



FAIR WORK
AUSTRALIA

20 April 2012

Mr Paul Bastian
Acting 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 Bastian,

Re: Fair Work (Registered Organisations) Act 2009 financial reports for year ended 30 September 2011 for the National Council: FR2011/2811

I refer to the above financial report for the AMWU National Council for the year ended September 2011 which was lodged on 26 March 2012. The financial report has now been filed.

Comments to assist future financial reports

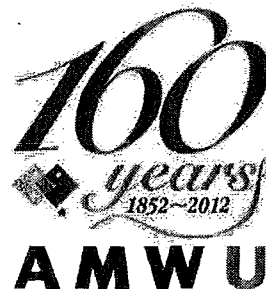
Date Full Report was provided to members

The Certificate of the National Secretary states that the Full Report was provided to members "in the month of January 2012" but does not specify an exact date. Please ensure a date is specified in future.

If you wish to discuss this matter, please contact me on (03) 8661 7921 or by email at Samuel.lynch@fwa.gov.au.

Regards,

Sam Lynch
Organisations, Research & Advice
Fair Work Australia



**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING AND
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NATIONAL COUNCIL

CERTIFICATE OF NATIONAL SECRETARY

I, Paul Bastian, being the Acting 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 2012; 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 20 March 2012 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Acting National Secretary
Paul Bastian



Signature

20 March, 2012



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NATIONAL COUNCIL

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

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

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 2011.

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 General Fund principal activities resulted in a net surplus for the financial year of \$4,996,124 (2010: net surplus of \$1,617,367).

The National Council has amended the accounting treatment of its funds from prior years from liabilities to accumulated funds. This is a significant change in accounting treatment and has resulted in the restatement of accumulated funds to \$82,762,800 from \$66,371,217 at 1 October 2009, the restatement of accumulated funds to \$86,982,589 from \$67,988,584 at 30 September 2010. For more details refer to Note 1 (i) of the accounts.

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.

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NATIONAL COUNCIL

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.

OPERATING REPORT

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 Nicolaides	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 Sachinidis	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

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NATIONAL COUNCIL

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 2011 was 105,815.
- (b) The number of persons who were employees of the reporting unit on 30 September 2011 was 309.5, 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
Paul Bastian	1 October 2010 to 30 September 2011
Dave Oliver	1 October 2010 to 30 September 2011
Glenn Thompson	1 October 2010 to 30 September 2011
Jennifer Dowell	1 October 2010 to 30 September 2011
Mike Nicolaides	1 October 2010 to 30 September 2011
Lorraine Cassin	1 October 2010 to 30 September 2011
Ian Jones	1 October 2010 to 30 September 2011
Anne Donnellan	1 October 2010 to 30 September 2011
Dave Smith	1 October 2010 to 30 September 2011
Tim Ayres	1 October 2010 to 30 September 2011
Steve Dargavel	1 October 2010 to 30 September 2011
Andrew Dettmer	1 October 2010 to 30 September 2011
John Camillo	1 October 2010 to 30 September 2011
Steve McCartney	1 October 2010 to 30 September 2011
Steve Murphy	1 October 2010 to 30 September 2011
Gary Robb	1 October 2010 to 30 September 2011
Rohan Webb	1 October 2010 to 30 September 2011
Colin Fenney	1 October 2010 to 30 September 2011
Steve Vine	1 October 2010 to 30 September 2011
Jamie Bellerby	1 October 2010 to 30 September 2011
Alan Lindsey	1 October 2010 to 30 September 2011

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NATIONAL COUNCIL

OPERATING REPORT (cont'd)

Name	Period Position Held
Warren Butler	1 October 2010 to 30 September 2011
Ian Mortimer	1 October 2010 to 30 September 2011
Margaret Hay	1 October 2010 to 30 September 2011
Frank Cherry	1 October 2010 to 30 September 2011
Craig Larner	1 October 2010 to 30 September 2011
John Short	1 October 2010 to 30 September 2011
David Crawley	1 October 2010 to 30 September 2011
Brett King	1 October 2010 to 30 September 2011
Paul Brown	1 October 2010 to 30 September 2011

Signed in accordance with a resolution of National Council



.....
National President - Paul Bastjan



.....
National Secretary - Dave Oliver

13 December 2011

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

COMMITTEE OF MANAGEMENT'S STATEMENT

On 13 December 2011 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 2011.

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 - Reduced Disclosure Requirements other authoritative pronouncements of the Australian Accounting Standards Board;
- (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 2011;
- (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 2011 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 2011 the National Council did not participate in any recovery of wages activity.

For the National Council:



.....
National Secretary - Dave Oliver

13 December 2011

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2011**

	Note	2011 \$	2010 \$ RESTATED
INCOME			
Contributions	4	41,597,360	39,320,317
Distribution from Available-for-Sale Financial Assets		676,248	464,085
Interest on Investments		2,548,831	1,894,976
Rent Received		2,416,837	1,994,670
Grant Income		1,633,882	1,808,776
Sundry Income	5	1,842,094	1,260,487
TOTAL INCOME		<u>50,715,252</u>	<u>46,743,311</u>
EXPENDITURE			
Depreciation			
Buildings		1,150,678	1,137,594
Computer Installation		218,957	233,559
Furniture & Fittings		93,881	74,778
Motor Vehicles		1,204,537	1,093,488
		<u>2,668,053</u>	<u>2,539,419</u>
Employee Benefits Expense			
Salaries	6	20,402,200	20,260,914
Accrued Annual Leave		202,639	142,820
Long Service Leave		354,859	225,944
Fringe Benefits Tax		522,478	525,767
Payroll Tax		260,885	254,512
Superannuation		2,039,537	1,965,404
		<u>23,782,598</u>	<u>23,375,361</u>
State Council Net Expenditure		<u>6,563,659</u>	<u>6,613,802</u>

(The attached Notes form part of these Accounts)

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2011 (Cont'd)**

	Note	2011 \$	2010 \$ RESTATED
EXPENDITURE (Cont'd)			
Other Expenses			
Affiliation Fees		520,532	520,626
Bank and Government Charges		200,481	173,469
Building Expenses		2,224,609	2,119,636
Collectors Expenses		21,128	33,689
Computing		857,964	693,956
Conference and Meeting Expenses - External		11,500	9,018
Conference and Meeting Expenses - Internal		47,312	181,999
Delegation/Employee Expenses	7	461,787	518,364
Donations		68,832	46,858
Freight		21,013	32,116
Fund Expenses			
Political Fund Expenditure		590,990	842,008
Hardship Fund Expenditure		358,850	184,064
Education Fund Expenditure		287,784	233,424
Campaign & Organising Fund Expenditure		1,022,700	379,353
Funeral Benefits		96,090	89,483
General Office Expenses		168,505	219,076
Insurance		91,326	77,677
Mailing and Printing - State M/C Cards		790,208	776,857
MISTAS		174,287	319,226
Motor Vehicle Expenses		265,865	368,114
Postage		13,469	15,767
Printing and Distribution - AMWU News		337,888	393,325
Printing and Distribution - Newsletters		32,673	23,260
Printing and Stationery		276,434	283,306
Professional Services	15	288,077	229,662
Publicity		42,843	165,172
Rent Paid		461,301	361,540
Research		116,412	98,351
Telephone		641,962	536,799
		<u>10,492,822</u>	<u>9,926,195</u>
TOTAL EXPENDITURE		<u>43,507,132</u>	<u>42,454,777</u>

(The attached Notes form part of these Accounts)

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2011 (Cont'd)**

	Note	2011 \$	2010 \$ RESTATED
OPERATING SURPLUS FOR YEAR		7,208,120	4,288,534
Gain/(Loss) on disposal of Assets		1,550	(68,749)
(Loss) on disposal of Investments		<u>(11,977)</u>	<u>-</u>
NET SURPLUS FOR YEAR		<u>7,197,693</u>	<u>4,219,785</u>
OTHER COMPREHENSIVE INCOME			
Net (Decrease) in Value of Available-for-Sale Financial Assets		<u>(628,358)</u>	<u>(2,627)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>(628,358)</u>	<u>(2,627)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>6,569,335</u>	<u>4,217,158</u>
LESS NET TRANSFER TO OTHER FUNDS			
Net transfers to National Council Political Fund		(229,364)	47,994
Net transfers to Education Fund		(722,985)	(852,494)
Net transfers to Vehicle Division Education Fund		(195,897)	(40,309)
Net transfers to Campaign and Organising Fund		(1,051,913)	(1,751,152)
Net transfers to Fairfax Chapel Dispute fund		<u>(1,410)</u>	<u>(6,457)</u>
Total Net Transfers to Other Funds		<u>(2,201,569)</u>	<u>(2,602,418)</u>
TOTAL AVAILABLE FUNDS LESS NET TRANSFERS TO OTHER COMPREHENSIVE INCOME AND OTHER FUNDS		4,367,766	1,614,740
Add back Net Decrease in Value of Available-for-Sale Financial Assets		<u>628,358</u>	<u>2,627</u>
NET SURPLUS FOR YEAR - GENERAL FUND		<u>4,996,124</u>	<u>1,617,367</u>

(The attached Notes form part of these Accounts)

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

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Note	2011 \$	2010 \$ RESTATED
ASSETS			
Current Assets			
Cash and Cash Equivalents	8	2,293,052	2,586,124
Receivables	9	4,592,591	3,665,405
Other Financial Assets	10	54,345,236	46,904,526
Total Current Assets		<u>61,230,879</u>	<u>53,156,055</u>
Non Current Assets			
Property, Plant and Equipment	11	39,470,330	40,629,430
Investments in Associates	12	354,161	327,889
Other Financial Assets	10	46,670	46,670
Total Non Current Assets		<u>39,871,161</u>	<u>41,003,989</u>
TOTAL ASSETS		<u>101,102,040</u>	<u>94,160,044</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	13	3,607,404	3,589,602
Provisions	14	3,661,735	3,351,080
Total Current Liabilities		<u>7,269,139</u>	<u>6,940,682</u>
Non Current Liabilities			
Provisions	14	596,062	551,858
Total Non Current Liabilities		<u>596,062</u>	<u>551,858</u>
TOTAL LIABILITIES		<u>7,865,201</u>	<u>7,492,540</u>
NET ASSETS		<u>93,236,839</u>	<u>86,667,504</u>
ACCUMULATED FUNDS AND RESERVES			
Available-for-Sale Investment Reserve		(943,439)	(315,081)
Accumulated Funds	16	94,180,278	86,982,585
TOTAL ACCUMULATED FUNDS AND RESERVES		<u>93,236,839</u>	<u>86,667,504</u>

(The attached Notes form part of these Accounts)

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

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	Note	Accumulated Funds	Available-for-Sale Investment Reserve	Total
		\$	\$	\$
Balance at 30 September 2009		66,371,217	(312,454)	66,058,763
Adjustment to accumulated funds on change in accounting treatment of funds	1(i)	16,391,583	-	16,391,583
Restated Accumulated Funds and Reserves at the beginning of the financial year 1 October 2009		82,762,800	(312,454)	82,450,346
Net Surplus for the Year		1,617,367	-	1,617,367
Adjustment to net surplus on change in accounting treatment of funds		2,602,418	-	2,602,418
Net surplus restated for the year	1(i)	4,219,785	-	4,219,785
Other comprehensive income:				
Net decrease in value of				
Available-for-Sale financial assets		-	(2,627)	(2,627)
Total Comprehensive Income				4,217,158
Balance at 30 September 2010		86,982,585	(315,081)	86,667,504
Net Surplus for the Year		7,197,693	-	7,197,693
Other comprehensive income:				
Net decrease in value of				
Available-for-Sale financial assets		-	(628,358)	(628,358)
Total Comprehensive Income				6,569,335
Balance at 30 September 2011		94,180,278	(943,439)	93,236,839

(The attached Notes form part of these Accounts)

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

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 SEPTEMBER 2011**

	2011	2010
	\$	\$ RESTATED
CASH FLOW FROM OPERATING ACTIVITIES		
Contributions Received	41,597,360	39,320,317
Payments to Suppliers and Employees	(40,691,971)	(39,824,506)
Distributions Received	136,165	75,656
Interest Received	2,420,203	1,809,008
Rent Received	2,416,837	1,994,670
Grant Income	1,633,882	2,305,073
Sundry Income	<u>1,618,515</u>	<u>1,235,948</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,130,991</u>	<u>6,916,166</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Plant and Equipment	508,304	743,278
Proceeds from Investments	647,103	2,250,265
Payments for Property, Plant and Equipment	(2,015,707)	(3,159,965)
Payments for Investments	<u>(375,698)</u>	<u>(5,087,036)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(1,235,998)</u>	<u>(5,253,458)</u>
NET INCREASE IN CASH HELD	7,894,993	1,662,708
Cash at Beginning of Year	<u>40,027,797</u>	<u>38,365,089</u>
CASH AT END OF YEAR	<u>47,922,790</u>	<u>40,027,797</u>

(The attached Notes form part of these Accounts)

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

1. SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, and the Fair Work (Registered Organisations) Act 2009. The financial report has been prepared on a consolidated basis as the National Council has control over the 'State Branches' or 'State Council'. These include the following branches:

- New South Wales State Branch
- Victoria Branch
- Queensland Branch
- South Australia Branch
- Western Australia Branch
- Tasmania Branch

Further information on the state branch expenditure can be obtained by reference to the individual state branch financial reports.

The committee of management have determined that the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards - Reduced Disclosure Requirements) as set out in AASB 1053 Application of Tiers of Australian Accounting Standards because it is a not-for-profit private sector entity that does not have public accountability. As such, the committee of management have early adopted AASB 2010-2 Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements from 1 October 2010. AASB 2010-2 only mandatorily applies to annual reporting periods commencing on or after 1 July 2013. The early adoption of AASB 2010-2 has had no impact on amounts recognised in the financial statements and related notes because it merely requires fewer disclosures for these general purpose financial statements, which have been prepared using Australian Accounting Standards - Reduced Disclosure Requirements, than if these financial statements were prepared using Australian Accounting Standards.

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.

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NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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.

All grant incomes are accounted for when the expenditure has been incurred on the grant. All unused grant income that has been received will be recognised as deferred revenue.

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 and all depreciation thereon is reflected in the National Council 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.

The depreciation rates used for each class of asset are:

Buildings	2% - 5%
Computer Equipment	20% - 33%
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.

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NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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, 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.

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.

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

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Adjustments on change in Accounting Treatments

(a) Adjustment of change in accounting treatment of Funds:

The nature of various funds (previously disclosed as liabilities or assets on National Council) was reassessed and determined that it is more appropriate to regard them as part of Accumulated Funds.

This change in accounting treatment has been reflected by restating opening Accumulated Funds and Reserves at 1 October 2009 and each of the affected financial statement line items at 30 September 2010. This is set out in the tables below.

(b) Adjustment of change in accounting treatment of the Political Fund Net Assets

During the year as part of the review of the Funds the Political Fund was also consolidated into the National Council General Fund this has resulted in the restatement of opening Accumulated Funds and Reserves at 1 October 2009 by \$15,574 (see balance sheet extract 1 October 2009). This balance is made up of the Political Fund Net Assets at 30 September 2009 of Cash at Bank of \$9,062, Prepayments \$9,512 and Sundry Creditors of (\$3,000).

(c) Adjustment on consolidation of states from the prior year

An amount of \$24,539 was reallocated from sundry receivables to investments in associates.

1 October 2009	1 October 2009	Increase / (Decrease)	1 October 2009 (Restated)
Balance Sheet (extract)			
(a) Liabilities - Funds	(17,038,004)	16,376,009	(661,995)
(b) Net Assets of Political Fund Consolidated		15,574	15,574
Net Assets	<u>66,371,217</u>	<u>16,391,583</u>	<u>82,762,800</u>
Accumulated Funds	<u>66,371,217</u>	<u>16,391,583</u>	<u>82,762,800</u>
Total Accumulated Funds and Reserves	<u>66,371,217</u>	<u>16,391,583</u>	<u>82,762,800</u>

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

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Adjustments on change in Accounting Treatments (cont'd)

30 September 2010	30 September 2010	Increase / (Decrease)	30 September 2010 (Restated)
Balance Sheet (extract)			
(a) Liabilities	(19,583,896)	18,932,908	(650,988)
(a) Receivables	3,635,311	30,098	3,665,409
(b) Cash and Cash Equivalents	2,579,664	6,460	2,586,124
(c) Investments	<u>350,020</u>	<u>24,539</u>	<u>374,559</u>
Net Assets	<u>67,988,584</u>	<u>18,994,005</u>	<u>86,982,589</u>
Accumulated Funds	<u>67,988,584</u>	<u>18,994,005</u>	<u>86,982,589</u>
Total Accumulated Funds and Reserves	<u>67,988,584</u>	<u>18,994,005</u>	<u>86,982,589</u>

	30 September 2010	Increase / (Decrease)	30 September 2010 (Restated)
Profit & Loss (extract)			
Contributions	35,194,331	4,166,295	39,360,626
Political Fund Expense	-	(842,008)	(842,008)
Hardship Fund Expense	-	(184,064)	(184,064)
Education Fund Expense	-	(233,424)	(233,424)
Campaign & Organising Fund Expense	-	(379,353)	(379,353)
Political Fund	<u>-</u>	<u>74,972</u>	<u>74,972</u>
Net Profit	<u>1,617,367</u>	<u>2,602,418</u>	<u>4,219,785</u>

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

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (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 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.

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)

	2011	2010
	\$	\$
4. CONTRIBUTIONS		
Gross Contributions	41,597,360	39,320,317
Comprises the following various funds:		
Political Fund	726,814	725,499
Hardship Fund	358,850	184,064
Education Fund	1,010,769	1,085,918
Campaign & Organising Fund	2,074,613	2,130,505
General Fund	37,426,314	35,194,331
	<u>41,597,360</u>	<u>39,320,317</u>

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

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Cont'd)**

5. SUNDRY INCOME

Dividend Received	24,540	200
Fairfax Chapel Fund net transfers	1,410	6,457
Income from Associates	1,157,618	992,618
Sundry	462,629	220,903
Vehicle Division Education Fund net transfers	195,897	40,309
	<u>1,842,094</u>	<u>1,260,487</u>

6. SALARIES

Employees	4,417,539	4,258,243
Officials	11,795,362	11,784,116
Officers	4,189,299	4,218,554
	<u>20,402,200</u>	<u>20,260,914</u>

7. DELEGATION/EMPLOYEE EXPENSES

Employees- Office Holders	73,161	57,368
Employees- Other	171,322	227,640
Members	80,394	49,857
	<u>324,877</u>	<u>334,865</u>
International- Office Holders	90,466	130,306
International- Other	46,444	53,193
	<u>461,787</u>	<u>518,364</u>

8. CASH AND CASH EQUIVALENTS

Advances and Floats	28,360	46,475
Bank Accounts		
National Council General Fund	2,098,671	2,324,956
State Council General Fund Accounts	149,187	196,496
National Council Political Fund	2,957	6,460
Recoverable Deposits	13,877	11,737
	<u>2,293,052</u>	<u>2,586,124</u>

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

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Cont'd)**

	2011	2010
	\$	\$
9. RECEIVABLES		
Accrued Interest	409,063	280,435
National Entitlement Security Trust	2,704,220	2,328,522
Prepayments	1,247,321	988,262
Sundry Debtors	181,856	68,186
Trust - Grants	50,131	-
	<u>4,592,591</u>	<u>3,665,405</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>		
10. Other Financial Assets		
<u>Held-to-maturity investments carried at amortised costs</u>		
Short-Term Deposits	45,629,738	37,441,673
Unquoted Shares (i)	46,670	46,670
	<u>45,676,408</u>	<u>37,488,343</u>
<u>Available-for-sale Investment carried at fair value</u>		
Managed Funds (ii)	8,715,498	9,462,853
	<u>8,715,498</u>	<u>9,462,853</u>
Current	54,345,236	46,904,526
Non-Current	46,670	46,670
	<u>54,391,906</u>	<u>46,951,196</u>

- (i) Unquoted shares comprise of shares in private companies which aren't traded in an active market.
- (ii) Units in managed funds are carried at the current unit price for redemption of those units with the funds.

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

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Cont'd)**

	2011	2010
	\$	\$
11. PROPERTY, PLANT AND EQUIPMENT		
Computer Equipment		
Cost	2,479,546	2,409,319
Less Accumulated Depreciation	<u>(2,188,957)</u>	<u>(1,969,893)</u>
	<u>290,589</u>	<u>439,426</u>
Furniture and Fittings		
Cost	5,370,854	5,312,941
Less Accumulated Depreciation	<u>(4,933,762)</u>	<u>(4,853,625)</u>
	<u>437,092</u>	<u>459,316</u>
Motor Vehicles		
Cost	6,535,371	6,249,480
Less Accumulated Depreciation	<u>(2,348,722)</u>	<u>(1,781,993)</u>
	<u>4,186,649</u>	<u>4,467,487</u>
Properties - Cost		
Land	4,330,000	4,330,000
Buildings	<u>46,650,617</u>	<u>46,207,140</u>
	50,980,617	50,537,140
Less Accumulated Depreciation on Buildings	<u>(16,424,617)</u>	<u>(15,273,939)</u>
	<u>34,556,000</u>	<u>35,263,201</u>
TOTAL PROPERTY PLANT & EQUIPMENT	<u>39,470,330</u>	<u>40,629,430</u>

MOVEMENTS IN CARRYING AMOUNTS

	Computer Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Land and Buildings \$	Total \$
Balance at					
1 October 2010	439,426	459,316	4,467,487	35,263,201	40,629,430
Additions	73,206	73,302	1,425,722	443,477	2,015,707
Disposals	(3,086)	(1,645)	(502,023)	-	(506,754)
Depreciation	<u>(218,957)</u>	<u>(93,881)</u>	<u>(1,204,537)</u>	<u>(1,150,678)</u>	<u>(2,668,053)</u>
Balance at					
30 September 2011	<u>290,589</u>	<u>437,092</u>	<u>4,186,649</u>	<u>34,556,000</u>	<u>39,470,330</u>

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

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Cont'd)**

	2011	2010
	\$	\$
12. Investments in Associates		
a. Movement in carrying amounts		
Carrying amount at the beginning of the year	327,889	307,762
Share of profits after income tax	50,615	20,127
Dividends received/receivable	<u>(24,343)</u>	-
Carrying amount at the end of the year	<u>354,161</u>	<u>327,889</u>
13. Trade and Other Payables		
Sundry Creditors	466,151	647,886
Trust - Grants	-	3,102
Employee Entitlements	<u>3,141,253</u>	<u>2,938,614</u>
	<u>3,607,404</u>	<u>3,589,602</u>
14. Provisions		
<u>Current</u>		
Employee Benefits	<u>3,661,735</u>	<u>3,351,080</u>
	<u>3,661,735</u>	<u>3,351,080</u>
<u>Non-Current</u>		
Employee Benefits	<u>596,062</u>	<u>551,858</u>
	<u>596,062</u>	<u>551,858</u>
15. PROFESSIONAL SERVICES		
Auditors		
Audit Fees	63,250	58,000
Other Services	<u>12,900</u>	<u>15,727</u>
	<u>76,150</u>	<u>73,727</u>
Legal Expenses	<u>211,927</u>	<u>155,935</u>
	<u>288,077</u>	<u>229,662</u>

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

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Cont'd)**

16. ACCUMULATED FUNDS SUMMARY

Funds	Opening Balance 1 Oct 2010	Contributions into Funds	Net Expenditure and transfers of funds	Profit and Loss of General Fund	Closing Balance 30 Sep 2011
National Council Political	1,591,121	820,354	(590,990)	-	1,820,485
Education	3,988,319	1,010,769	(287,784)	-	4,711,304
Hardship	7,847,332	358,850	(358,850)	-	7,847,332
Vehicle Division Education	134,394	-	195,897	-	330,291
Campaign and Organising	5,306,488	2,074,613	(1,022,700)	-	6,358,401
FairFax Chapel Dispute	47,015	-	1,410	-	48,425
Australian Printing Federation	33,023	-	-	-	33,023
York Endowment	46,313	-	-	-	46,313
General	<u>67,988,580</u>	-	-	<u>4,996,124</u>	<u>72,984,704</u>
	<u>86,982,585</u>	<u>4,264,586</u>	<u>(2,063,017)</u>	<u>4,996,124</u>	<u>94,180,278</u>

17. 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.

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

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Cont'd)

18. 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 as disclosed at note 6 to the accounts.
- (ii) The aggregate amount paid during the financial year to a superannuation plan in respect of office holders was \$740,337 (2010:\$ 713,440)
- (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.
- (iv) The National Council received income of \$1,164,444 (2010: \$992,618) from its associate, U Cover Pty Ltd during the year.

19. ADDITIONAL INFORMATION

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

Level 4,

133 - 137 Parramatta Road

Granville NSW 2142

20. CONTINGENT LIABILITIES

The union is not aware of any significant contingent liabilities that would require disclosure in this financial report.



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Sydney NSW 2000
GPO Box 2551 Sydney NSW 2001
Australia

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council, which comprises the statement of financial position as at 30 September 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and committee of management's statement.

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

The Committee of Management and National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Committee of Management and the National Secretary determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the 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 Act (Registered Organisation) 2009.



Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council as at 30 September 2011, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

A handwritten signature in black ink that reads 'BDO'.

BDO Audit (NSW-VIC) Pty Ltd

A handwritten signature in black ink that reads 'Jeff Abela'.

Jeff Abela

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

13 December 2011

FR2011/2811



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

NATIONAL COUNCIL POLITICAL FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION
NATIONAL COUNCIL POLITICAL FUND**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	2011	2010
	\$	\$
INCOME		
Contributions	726,815	725,499
Interest Received	93,540	64,282
Sundry Receipts	<u>4,233</u>	<u>4,233</u>
TOTAL INCOME	<u>820,355</u>	<u>794,014</u>
EXPENDITURE		
Affiliation Fees	416,876	359,298
Audit and Accountancy Fees	5,700	5,580
Bank and Government Charges	405	468
Consultancy Fees	70,139	-
Donations	79,909	430,200
Election Expenses - Advertising	7,951	6,585
General Office	2,025	20,285
Postage, Printing & Stationery	<u>7,986</u>	<u>19,592</u>
TOTAL EXPENDITURE	<u>590,991</u>	<u>842,008</u>
SURPLUS / (DEFICIT) FOR YEAR	<u>229,364</u>	<u>(47,994)</u>
OTHER COMPREHENSIVE INCOME		
Other Comprehensive Income for the year	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>229,364</u>	<u>(47,994)</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 2011**

	2011 \$	2010 \$
ASSETS		
Cash at Bank	2,957	6,460
Receivable from: Cash Investments National Council	1,820,528	1,552,036
Prepayments		35,625
TOTAL ASSETS	<u>1,823,485</u>	<u>1,594,121</u>
LIABILITIES		
Sundry Creditors	<u>3,000</u>	<u>3,000</u>
TOTAL LIABILITIES	<u>3,000</u>	<u>3,000</u>
NET ASSETS	<u>1,820,485</u>	<u>1,591,121</u>
ACCUMULATED FUNDS		
Accumulated Funds	<u>1,820,485</u>	<u>1,591,121</u>
TOTAL ACCUMULATED FUNDS	<u>1,820,485</u>	<u>1,591,121</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	Total
	\$	\$
Balance at 30 September 2009	1,639,115	1,639,115
Total comprehensive income for the year	(47,994)	(47,994)
Balance at 30 September 2010	<u>1,591,121</u>	<u>1,591,121</u>
Total comprehensive income for the year	229,364	229,364
Balance at 30 September 2011	<u>1,820,485</u>	<u>1,820,485</u>

(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 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions		458,323	725,499
Interest Received		93,540	64,282
Payments to Suppliers		<u>(555,366)</u>	<u>(792,383)</u>
NET CASH (USED IN) OPERATING ACTIVITIES	3(b)	<u>(3,503)</u>	<u>(2,602)</u>
NET (DECREASE) IN CASH HELD		(3,503)	(2,602)
Cash at Beginning of Year		<u>6,460</u>	<u>9,062</u>
CASH AT END OF YEAR	3(a)	<u>2,957</u>	<u>6,460</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 2011**

1. SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, and the Fair Work (Registered Organisations) Act 2009.

The National Council (being The Committee of Management for the purposes of Fair Work (Registered Organisations) Act 2009) have determined that the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards - Reduced Disclosure Requirements) as set out in AASB 1053 Application of Tiers of Australian Accounting Standards because it is a not-for-profit private sector entity that does not have public accountability. As such, the committee of management have early adopted AASB 2010-2 Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements from 1 July 2010. AASB 2010-2 only mandatorily applies to annual reporting periods commencing on or after 1 July 2013. The early adoption of AASB 2010-2 has had no impact on amounts recognised in the financial statements and related notes because it merely requires fewer disclosures for these general purpose financial statements, which have been prepared using Australian Accounting Standards - Reduced Disclosure Requirements, than if these financial statements were prepared using Australian Accounting Standards.

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.

**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 2011 (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 recognised as income when National council transfers the monies it receives from members for the Political Fund.
- (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.

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.



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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 2011, the statement of comprehensive income, the statement of changes in accumulated funds and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory note for the year then ended.

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

The Committee of Management and National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Committee of Management and the National Secretary determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the 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 Act (Registered Organisation) 2009.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council Political Fund as at 30 September 2011, and its financial performance and cash flows for the year then ended in accordance with 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

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

13 December 2011