	Member Representative Director
Alix Sachnidis	MTAA Super	Member Representative Director
Mark Georgiou	MTAA Super	Member Representative Director
Lorraine Cassin	Media Super	Member Representative Director
Katrina Ford	Media Super	Member Representative Director
Stuart Gordon	Media Super	Member Representative Director
Steve Vine	Media Super	Member Representative Director - 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 Fair Work (Registered Organisations) Regulations 2009

- (a) The number of persons who were recorded in the register of members on 30 September 2010 was 107,749.
- (b) The number of persons who were employees of the reporting unit on 30 September 2010 was 308.3, 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:

Name	Period Position Held
Julius Roe	1 October 2009 to 4 January 2010
Dave Oliver	1 October 2009 to 30 September 2010
Glenn Thompson	1 October 2009 to 30 September 2010
Jennifer Dowell	1 October 2009 to 30 September 2010
Mike Nicolaides	1 October 2009 to 30 September 2010
Lorraine Cassin	1 October 2009 to 30 September 2010
Ian Jones	1 October 2009 to 30 September 2010
Anne Donnellan	1 October 2009 to 30 September 2010
Dave Smith	1 October 2009 to 30 September 2010
Paul Bastian	1 October 2009 to 30 September 2010
Steve Dargavel	1 October 2009 to 30 September 2010
Andrew Dettmer	1 October 2009 to 30 September 2010
John Camillo	1 October 2009 to 30 September 2010
Steve McCartney	1 October 2009 to 30 September 2010
Anne Urquhart	1 October 2009 to 18 August 2010
Tim Ayres	1 October 2009 to 30 September 2010
Gary Robb	1 October 2009 to 30 September 2010
Rohan Webb	1 October 2009 to 30 September 2010
Colin Fenney	1 October 2009 to 30 September 2010
Steve Vine	1 October 2009 to 30 September 2010
Jamie Bellerby	1 October 2009 to 30 September 2010
Daniel Dougherty	1 October 2009 to 26 July 2010
Alan Lindsey	1 October 2009 to 30 September 2010

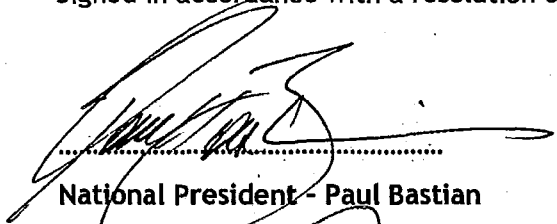
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NATIONAL COUNCIL GENERAL FUND

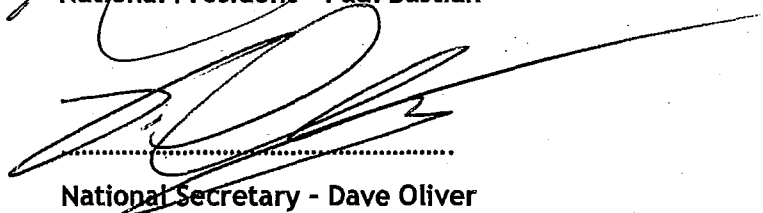
OPERATING REPORT (cont'd)

Name	Period Position Held
Warren Butler	1 October 2009 to 30 September 2010
Ian Mortimer	1 October 2009 to 30 September 2010
Margaret Hay	1 October 2009 to 30 September 2010
Mick Elston	1 October 2009 to 26 July 2010
David Brook	1 October 2009 to 28 July 2010
Charlie Marmara	1 October 2009 to 26 July 2010
Frank Cherry	1 October 2009 to 30 September 2010
Craig Lerner	27 July 2010 to 30 September 2010
John Short	19 August 2010 to 30 September 2010
David Crawley	27 July 2010 to 30 September 2010
Brett King	29 July 2010 to 30 September 2010
Paul Brown	27 July 2010 to 30 September 2010
Steve Murphy	14 March 2010 to 30 September 2010

Signed in accordance with a resolution of National Council



.....
National President - Paul Bastian



.....
National Secretary - Dave Oliver

14 December 2010

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

NATIONAL COUNCIL GENERAL FUND


COMMITTEE OF MANAGEMENT'S STATEMENT

On 14 December 2010 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 2010.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (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 2010;
- (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 2010 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) during the financial year ended 30 September 2010 the National Council did not participate in any recovery of wages activity.

For the National Council:



.....
National Secretary - Dave Oliver

14 December 2010

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

NATIONAL COUNCIL GENERAL FUND

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2010**

	Note	2010 \$	2009 \$
INCOME			
Contributions		35,194,331	35,156,683
Distribution from Available-for-Sale Financial Assets		464,085	561,106
Interest on Investments		1,824,234	2,022,704
Rent Received	8	4,922,224	4,951,114
Sundry Income	9	<u>1,362,013</u>	<u>108,560</u>
TOTAL INCOME		<u>43,766,887</u>	<u>42,800,167</u>
EXPENDITURE			
Depreciation			
Buildings		1,137,594	1,124,700
Computer Installation		229,679	250,801
Furniture & Fittings		74,778	82,698
Motor Vehicles		<u>1,093,488</u>	<u>1,050,976</u>
		<u>2,535,539</u>	<u>2,509,175</u>
Employee Benefits Expense			
Salaries	14	18,134,259	17,005,302
Redundancies	13	380,535	228,932
Accrued Annual Leave		409,069	377,368
Long Service Leave		534,515	505,051
Fringe Benefits Tax		473,221	379,099
Payroll Tax		204,508	293,370
Superannuation		<u>1,853,676</u>	<u>1,776,520</u>
		<u>21,989,783</u>	<u>20,565,642</u>
State Council Net Expenditure	7	<u>6,613,802</u>	<u>6,689,824</u>

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL GENERAL FUND

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)**

	Note	2010 \$	2009 \$
EXPENDITURE (Cont'd)			
Other Expenses			
Affiliation Fees		520,625	448,078
Bank and Government Charges		173,469	177,453
Building Expenses		2,119,634	1,963,945
Collectors Expenses		33,689	38,089
Computing	10	693,218	738,379
Conference and Meeting Expenses		176,859	67,268
Conference and Meeting Expenses - Fees & Allowances		5,140	4,200
Delegation/Employee Expenses	11	468,054	565,537
Donations		46,858	56,690
Freight		32,093	9,575
Funeral Benefits		89,483	100,858
General Office Expenses		193,488	166,480
Insurance		49,634	51,443
Mailing and Printing - State M/C Cards		776,857	809,079
MISTAS		319,226	77,243
Motor Vehicle Expenses	16	188,400	190,385
Postage		12,124	25,412
Printing and Distribution - AMWU News		393,325	395,259
Printing and Distribution - Newsletters		23,261	24,549
Printing and Stationery		254,053	195,010
Professional Services	12	216,044	239,934
Publicity		157,098	101,902
Rent Paid	8	3,269,198	3,253,415
Research		79,973	90,845
Telephone		503,776	373,916
		<u>10,795,579</u>	<u>10,164,944</u>
TOTAL EXPENDITURE		<u>41,934,703</u>	<u>39,929,585</u>
OPERATING SURPLUS FOR YEAR		1,832,184	2,870,582
Deficit on Disposal of Assets	15	<u>(214,817)</u>	<u>(34,123)</u>
NET SURPLUS FOR YEAR		1,617,367	2,836,459
OTHER COMPREHENSIVE INCOME			
Net (Decrease) in Value of Available-for-Sale Financial Assets		<u>(2,627)</u>	<u>(313,868)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>(2,627)</u>	<u>(313,868)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,614,740</u>	<u>2,522,591</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 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	2,579,664	1,411,692
Receivables	6	3,635,310	3,548,353
Investments			
Available for Sale Financial Assets			
Managed Funds (at Fair Value)		9,462,853	6,501,660
Short Term Deposits		37,441,674	36,936,920
		<u>46,904,527</u>	<u>43,438,580</u>
Total Current Assets		<u>53,119,501</u>	<u>48,398,625</u>
Non Current Assets			
Property, Plant and Equipment	4	40,629,430	40,820,911
Investments			
Sundry Investments		350,020	350,020
		<u>40,979,450</u>	<u>41,170,931</u>
Total Non Current Assets		<u>40,979,450</u>	<u>41,170,931</u>
TOTAL ASSETS		<u>94,098,951</u>	<u>89,569,556</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 2010 (Cont'd)

	Note	2010 \$	2009 \$
LIABILITIES			
Current Liabilities			
Payables			
Sundry Creditors		625,875	661,995
Trust - Grants (including M.E.R.T)		3,102	-
National Council Political Fund		1,552,036	1,623,541
Hardship Fund	17	7,847,332	7,847,332
Education Fund	18	3,988,319	3,135,825
Vehicle Division Education Fund	19	134,394	94,085
Fairfax Chapel Dispute Fund	20	47,015	40,555
Australian Printing Federation		33,023	33,023
York Endowment		46,312	46,312
Campaign and Organising Fund	21	5,306,488	3,555,336
		<u>19,583,896</u>	<u>17,038,004</u>
Employee Entitlements			
Employee Entitlements for Annual Leave		2,938,614	2,795,794
Employee Entitlements for Long Service Leave		3,351,080	2,965,257
		<u>6,289,694</u>	<u>5,761,051</u>
Total Current Liabilities		<u>25,873,590</u>	<u>22,799,055</u>
Non Current Liabilities			
Employee Entitlements			
Employee Entitlements for Long Service Leave		551,858	711,738
Total Non Current Liabilities		<u>551,858</u>	<u>711,738</u>
TOTAL LIABILITIES		<u>26,425,448</u>	<u>23,510,793</u>
NET ASSETS		<u>67,673,503</u>	<u>66,058,763</u>
ACCUMULATED FUNDS AND RESERVES			
Available-for-Sale Investment Reserve		(315,081)	(312,454)
Accumulated Funds		67,988,584	66,371,217
ACCUMULATED FUNDS AND RESERVES		<u>67,673,503</u>	<u>66,058,763</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 2010**

	Accumulated Funds	Available-for- Sale Investment Reserve	Total
	\$	\$	\$
Balance at 30 September 2008	63,534,758	1,414	63,536,172
Net Surplus for the Year	2,836,459	-	2,836,459
Other comprehensive income:			
Net decrease in value of			
Available-for-Sale financial assets	-	(313,868)	(313,868)
Total Comprehensive Income			<u>2,522,591</u>
Balance at 30 September 2009	<u>66,371,217</u>	<u>(312,454)</u>	<u>66,058,763</u>
Net Surplus for the Year	1,617,367	-	1,617,367
Other comprehensive income:			
Net decrease in value of			
Available-for-Sale financial assets	-	(2,627)	(2,627)
Total Comprehensive Income	-	-	<u>1,614,740</u>
Balance at 30 September 2010	<u>67,988,584</u>	<u>(315,081)</u>	<u>67,673,503</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 2010**

	Note	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions Received		35,194,331	35,156,683
Payments to Suppliers and Employees		(36,296,114)	(34,256,832)
Distributions Received		75,656	-
Interest Received		1,738,266	1,828,237
Rent Received		1,994,670	1,997,709
Sundry Income		1,362,013	108,560
NET CASH PROVIDED BY OPERATING ACTIVITIES	22(b)	<u>4,068,822</u>	<u>4,834,357</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		747,158	1,745,769
Receipts for Other Funds		4,166,294	4,366,233
Receipts from Investments		2,028,541	-
Payments for Property, Plant and Equipment		(3,159,965)	(3,748,215)
Payments for Investments		(5,087,036)	(322,288)
Payments for Other Funds		(1,587,385)	(1,122,264)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES		<u>(2,892,393)</u>	<u>919,235</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts on Behalf of Grants		2,305,073	1,070,085
Payments on Behalf of Grants		(1,808,776)	(1,565,526)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		<u>496,297</u>	<u>(495,441)</u>
NET INCREASE IN CASH HELD		1,672,726	5,258,151
Cash at Beginning of Year		<u>38,348,612</u>	<u>33,090,461</u>
CASH AT END OF YEAR	22(a)	<u>40,021,338</u>	<u>38,348,612</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 2010

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 Fair Work (Registered Organisations) Act 2009.

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 Fair Work (Registered Organisations) Act 2009 the National Council is a reporting unit. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union is an organisation registered under the Fair Work (Registered Organisations) Act 2009. 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 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:

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 Statement of Financial Position of the National Council General Fund and all depreciation thereon is reflected in the National Council General Fund Statement of Comprehensive Income.

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.

**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 2010 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 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 statement of comprehensive income in the year that the item is derecognised.

c) Impairment

The carrying amounts of non current assets 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 statement of comprehensive income 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.

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, 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 statement of financial position 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.

**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 2010 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 statement of comprehensive income.

(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.

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 amounts 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 amounts of assets and liabilities.

**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 2010 (Cont'd)**

3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- 1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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)

	2010	2009
	\$	\$
4. PROPERTY, PLANT AND EQUIPMENT		
Computer Equipment		
Cost	2,409,319	2,992,109
Less Accumulated Depreciation	<u>(1,969,893)</u>	<u>(2,420,402)</u>
	<u>439,426</u>	<u>571,707</u>
Furniture and Fittings		
Cost	5,312,941	5,048,346
Less Accumulated Depreciation	<u>(4,853,625)</u>	<u>(4,777,399)</u>
	<u>459,316</u>	<u>270,947</u>
Motor Vehicles		
Cost	6,249,480	5,961,430
Less Accumulated Depreciation	<u>(1,781,993)</u>	<u>(1,455,643)</u>
	<u>4,467,487</u>	<u>4,505,787</u>
Properties - Cost		
Land	4,330,000	4,330,000
Buildings	<u>46,207,140</u>	<u>45,278,815</u>
	50,537,140	49,608,815
Less Accumulated Depreciation on Buildings	<u>(15,273,939)</u>	<u>(14,136,345)</u>
	<u>35,263,201</u>	<u>35,472,470</u>
TOTAL PROPERTY PLANT & EQUIPMENT	<u>40,629,430</u>	<u>40,820,911</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 2010 (Cont'd)**

4. PROPERTY, PLANT & EQUIPMENT (Cont'd)

MOVEMENTS IN CARRYING AMOUNTS

	Computer Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Land and Buildings \$	Total \$
Balance at 1 October 2009	571,707	270,947	4,505,787	35,472,470	40,820,911
Additions	108,628	264,595	1,858,417	928,325	3,159,965
Disposals	(11,230)	(1,448)	(803,229)	-	(815,907)
Depreciation	<u>(229,679)</u>	<u>(74,778)</u>	<u>(1,093,488)</u>	<u>(1,137,594)</u>	<u>(2,535,539)</u>
Balance at 30 September 2010	<u>439,426</u>	<u>459,316</u>	<u>4,467,487</u>	<u>35,263,201</u>	<u>40,629,430</u>

	2010 \$	2009 \$
5. CASH AND CASH EQUIVALENTS		
Advances and Floats	46,475	86,852
Bank Accounts		
National Council General Fund	2,324,956	1,242,286
State Council General Fund Accounts	7 196,496	75,434
Recoverable Deposits	<u>11,737</u>	<u>7,120</u>
	<u>2,579,664</u>	<u>1,411,692</u>

6. RECEIVABLES

Accrued Interest	280,435	194,467
National Entitlement Security Trust	2,328,522	1,991,486
Prepayments	952,637	386,262
Sundry Debtors	73,716	482,943
Trust - Grants (including M.E.R.T)	-	493,195
	<u>3,635,310</u>	<u>3,548,353</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.

**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 2010 (Cont'd)**

	2010 \$	2009 \$
7. STATE COUNCIL BANK BALANCES		
Bank Balances at Beginning of Year	75,434	78,128
Add Remittance to State Council General Fund	6,890,007	6,128,520
Add Remittance to State Council LPA	-	36,737
	<u>6,965,441</u>	<u>6,243,385</u>
Less State Council Payments (Net)	<u>(6,768,945)</u>	<u>(6,167,951)</u>
Bank Balances at end of year	<u>196,496</u>	<u>75,434</u>
State Council Payments comprise:		
State Council Net Expenditure	6,613,802	6,689,824
Movement in State Council Debtors/Creditors	155,143	(521,873)
	<u>6,768,945</u>	<u>6,167,951</u>
8. 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>2,927,554</u>	<u>2,953,405</u>
9. SUNDRY INCOME		
Dividend Received	201	190
Service Training Fees	165,180	187,130
Sundry	204,014	(118,048)
U-Cover Pty Ltd - Entitlement Protection	231,267	14,591
- Member Benefit	328,437	10,105
- Administration Fee	432,914	14,592
	<u>1,362,013</u>	<u>108,560</u>
10. COMPUTING		
Consultancy Fees	61,620	119,968
Maintenance	54,253	59,352
Software	269,069	168,923
Other	72,139	70,995
Data Lines	236,137	319,141
	<u>693,218</u>	<u>738,379</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 2010 (Cont'd)**

	2010	2009
	\$	\$
11. DELEGATION/EMPLOYEE EXPENSES		
Employees- Office Holders	66,386	49,516
Employees- Other	227,640	288,652
Members	49,857	43,870
	<u>343,883</u>	<u>382,038</u>
International- Office Holders	84,868	130,306
International- Other	39,303	53,193
	<u>468,054</u>	<u>565,537</u>
12. PROFESSIONAL SERVICES		
Auditors		
Audit Fees	58,000	55,000
Audit Fees - prior year	-	40,125
Other Services	2,109	11,900
	<u>60,109</u>	<u>107,025</u>
Legal Expenses	<u>155,935</u>	<u>132,909</u>
	<u>216,044</u>	<u>239,934</u>
13. SALARIES - REDUNDANCIES		
Payments to Employees	3,799	-
Payments to Officials	204,200	165,445
Payments to Officers	172,536	63,487
	<u>380,535</u>	<u>228,932</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 2010 (Cont'd)

	2010	2009
	\$	\$
14. SALARIES		
Employees	4,158,728	3,823,303
Officials	10,892,517	9,984,687
Officers	3,083,014	3,197,312
	<u>18,134,259</u>	<u>17,005,302</u>
15. (DEFICIT) ON DISPOSAL OF ASSETS		
Furniture and Fittings	25	-
IT Equipment	(6,614)	(2,094)
Motor Vehicles	(62,160)	(32,029)
Managed Funds	(146,068)	-
	<u>(214,817)</u>	<u>(34,123)</u>
16. MOTOR VEHICLE EXPENSES		
Registrations and Running Expenses	<u>188,400</u>	<u>190,385</u>
17. HARDSHIP FUND		
Balance brought forward	7,847,332	7,847,332
Add Contributions	1,413,539	1,462,352
Less Benefit Payments	(184,064)	(73,300)
Less Transfer to Education & Campaign and Organising Funds	<u>(1,229,475)</u>	<u>(1,389,052)</u>
	<u>7,847,332</u>	<u>7,847,332</u>
18. EDUCATION FUND		
Balance brought forward	3,135,825	2,299,732
Add Contributions	471,180	484,140
Add Transfer from Hardship Fund	614,737	694,526
Less Amounts Expended on Education Projects	<u>(233,423)</u>	<u>(342,573)</u>
	<u>3,988,319</u>	<u>3,135,825</u>
19. VEHICLE DIVISION EDUCATION FUND		
Balance brought forward	94,085	91,341
Add Contributions	40,309	12,313
Less Amounts Expended on Education Projects	<u>-</u>	<u>(9,569)</u>
	<u>134,394</u>	<u>94,085</u>

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NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)**

	Note	2010 \$	2009 \$
20. FAIRFAX CHAPEL DISPUTE FUND			
Balance brought forward		40,555	40,555
Add Interest - current and prior years		6,460	-
Less Payments		-	-
		<u>47,015</u>	<u>40,555</u>
21. CAMPAIGN AND ORGANISING FUND			
Balance brought forward		3,555,336	1,402,345
Add Contributions		1,515,767	1,571,157
Add Transfer from Hardship Fund		614,738	694,526
Less Payments		<u>(379,353)</u>	<u>(112,692)</u>
		<u>5,306,488</u>	<u>3,555,336</u>
22. CASH FLOW INFORMATION			
a) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.			
Cash and Bank Balances	5	2,579,664	1,411,692
Short Term Deposits		<u>37,441,674</u>	<u>36,936,920</u>
		<u>40,021,338</u>	<u>38,348,612</u>
b) Reconciliation of Cash Flow from Operations with Net Surplus			
Net Surplus		1,617,367	2,836,459
Non-Cash Flows in Net Surplus			
Depreciation		2,535,539	2,509,175
Deficit on Disposal of Fixed Assets		68,749	34,123
Deficit on Disposal of Managed Funds		146,068	-
Reinvestment of Income from Managed Funds		<u>(388,429)</u>	<u>(561,106)</u>
Changes in Assets and Liabilities			
Decrease (Increase) in Sundry Debtors		409,227	(217,152)
(Increase) in Accrued Interest		(85,968)	(194,467)
(Increase) in Prepayments		(566,375)	(386,262)
(Decrease) Increase in Sundry Creditors		(36,120)	366,002
Increase in Employee Entitlements		<u>368,764</u>	<u>447,585</u>
CASH FLOWS FROM OPERATIONS		<u>4,068,822</u>	<u>4,834,357</u>

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NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)

23. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

The National Council is exposed to risks that arise from its use of financial instruments. This note describes the National Council's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the National Council's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The National Council's financial instruments consist mainly of deposits with banks and receivables. The main risks the National Council is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The National Council has overall responsibility for the determination of the National Council's risk management objectives and policies.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the National Council incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the National Council.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2010 \$	2009 \$
Cash and Bank Balances	2,521,452	1,317,720
Short Term Deposits	<u>37,441,674</u>	<u>36,936,920</u>
	<u>39,963,126</u>	<u>38,254,640</u>
<p>The cash and cash equivalents are held in high quality Australian financial institutions.</p>		
National Entitlement Security Trust	2,328,522	1,991,486
Sundry Debtors	73,716	482,943
Trust - Grants (including M.E.R.T)	<u>-</u>	<u>493,195</u>
	<u>2,402,238</u>	<u>2,967,624</u>

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

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23. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Liquidity Risk

Liquidity risk is the risk that the National Council may encounter difficulties raising funds to meet commitments associated with financial instruments.

The National Council is not significantly exposed to this risk; as at 30 September 2010 it had \$40,021,338 (\$38,348,612 - 2009) of cash and cash equivalents to meet these obligations as they fall due. The Financial liabilities recorded in the financial statements at 30 September 2010 and 30 September 2009 were \$19,583,896 and \$17,038,004 respectively. The National Council manages liquidity risk by monitoring cash flows.

(d) Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(e) Interest Rate Risk

The National Council's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

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 2010	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial Assets	\$	\$	\$	\$
Cash Assets	2,521,452	-	58,212	2,579,664
Receivables	2,328,522	-	73,716	2,402,238
Managed Funds	-	-	9,462,853	9,462,853
Short term deposits	1,505,110	35,936,564	-	37,441,674
	<u>6,355,084</u>	<u>35,936,564</u>	<u>9,594,781</u>	<u>51,886,429</u>
Weighted average Interest rate	4.27%	5.34%		
Financial Liabilities				
Payables	1,552,036	-	18,031,860	19,583,896
	<u>1,552,036</u>	<u>-</u>	<u>18,031,860</u>	<u>19,583,896</u>
Weighted average Interest rate	4.13%			
Net financial assets (liabilities)	<u>4,803,048</u>	<u>35,936,564</u>	<u>(8,437,079)</u>	<u>32,302,533</u>

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23. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

30 September 2009	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial Assets	\$	\$	\$	\$
Cash Assets	1,317,720	-	93,972	1,411,692
Receivables	1,991,486	-	976,138	2,967,624
Managed Funds	-	-	6,501,660	6,501,660
Short term deposits	1,416,632	35,520,288	-	36,936,920
	<u>4,725,838</u>	<u>35,520,288</u>	<u>7,571,770</u>	<u>47,817,896</u>
Weighted average Interest rate	3.83%	4.99%		
Financial Liabilities				
Payables	1,623,541	-	15,414,463	17,038,004
	<u>1,623,541</u>	<u>-</u>	<u>15,414,463</u>	<u>17,038,004</u>
Weighted average Interest rate	4.30%			
Net financial assets (liabilities)	<u>3,102,297</u>	<u>35,520,288</u>	<u>(7,842,693)</u>	<u>30,779,892</u>

Sensitivity Analysis

2010	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash Assets	2,521,452	25,215	(25,215)
Receivables	2,328,522	23,285	(23,285)
Short Term Deposits	37,441,674	374,417	(374,417)
2009	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash Assets	1,317,720	13,177	(13,177)
Receivables	1,991,486	19,915	(19,915)
Short Term Deposits	36,936,920	369,369	(369,369)

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NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)

23. FINANCIAL RISK MANAGEMENT (Cont'd)

(f) Other Price Risks

The National Council invests surplus cash in managed funds, and in doing so it exposes itself to the fluctuations in price that are inherent in such a market. The National Council manages other price risks by monitoring the allocations made by the funds. The National Council's exposure to equity price risk is as follows:

	2010	2009		2010	2009
Fund Allocation (%):			Fund Allocation (\$):		
Cash & Bonds	41%	53%	Cash & Bonds	3,851,160	3,443,296
Mortgage	28%	29%	Mortgage	2,663,562	1,905,362
Australian Shares	24%	4%	Australian Shares	2,298,796	251,663
International Shares	7%	14%	International Shares	649,335	901,339
Total	100%	100%	Total	9,462,853	6,501,660

Sensitivity Analysis - Managed Funds (external)

2010	Carrying Amount	+1.00% (100 basis points) Other Equity Profit	-1.00% (100 basis points) Other Equity Profit
	\$	\$	\$
Cash & Bonds	3,851,160	38,512	(38,512)
Sub Total	3,851,160	38,512	(38,512)
	Carrying Amount	+ 10 % (1000 basis points) Other Equity Profit	- 15 % (1500 basis points) Other Equity Profit
	Amount	\$	\$
Mortgage	2,663,562	266,356	(399,534)
Australian Shares	2,298,796	229,880	(344,819)
International Shares	649,335	64,933	(97,400)
Sub Total	5,611,693	561,169	(841,753)
Total	9,462,853	599,681	(880,265)

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FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)

23. FINANCIAL RISK MANAGEMENT (Cont'd)

Sensitivity Analysis - Managed Funds (External) (cont'd)

(f) Other Price Risks (Cont'd)

2009	Carrying Amount	+1.00% (100 basis points) Other Equity Profit	-1.00% (100 basis points) Other Equity Profit
	\$	\$	\$
Cash & Bonds	3,443,296	34,433	(34,433)
Sub Total	3,443,296	34,433	(34,433)
		+ 10 % (1,000 basis points) Other Equity Profit	- 15 % (1,500 basis points) Other Equity Profit
	\$	\$	\$
Mortgage	1,905,362	190,536	(285,804)
Australian Shares	251,663	25,166	(37,749)
International Shares	901,339	90,134	(135,201)
Sub Total	3,058,364	305,836	(458,754)
Total	6,501,660	340,269	(493,187)

(g) Foreign Exchange Risk

The National Council is not directly exposed to foreign exchange rate risk.

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.

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FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)**

25. RELATED PARTIES

- (i) The aggregate amount of remuneration paid to office holders during the financial year is disclosed in the statement of comprehensive income under Salaries Officials and Salaries Redundancies as disclosed at note 14 and 13 to the accounts respectively.
- (ii) The aggregate amount paid during the financial year to a superannuation plan in respect of office holders was \$713,440 (2009:\$683,744)
- (iii) 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

27. CONTINGENT LIABILITIES

The union is not aware of any significant contingent liabilities

INDEPENDENT AUDIT REPORT

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

We have audited the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council General Fund, which comprises the statement of financial position as at 30 September 2010, and the statement of comprehensive income, statement of changes in accumulated funds and reserves and statement of cash flows 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 Fair Work (Registered Organisations) Act 2009. 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 Fair Work (Registered Organisations) Act 2009.



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 and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

BDO Audit (NSW-VIC) Pty Ltd

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

14 December 2010