



01 July 2015

Mr Paul Bastian
National Secretary
“Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the
Australian Manufacturing Workers’ Union
Level 4, 133 Parramatta Road
GRANVILLE NSW 2142

via email: national.secretary@amwu.asn.au

Dear Mr Bastian

“Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union Financial Reports for the year ended 30 September 2014 - [FR2014/369]

I acknowledge receipt of the financial report of the “Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union (the AMWU National). The documents were lodged with the Fair Work Commission (FWC) on 25 March 2015. I also acknowledge the amended financial report provide on the 23 June 2015. The amended financial report were provided following my correspondence to you on the 16 April 2015 which identified a number of matters which need to be addressed before the report could be filed. The amended financial report was provided after various correspondences between me and your Auditor, Neville Sinclair from Grant Thornton, and Warren Soos from the AMWU National.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year’s report.

Reconciliation of items within the GPFR

There are a number of instances within the GPFR where the provided figures do not reconcile with the totals provided or are inconsistently reported in different places within the report.

Campaign and Organising Fund

There is a minor difference in the expenditure figure reported for the campaign and organising fund within the Statement of Comprehensive Income and Note 18 *Accumulated Funds Summary*.

Total Comprehensive Income

The figure reported for total comprehensive income in the Statement of Changes in Accumulated Funds and Reserves should state \$4,440,768 instead of \$4,440,068.

National Council Political Fund

The following items differ between the figure reported in the National Council Financial Report and the National Council Political Fund Financial Report:

- Expenditure – The Statement of Comprehensive Income within the Political Fund Financial Report reports expenditure of \$631,880, however Note 18 within the National Council Financial Report states that expenditure is \$624,784.
- Surplus – The Statement of Comprehensive Income within the Political Fund Financial Report reports a surplus of \$114,862, however the Statement of Comprehensive Income with the National Council Financial Report indicates a surplus of \$121,957.
- Closing Balance 30 September 2014 – The Statement of Financial Position within the Political Fund Financial Report reports a closing balance at the 30 September 2014 of \$1,990,879, however Note 18 within the National Council Financial Report indicates the closing balance is \$1,997,975.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7886 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



17 June, 2015

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

NATIONAL COUNCIL

CERTIFICATE OF NATIONAL SECRETARY

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

- that the documents as lodged are copies of the Amended Full Report, referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the original Full Report was provided to members between the dates 12th to 20th January 2015, and the Amended Full Report was provided to members on the 12th June 2015; and
- that the original 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 17 March 2015 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009, and the Amended 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 17 June 2015 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009 .



PAUL BASTIAN
NATIONAL SECRETARY

Australian Manufacturing
Workers' Union
Registered as AFMEPKIU
National Office
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**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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

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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 2014.

The operational name for the Automotive Food Metals Engineering Printing and Kindred Industries Union is the Australian Manufacturing Workers' Union (AMWU). The Union is a 'not for profit' entity, a registered organisation under Fair Work (2009).

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

During the year to 30 September 2014 the AFMEPKIU negotiated and registered 808 enterprise bargaining agreements nationally.

The AFMEPKIU's National Office is responsible for applying to improve industrial awards covering our members. During the year ending 30 September 2014 the National Office improved award minimum rates for all workers and was actively participating in the Fair Work Commission's review of Modern Awards. The State Branches are responsible for advising members in their State of these gains and ensuring members receive the appropriate wage.

The AFMEPKIU National Council General Fund principal activities resulted in a net surplus for the financial year of \$6,466,271 (2013: net surplus of \$3,757,869).

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

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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

- (ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

- (b) In any other case:

- (i) At the end of two weeks, after the notice is received by the organisation; or
(ii) On the day specified in the notice;

whichever is later.

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

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

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.

Statement of Salaries, Board Fees, Associated Entities and Key Relationships

Salaries

The AFMEPKIU National Council's top five salary rates are as follows:

Level	Position	Per Annum
5	National Officer	\$81,684.20
6	National Senior Officer	\$85,802.60
7	Assistant Federal Secretary/National Department Heads	\$91,782.60
8	Assistant National Secretary/National Executive Officer	\$97,159.40
9	National Secretary/National President	\$104,629.20

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OPERATING REPORT (Cont'd)

The identity of the officers of the AFMEPKIU who are the five highest paid in terms of relevant remuneration for the year ended 30 September 2014, are as follows:

Position	Name	Relevant Remuneration	Non-Cash Benefits
National President	Andrew Dettmer	\$ 125,876.46	Provision of a Motor Vehicle
National Secretary	Paul Bastian	\$ 123,653.69	Provision of a Motor Vehicle
Queensland State Secretary	Rohan Webb	\$118,307.82	Provision of a Motor Vehicle
Western Australia State Secretary	Steven McCartney	\$117,103.97	Provision of a Motor Vehicle
National Assistant Secretary	Glenn Thompson	\$ 115,706.36	Provision of a Motor Vehicle

Board Fees

Board Fees received by the AFMEPKIU National Council on behalf of employees who are members of external boards, are as follows:

Organisation	Amount received
Australian Super	\$79,851.63
Construction & Building Industry Super	\$62,947.99
Motor Trades Association of Australia Superannuation Fund	\$46,318.00
Dept. of Further Education, Employment, Science and Technology	\$515.95
Dept. of Industry, Innovation, Science, Research and Tertiary Education	\$12,425.00
Media Super	\$106,363.68
Publicity Works	\$12,000.00
Australian Workforce & Productivity Agency	\$38,003.50
Australian Construction Industry Redundancy Trust	\$15,000.00

Associated Entities & Principal Relationships

The AFMEPKIU National Council has significant influence over two associated entities as follows:

1. A 49% interest in UCover. UCover provides the income protection insurance cover known as WageGuard. The AFMEPKIU has taken an interest in this company to ensure that members receive the best possible income protection product through their Enterprise Agreement and all income derived from this activity is reinvested in membership services and support.

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2. A 24% interest in Publicity Works, a print and design company with which the AFMEPKIU has a long standing interest.

OPERATING REPORT (Cont'd)

It is the policy of the AFMEPKIU that all Director/Sitting Fees payable to AFMEPKIU employees are to be paid directly to the AFMEPKIU.

The National Council also has a principal relationship with the Workers' Health Centre.

Key Relationships

The AFMEPKIU National Council has developed key relationships over a long period with a number of suppliers of various goods and services. These relationships are conducted on normal commercial terms, and are periodically tested against market price:

Supplier	
Building Services	Legal Services
CBD MECHANICAL ELECTRICAL	MAURICE BLACKBURN PTY LTD
ENERGY AUSTRALIA	TAYLOR & SCOTT
GLOBE CLEANING SERVICES P/L	Printing & Publicity Services
OTIS ELEVATOR COMPANY P/L	BENSON HOUSE TRADING
REIDELCO CONTRACTING PTY LTD	STAPLES AUSTRALIA PTY LIMITED
SIMPLY ENERGY	DCMC DESIGN PTY LTD
TOOGOODS CLEANING SERVICE	DYNAMIC DIRECT PRINT P/L
KNIGHT FRANK AUSTRALIA P/L	ESSENTIAL MEDIA COMMUNICATIONS
MCGEES PROPERTY	G & G TRADE PUBLISHING & DISTRIBUTION
Financial Services	QUALITOPS PTY LTD
GRANT THORNTON AUDIT PTY LTD	Travel Services
COVERFORCE INSURANCE BROKING	AMERICAN EXPRESS
GIO GENERAL LTD(NSW WORKCOVER)	QANTAS
NATIONAL AUSTRALIA BANK	Vehicle Services
IT & Communications Services	CITY FORD - NSW
CANON AUSTRALIA P/L	FLEET SYSTEMS PTY LIMITED
GENISYST PTY LTD	GILLEN MOTORS PTY LTD
IBM AUSTRALIA LTD	HEARTLAND MOTORS
INFOR GLOBAL SOLUTIONS(ANZ)P/L	
INSIGHT ENTERPRISES AUSTRALIA	
IT INTEGRITY	
NATIONAL TELECOMMUNICATION SOLUTIONS	
NELLER PTY LTD	

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OPERATING REPORT (Cont'd)

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
Paul Bastian	Australian Super	Member Director
Nixon Apple	Australian Super	Member Director-Alternate
Paul Bastian	Australian Super	Member of the Audit Compliance and Risk Management Committee
Mike Nicolaides	Australian Super	Member Non-Director of the Member and Employer Services Committee
Glenn Thompson	C+BUS	Member Director
Anne Donnellan	C+BUS	Member Director-Alternate
Dave Smith	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

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 2014 was 90,103.
- (b) The number of persons who were employees of the reporting unit on 30 September 2014 was 302.3, 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:

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OPERATING REPORT (Cont'd)

Name	Period Position Held
Tim Ayres	1 October 2013 to 30 September 2014
Paul Bastian	1 October 2013 to 30 September 2014
Courtney Borg	1 October 2013 to 30 September 2014
Terry Bradley	1 October 2013 to 30 September 2014
Warren Butler	1 October 2013 to 30 September 2014
John Camillo	1 October 2013 to 30 September 2014
Lorraine Cassin	1 October 2013 to 30 September 2014
Frank Cherry	1 October 2013 to 30 September 2014
Sue Creed	1 October 2013 to 30 September 2014
Andrew Currie	1 October 2013 to 30 September 2014
Steve Dargavel	1 October 2013 to 30 September 2014
Andrew Dettmer	1 October 2013 to 30 September 2014
Paul Difelice	1 October 2013 to 30 September 2014
Leigh Diehm	1 October 2012 to 29 November 2013
Anne Donnellan	1 October 2013 to 30 September 2014
Danny Dougherty	1 October 2013 to 30 September 2014
Jennifer Dowell	1 October 2013 to 16 October 2013
Colin Fenney	1 October 2013 to 30 September 2014
Thomas Hale	23 October 2013 to 30 September 2014
Margaret Hay	1 October 2013 to 30 September 2014
Heinz Joham	1 October 2013 to 30 September 2014
Craig Kelly	1 October 2013 to 30 September 2014
Craig Lerner	1 October 2013 to 30 September 2014
Nadia Machlouch	1 October 2013 to 21 November 2013
Steve McCartney	1 October 2013 to 30 September 2014
Ian Mortimer	1 October 2013 to 30 September 2014
Steve Murphy	1 October 2013 to 30 September 2014
Mike Nicolaidis	1 October 2013 to 30 September 2014


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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

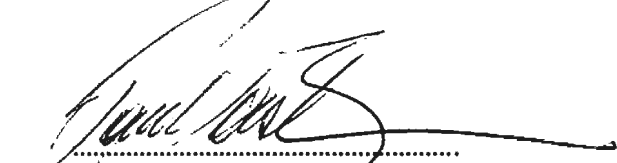
Tony Piccolo	21 November 2013 to 30 September 2014
John Short	1 October 2013 to 30 September 2014
Dave Smith	1 October 2013 to 30 September 2014
Glenn Thompson	1 October 2013 to 30 September 2014
Rohan Webb	1 October 2013 to 30 September 2014

Signed in accordance with a resolution of National Council



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National President - Andrew Dettmer



.....

National Secretary - Paul Bastian

12 June 2015

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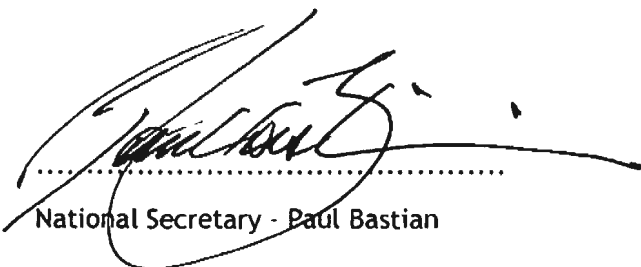
COMMITTEE OF MANAGEMENT'S STATEMENT

On 10 December 2014 the National Council 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 2014.

The National Council 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 the Fair Work Commission;
- (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 2014;
- (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 2014 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 RO Act; 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 the Fair Work Commission under section 272 of the RO Act; and
 - (vi) no orders for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act.
- (f) during the financial year ended 30 September 2014 the National Council did not participate in any recovery of wages activity.

For the National Council:



.....
National Secretary - Paul Bastian

10 December 2014

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	Note	2014 \$	2013 restated \$
INCOME			
Capitation Fees		-	-
Contributions	4A	42,874,219	42,110,847
Distribution from Available-for-Sale Financial Assets		1,222,965	894,831
Share of net profit from associates accounted for using the equity method		41,176	(2,896)
Donations		-	-
Interest received on Investments		2,197,655	2,559,274
Levies		-	-
Grant Income		1,264,678	1,813,660
Rent Received	4B	2,590,560	2,469,503
Sundry Income(Board fees)	5	<u>5,064,757</u>	<u>4,419,837</u>
TOTAL INCOME		<u>55,256,010</u>	<u>54,265,056</u>
EXPENDITURE			
Depreciation			
Depreciation - investment property	13	<u>19,555</u>	<u>19,323</u>
Depreciation - Property Plant and Equipment			
Buildings - owner occupied	13	1,185,318	1,185,039
Computer Installation	13	212,394	234,951
Furniture & Fittings	13	86,765	70,754
Motor Vehicles	13	<u>1,255,266</u>	<u>1,280,351</u>
Total Depreciation Property Plant and equipment	13	<u>2,739,743</u>	<u>2,771,095</u>
Employee Benefits Expense			
Salaries	6	22,081,345	22,036,999
Accrued Annual Leave		165,206	360,280
Long Service Leave		27,965	404,456
Redundancies		588,573	490,525
Superannuation		<u>2,253,592</u>	<u>2,257,855</u>
Sub total	6	<u>25,116,681</u>	<u>25,550,115</u>
Fringe Benefits Tax		713,903	660,437
Payroll Tax		<u>355,497</u>	<u>310,170</u>
		<u>26,186,081</u>	<u>26,520,722</u>
State Branch Net Expenditure	8B	<u>6,549,063</u>	<u>7,081,305</u>

(The attached Notes form part of these Accounts)

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

	Note	2014 \$	2013 restated \$
EXPENDITURE (Cont'd)			
Other Expenses			
Affiliation Fees	7A	546,122	534,493
Bank and Government Charges		198,798	220,117
Building Expenses		2,236,729	2,126,893
Capitation Fees		-	-
Consideration to employers for payroll deductions		-	-
Compulsory Levies		-	-
Collectors Expenses		(76)	3,200
Computing		836,069	871,453
Conference and Meeting Expenses - External		14,436	5,200
Conference and Meeting Expenses - Internal		39,365	307,907
Delegation/Employee Expenses	8A	798,355	884,212
Donations and Grants	7B	45,547	54,982
Freight		32,568	13,567
Fund Expenses			
Political Fund Expenditure		624,784	1,077,351
Hardship Fund Expenditure		96,457	285,666
Education Fund Expenditure		465,578	531,229
Campaign & Organising Fund Expenditure		2,420,528	2,493,173
Funeral Benefits		87,991	80,235
General Office Expenses		174,585	230,093
Insurance		368,880	99,486
Membership Printing		685,568	773,036
MISTAS		261,496	205,180
Motor Vehicle Expenses		179,396	267,170
Penalties imposed under the RO Act		-	-
Postage		18,754	18,652
Printing and Distribution - AMWU News		242,293	404,190
Printing and Distribution - Newsletters		62,762	56,776
Printing and Stationery		334,154	282,350
Professional Services	16	262,375	312,502
Publicity		214,090	99,436
Rent Paid		503,392	501,636
Research		145,600	115,021
Telephone		511,361	613,580
		12,407,957	13,468,786
TOTAL EXPENDITURE		47,902,399	49,861,231

(The attached Notes form part of these Accounts)

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

	Note	2014 \$	2013 restated \$
OPERATING SURPLUS FOR YEAR		7,353,611	4,403,825
(Loss) on disposal of Assets		(136,966)	(95,650)
(Loss) on disposal of Investments		<u>(750,374)</u>	<u>(550,306)</u>
NET SURPLUS FOR YEAR		<u>6,466,271</u>	<u>3,757,869</u>
OTHER COMPREHENSIVE INCOME			
Net Increase/(decrease) in Value of Available-for-Sale Financial Assets		<u>(18,757)</u>	<u>682,899</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>(18,757)</u>	<u>682,899</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>6,447,514</u>	<u>4,440,768</u>
LESS NET TRANSFER TO OTHER FUNDS			
Net transfers to National Council Political Fund		(121,957)	301,897
Net transfers to Education Fund		(581,302)	(443,780)
Net transfers to Vehicle Division Education Fund		(5,737)	(4,031)
Net transfers to Campaign and Organising Fund		386,779	507,004
Net transfers to Fairfax Chapel Dispute fund		-	-
Total Net Transfers to Other Funds		<u>(322,217)</u>	<u>361,090</u>
TOTAL AVAILABLE FUNDS LESS NET TRANSFERS TO OTHER COMPREHENSIVE INCOME AND OTHER FUNDS		<u>6,125,297</u>	<u>4,801,858</u>
Add back Net Increase in Value of Available-for-Sale Financial Assets		<u>18,757</u>	<u>(682,899)</u>
NET SURPLUS FOR YEAR - GENERAL FUND		<u>6,144,054</u>	<u>4,118,959</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 2014

	Note	2014 \$	2013 restated Note 1(n) \$	2012 restated Note 1(n) \$
ASSETS				
Current Assets				
Cash and Cash Equivalents	9	1,944,657	2,139,850	2,215,341
Receivables	10	5,481,946	5,839,337	4,809,983
Other Financial Assets	11	75,140,108	67,368,275	62,178,767
Total Current Assets		<u>82,566,711</u>	<u>75,347,462</u>	<u>69,204,091</u>
Non Current Assets				
Property, Plant and Equipment	13	37,910,865	39,714,336	40,227,609
Investment Property	13	984,818	922,555	940,855
Investments in Associates using the equity method	12	362,734	321,558	324,454
Other Financial Assets	11	46,670	46,670	46,670
Receivables	10	534,696	534,696	534,696
Total Non Current Assets		<u>39,839,783</u>	<u>41,539,815</u>	<u>42,074,284</u>
TOTAL ASSETS		<u>122,406,494</u>	<u>116,887,277</u>	<u>111,278,375</u>
LIABILITIES				
Current Liabilities				
Trade and Other Payables	14	924,163	1,582,592	1,099,648
Provisions	15	8,168,253	8,419,959	7,773,099
Total Current Liabilities		<u>9,092,416</u>	<u>10,002,551</u>	<u>8,872,747</u>
Non Current Liabilities				
Provisions	15	331,352	349,514	311,184
Total Non Current Liabilities		<u>331,352</u>	<u>349,514</u>	<u>311,184</u>
TOTAL LIABILITIES		<u>9,423,768</u>	<u>10,352,066</u>	<u>9,183,931</u>
NET ASSETS		<u>112,982,726</u>	<u>106,535,212</u>	<u>102,094,444</u>
ACCUMULATED FUNDS AND RESERVES				
Available-for-Sale Investment Reserve		(150,150)	(131,393)	(814,292)
Accumulated Funds	18	113,132,876	106,666,605	102,908,736
TOTAL ACCUMULATED FUNDS AND RESERVES		<u>112,982,726</u>	<u>106,535,212</u>	<u>102,094,444</u>

(The attached Notes form part of these Accounts)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	Note	Accumulated Funds \$	Available-for- Sale Investment Reserve \$	Total \$
Balance at 30 September 2012		103,314,589	(814,292)	102,500,297
Opening balance adjustment on change in accounting policy for membership fees in 2013	1n (7)	112,448	-	112,448
Balance at 30 September 2012 restated in 2013 accounts		<u>103,427,037</u>	<u>(814,292)</u>	<u>102,612,745</u>
Adjustment to remove the State Branch Bank balances in 2014	1n (5)	<u>(149,984)</u>		<u>(149,984)</u>
Adjustment on change in accounting policy for recognising employee service entitlement in 2014	1n (2)	<u>(368,317)</u>	-	<u>(368,317)</u>
Balance at 30 September 2012 restated in 2014 accounts		102,908,736	(814,292)	102,094,444
Net Surplus for the Year 2013 (as reported)		3,847,770	-	3,847,770
Increase in expenses accruals in 2013	1n (6)	(135,283)		(135,283)
Addition (Deduction) of State Branch bank accounts movement in 2013	1n (5)	45,382		45,382
Other comprehensive income:				
Net increase in value of Available-for-Sale financial assets		-	682,899	682,899
Total Comprehensive Income		<u>3,757,869</u>	<u>682,899</u>	<u>4,440,068</u>
Balance at 30 September 2013 (restated)		<u>106,666,605</u>	<u>(131,393)</u>	<u>106,535,212</u>
Net Surplus for the Year originally as reported		6,524,144		6,524,144
Addition (Deduction) of State Branch bank accounts movement in 2013	1n (5)	<u>(42,336)</u>		<u>(42,336)</u>
Net Increase in expenses accruals in 2014 not recognised previously	1n (6)	(15,537)		(15,537)
Other comprehensive income:				
Net increase in value of Available-for-Sale financial assets		-	(18,757)	(18,757)
Total Comprehensive Income		<u>6,466,271</u>	<u>(18,757)</u>	<u>6,447,514</u>
Balance at 30 September 2014		<u>113,132,876</u>	<u>(150,150)</u>	<u>112,982,726</u>

(The attached Notes form part of these Accounts)

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**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 SEPTEMBER 2014**

	Note	2014 \$	2013 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions Received		47,175,951	46,120,422
Receipts from other Reporting Units		-	-
Payments to other Reporting Units	8B	(6,352,727)	(7,247,751)
Payments to Suppliers and Employees		(42,927,715)	(42,635,612)
Distributions Received		292,394	532,957
Interest Received		2,244,087	2,681,283
Rent Received		2,590,560	2,469,503
Grant Income		1,264,678	1,813,660
Sundry Income		4,665,711	3,647,665
NET CASH PROVIDED BY OPERATING ACTIVITIES	17(b)	<u>8,952,939</u>	<u>7,382,127</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		209,747	658,154
Net Proceeds from Investments		(6,399,580)	397,260
Payments for Property, Plant and Equipment & Investment property		(1,938,178)	(3,012,649)
Net Payments for Investments		<u>(423,860)</u>	<u>(405,187)</u>
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(8,551,871)</u>	<u>(2,362,422)</u>
NET INCREASE IN CASH HELD		401,068	5,019,705
Cash at Beginning of Year		<u>60,742,122</u>	<u>55,722,417</u>
CASH AT END OF YEAR	17(a)	<u>61,143,190</u>	<u>60,742,122</u>

(The attached Notes form part of these Accounts)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards.

Basis of Preparation

The financial report is for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council (AFMEPKI) operating under the name of the Australian Manufacturing Workers Union (AMWU), 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 measured at fair value. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

Change in basis of reporting

The financial report has been prepared on a reporting unit basis for the National Council and excluding the State Branches. In previous years the financial report was prepared on a branch consolidation basis. The National Council has significant influence over the 'State Branches' or 'State Councils', and control of the funds supplied to finance Branch activities. 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, and in Note 8B.

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

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial assets and Liabilities

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares, and managed funds that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established.

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Receivables

Trade receivables, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as receivables from member contributions that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the payment due, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets such as the investments of liquid funds which are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial Liabilities

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

c) Revenue

All membership contributions are paid directly to the National Council and are accounted for on an accruals basis.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Board fees are fees received where union officers are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised when received.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Government grants

Government grants are not recognised until there is reasonable assurance that the *reporting unit* will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Union should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Union with no future related costs are recognised in profit or loss in the period in which they become receivable.

d) 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.

Investment property

The property held solely for rental purposes the Union applies the Cost model of measurement.

The depreciation rate used for investment property Buildings is 2%

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

e) Leases expenses

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

f) 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.

Employees also receive an entitlement based on the years of service to the Union. In prior years the entitlement has been expensed in the year the entitlement is due to be paid, resulting in any advance payment being treated as a prepayment. In 2014 the policy has been amended to recognise the entitlement in the period that the benefit accrues to the employee. This change in policy has necessitated a restatement of the prior period retained earnings to reflect the correct period of recognition under the revised policy- refer to Note 1.n

g) 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.

h) 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.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

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

i) 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.

Investments in associates and joint ventures

The investments in Industry Printing and Publishing (IPP) Pty Ltd represent more than 20% of the equity in the company. Associates are those entities over which the Union is able to exert significant influence but which are not subsidiaries.

Investments in associates and joint ventures are accounted for using the equity method.

Any goodwill or fair value adjustment attributable to the Union's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Union's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Union.

Unrealised gains and losses on transactions between the Union and its associates and joint ventures are eliminated to the extent of the Union's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

j) New and revised Standards that are effective for annual periods beginning on or after 1 January 2013 ,

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

AASB 13 Fair Value Measurements

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Union has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 *Financial Instruments: Disclosures*.

The Union has applied AASB 13 for the first time in the current year, see Notes 11 and 12.

Amendments to AASB 119 Employee Benefits

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- Change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- Enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the Union does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period, annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 *Presentation of Financial Statements*.

These amendments have had no significant impact on the entity.

Accounting Standards Issued But Not yet Effective

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

k) Going concern support

The National Council is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

Pursuant to the Section 242 (3) of the RO Act each branch is regarded as a reporting unit for the RO Act reporting purposes.

The National Council supports the branches through

- the allocation of funds to the branch to meet operational expenses
- The payment of the wages and salaries of the branch officers and employees.

The National Council has not provided any financial support to any reporting unit other than the branches noted in Note 8B.

l) Amalgamations and Restructures

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

m) Business Combinations

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

n) **PRIOR PERIOD ADJUSTMENTS** During the 2014 financial year, a change in the policy for accounting and recognition of the following matters resulted in changes to the previously reported balances -

Item 1 - Reclassifications of Board fees in Statement of Comprehensive Income

Income and expenditure related board fees received in connection with officers of the Union appointments to superannuation funds as member representatives. Previously these were previously netted against the Delegation and Employee expenses. In 2014 they have been disclosed within the respective revenue and expense categories in the accounts. Comparative 2013 amounts have similarly been grossed up for consistency.

For item 1 above the restated items for the prior period are as follows

	30 September 2013	Increase/ (decrease)	30 September 2013 restated
Statement of Comprehensive Income			
Income (item 1)	53,947,014	318,042	54,265,056
Represented by -			
Sundry Income - Board Fees	4,101,795	318,042	4,419,837
Expenditure	(50,417,286)	(318,042)	(50,735,328)
Represented by -			
Delegation/Employee Expenses (item 1)	(566,170)	(318,042)	884,212
Total Expenditure	49,453,288	318,042	49,771,330
NET SURPLUS FOR YEAR	3,847,770	0	3,847,770

Item 2 - Service remuneration entitlements

AMWU provide remuneration increments to their employees based on service year's, which are payable in October each year. Prior to 2014, the entitlement had previously been recorded in the year of entitlement to the payment. Management have confirmed that as the entitlement vests as at 30 September each year, as a consequence, it should be accrued in the year the entitlement is expected. This change had been regarded as not material in prior years as the amounts paid are consistent from year to year. In 2014 management determined it was appropriate to recognise the accrual in the year the entitlement accrues to the employee. To maintain expense relativity the prior year impact has been adjusted through adjusting the 2012 opening retained earnings by \$368,317. This is reflected in the Statement of Changes in Accumulated Funds and Reserves.

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Item 3 - Correction of error in classifying the provisions between current and non-current

Long Service Leave provisions for identified employees that have over 10 years' service are presently entitled to the benefits, and should be recognised as current liabilities. Previously these liabilities had been classified as non-current liabilities. During the 2014 financial year, on review of the allocations management agreed to reclassify the liabilities for those employees that are presently entitled.

The classification for the prior year has been corrected by restating each of the affected financial statement line items for the 2013 as follows

	30 September 2013	Increase/ (decrease)	30 September 2013 restated
Statement of Financial Position			
Current:			
Accrued service entitlements (item 2)	0	368,317	368,317
Provisions for Long Service Leave (item 3)	4,267,759	297,933	4,565,692
Provisions	<u>7,753,709</u>	<u>666,250</u>	<u>8,419,959</u>
Non-Current:			
Provisions	647,447	(297,933)	349,514
Total	<u>8,401,156</u>	<u>368,317</u>	<u>8,769,473</u>

Item 4 -Correction of error in classifying the Investment property

In prior years all property owned by the Union had been classified as Property owned by the Union for its own use. On review 2 properties were identified as being used solely for rental purposes. Accordingly these Investment properties have been separated from the owned and occupied property in the balance sheet and the Notes to the accounts. Details of the investment properties are set out in Note 13 and in the Balance sheet. This has also resulted in separation of the depreciation expenses in the Income statement, and rental income in Note 4B.

Item 5 -Correction of error in recognising the State Branch bank balances

In prior years the National Council accounts were reported on a consolidated basis which required all State Branch cash on hand and in banks to be reported as assets of consolidated Union. The change in these accounts to report National Council on an entity alone basis has resulted in the bank balances reported in the State Branch annual reports being removed with the consequential adjustments against retained earnings. The impact of the changes in the net profits for 2013, 2014 and the 2012 retained earnings, are set out in Statement Of Changes In Accumulated Funds and Reserves.

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Item 6 -Correction of error in recognising expenses

As in prior years all State Branch accruals are reported as monies owed by the Union to the Branches, and prepayments are reported as receivable from the Branches. Details are set out in Note 8B.

In the course of preparing the financial statements it was identified that some accruals had not been recognised in the financial report in prior year and in 2014. The omissions related in part to State Branch accruals received late for processing.

The impact of the changes in the net profits for 2013 and 2014 are set out in Statement Of Changes In Accumulated Funds and Reserves.

The increase in unrecorded liabilities is as follows

2013 financial year

Increase in expenses accruals in 2013	135,283
---------------------------------------	---------

2014 financial year

Increase in expenses accruals in 2014	150,820
Increase in expenses accruals in 2013	<u>(135,283)</u>
Net Increase in expenses accruals in 2014 not recognised previously	<u>(15,537)</u>

Item 7 Change in accounting policy as noted in prior year report

As reported in the 2013 financial report, for the year ended 30 September 2013 the National Council had commenced accounting for its contributions income on an accruals basis. This was a change in accounting policy in that in 2012 and previous years, the National Council had accounted for contributions income on a cash basis. The effect of the change in accounting policy had resulted in a change to the net assets for the year. Below is a summary showing the effect of the accounting policy change for the year ended 30 September 2013 as shown in the 2013 financial report.

	2013
Statement of Comprehensive Income	
Net (Decrease) in Membership Fees	<u>(183,191)</u>
Overall Change in Surplus for the year	<u>(183,191)</u>
 Statement of Financial Position	
(Increase) in Membership Fees in Arrears	<u>295,639</u>
Overall Change in Net Assets	<u>295,639</u>
 Statement of Changes In Accumulated Funds	
Increase in opening Accumulated Funds	<u>112,448</u>
Overall Change in Accumulated Funds	<u>112,448</u>

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	30 September 2012	Increase/ (decrease)	30 September 2012 restated in 2013
Statement of Comprehensive Income			
Income - Member dues	54,350,676	112,448	54,463,124
Expenditure	(45,751,061)	-	(45,751,061)
NET SURPLUS FOR YEAR	8,599,615	112,448	8,712,063
Statement of Financial Position			
Receivables _ Membership in arrears	4,697,535	112,448	4,809,983
Net Assets	102,500,297	112,448	102,612,745
Retained Earnings	103,314,589	112,448	103,427,037
TOTAL EQUITY	102,500,297	112,448	102,612,745

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.

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

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:

- (a) A member of a reporting unit, or the General Manager of Fair Work Commission, 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.
- (b) 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.
- (c) A reporting unit must comply with an application made under subsection (1)

	Note	2014 \$	2013 \$
4A. CONTRIBUTIONS			
Gross Contributions		42,874,219	42,110,847
Comprises the following various funds:			
Political Fund		746,741	775,454
Hardship Fund		96,457	285,666
Education Fund		1,046,028	979,040
Vehicle Division Education Fund		6,589	-
Campaign & Organising Fund		2,033,730	1,986,169
General Fund		<u>38,944,674</u>	<u>38,084,518</u>
		<u>42,874,219</u>	<u>42,110,847</u>

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	Note	2014	2013
4B. RENT RECEIVED		\$	\$
Electricity Recovered		91,736	88,467
Tenant Items Recovered		1,088	412
Rent Received - investment property		127,169	152,109
Rent Received - other property		2,029,557	1,956,536
Rent Outgoings Received		142,754	159,580
Car Parking		157,080	108,003
Other Rent		-	1,500
Union House Partnership		41,176	2,896
		<u>2,590,560</u>	<u>2,469,503</u>
 5. SUNDRY INCOME			
Capitation Fees		-	-
Dividend Received		112,480	38,652
Income from Associate - U-Cover Pty Ltd		3,867,116	3,789,245
Training course fees		260,503	-
Promotional income - advertising		275,818	207,636
Board Fees		373,426	318,042
Miscellaneous Income		175,414	66,262
		<u>5,064,757</u>	<u>4,419,837</u>
 6. SALARIES			
Employees		16,172,476	15,793,645
Officers		5,908,869	6,243,354
		<u>22,081,345</u>	<u>22,036,999</u>
 Holders of office:			
Wages and salaries		5,908,869	6,243,354
Superannuation		645,132	650,539
Leave and other entitlements		52,405	223,153
Separation and redundancies		214,709	99,376
Other employee expenses		-	-
Subtotal employee expenses holders of office		<u>6,821,115</u>	<u>7,216,422</u>
 Employees other than office holders:			
Wages and salaries		16,172,476	15,793,645
Superannuation		1,608,460	1,607,316
Leave and other entitlements		140,766	541,583
Separation and redundancies		373,864	391,149
Other employee expenses		-	-
Subtotal employee expenses employees other than office holders		<u>18,295,566</u>	<u>18,333,693</u>
Total employee expenses		<u>25,116,681</u>	<u>25,550,115</u>

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7A Affiliations	2014	2013
	\$	\$
Australian Council of Trade Union	336,171	340,653
Australia Fair Trade & Investment Network	-	150
Australia Institute of Employment Rights	-	3,000
Australian People for Health, Education & Development Abroad	27,530	18,713
Responsible Forest Management	-	3,400
Rail Skills Australasia Limited	-	5,000
Registered Workers Club Holiday Centre	4,329	4,000
Welcome to Australia	5,000	5,000
Western Sahara Resources Watch	-	172
International Federation of Chemical, Energy, Mine & General Workers' Unions	-	645
Industrial (International Metalworker Federation)	106,124	89,210
International Union of Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations	38,784	38,260
Australian Palestine Advocacy Network	565	-
Australasian Railway Association	176	-
Philippines Australia Union Link	37	-
Union Network International	27,406	26,290
	<u>546,122</u>	<u>534,493</u>
 7B. GRANTS OR DONATIONS LESS THAN \$1000		
Grants	-	-
Donations	2,393	3,573
	<u>2,393</u>	<u>3,573</u>
 GRANTS OR DONATIONS OVER \$1000		
Grants	-	-
Donations	43,154	51,409
	<u>43,154</u>	<u>51,409</u>
 Total	<u>45,547</u>	<u>54,982</u>
 8A DELEGATION/EMPLOYEE EXPENSES		
Employees - Office Holders	123,603	275,901
Employees - Other	303,993	272,830
Members	132,575	134,678
	<u>560,171</u>	<u>683,409</u>
 International - Office Holders	188,969	137,757
International - Other	49,215	63,046
	<u>238,184</u>	<u>200,803</u>
 Total	<u>798,355</u>	<u>884,212</u>

Includes the gross up board sitting fees - refer Note 1.n. Costs of fees and allowances in attending conferences or other meetings are detailed in the Conference and meetings expenses

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8.B STATE BRANCH EXPENSES AND CASH FLOW

The variance between the cash paid to the branches and the net expenditure is represented by the cumulative net receivable and payables, and is reconciled as follows

Entity	Cash paid per cash flow statement	Creditors	Prepayments	Creditors	Prepayments	Income and Expense
	\$	\$	\$	\$	\$	\$
		Add	Less	Less	Add	
Branch	2014	2014	2014	2013	2013	2014
AMWU NSW	1,243,891	71,926	- 19,311	-42,663	16,321	1,270,164
AMWU QLD	1,433,468	30,330	- 25,228	-60,827	102,913	1,480,656
AMWU SA	545,292	17,245	- 2,776	-17,245	2,776	545,292
AMWU TAS	210,850	-	-	-	-	210,850
AMWU VIC	1,873,794	151,839	- 1,623	-63,281	1,524	1,962,253
AMWU WA	1,045,431	49,039	- 13,465	-14,650	13,493	1,079,848
	6,352,726	320,379	-62,403	-198,666	137,027	6,549,063
		Note 14	Note 10	Note 14	Note 10	

	Cash paid per cash flow statement	Creditors	Prepayments	Creditors	Prepayments	Income and Expense
	\$	\$	\$	\$	\$	\$
	2013	2013	2013	2012	2012	2013
AMWU NSW	1,325,246	42,663	-16,321	-99,110	18,288	1,270,766
AMWU QLD	1,528,554	60,827	-102,913	-62,194	19,013	1,443,287
AMWU SA	564,415	17,245	-2,776	-17,245	2,729	564,368
AMWU TAS	245,581	-	-	-9,273	-	236,308
AMWU VIC	2,660,082	63,281	-1,524	-79,074	2,987	2,645,752
AMWU WA	923,873	14,650	-13,493	-14,059	9,853	920,824
	7,247,751	198,666	-137,027	-280,955	52,870	7,081,305
		Note 14	Note 10	Note 14	Note 10	

9. CASH AND CASH EQUIVALENTS

Advances and Floats	24,480	24,780
Bank Accounts		
National Council General Fund	1,908,501	2,096,545
National Council Political Fund	177	7,088
Recoverable Deposits	11,499	11,437
	<u>1,944,657</u>	<u>2,139,850</u>

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	2014	2013
	\$	\$
10. RECEIVABLES		
<u>Current:</u>		
Accrued Interest	604,961	651,393
Membership in Arrears	282,630	295,639
National Entitlement Security Trust (NEST) *	3,940,768	3,516,908
Prepayments	386,762	1,093,903
Receivable from another reporting unit	62,403	137,027
Sundry Debtors	523,412	535,473
Trust - Grants	(318,990)	(391,006)
	<u>5,481,946</u>	<u>5,839,337</u>
<u>Non Current:</u>		
IPP Property Trust - Distribution Receivable	<u>534,696</u>	<u>534,696</u>
	<u>6,016,642</u>	<u>6,374,033</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.		
Receivable from another reporting unit	62,403	137,027
Represented by :		
New South Wales	19,311	16,321
Queensland	25,228	102,913
Western Australia	13,465	13,493
South Australia	2,776	2,776
Victoria	1,623	1,524
11. OTHER FINANCIAL ASSETS		
<u>Held-to-maturity investments carried at amortised cost</u>		
Short-Term Deposits	59,198,533	58,602,272
<u>Available-for-sale Investment carried at cost</u>		
Foundation Units (i)	46,670	46,670
	<u>59,245,203</u>	<u>58,648,942</u>
<u>Available-for-sale Investment carried at fair value</u>		
Managed Funds (ii)	15,941,575	8,766,003
	<u>15,941,575</u>	<u>8,766,003</u>
Current	75,140,108	67,368,275
Non-Current	46,670	46,670
	<u>75,186,778</u>	<u>67,414,945</u>

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12. ASSETS MEASURED AT FAIR VALUE ON THE STATEMENT OF FINANCIAL POSITION

2014	Fair value measurement at end of the reporting period			
	Balance	Level 1	Level 2	Level 3
Financial assets at fair value through equity				
Available-for-sale financial assets - Units in managed funds	15,941,575		15,941,575	
Investments - Unquoted Foundation units	46,670			46,670
Investments in equity instruments	21,104	4,519		16,585
Investments in equity instruments in IPP Ltd - accounted for using the equity accounting method	341,630			341,630
Total Equity	362,734	4,519		358,215

2013	Fair value measurement at end of the reporting period			
	Balance	Level 1	Level 2	Level 3
Financial assets at fair value through equity				
Available-for-sale financial assets - Units in managed funds	8,766,003		8,766,003	
Investments - Unquoted Foundation units	46,670			46,670
Investments in equity instruments	21,104	4,519		16,585
Investments in equity instruments in IPP Ltd - accounted for using the equity accounting method	300,454			300,454
Total Equity	321,558	4,519		317,039

The fair value hierarchy has the following levels:

Level 1 - Investments in equity instruments are assets with available quoted prices (unadjusted) in active markets.

Level 2 - are assets values based available unit prices that are not quoted in an active market.

Units in managed funds are carried at fair value based on the current unit price for redemption of those units within the funds. The Unit prices are obtained from the trustees annually.

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments in Foundation Units \$46,670 are held at cost as management believe that cost best represents the fair value. These units are not tradeable nor redeemable at a value other than the costs.

Investments in equity instruments \$16,585 - comprise of shares in companies which are not traded in an active market. The shares are not held for trading but held to maintain an interest in the affairs of selected employers. The shares are held at cost, as cost is believed to appropriately represent fair value.

Investments in Industrial Printing and Publishing Pty Ltd (IPP) (a private company) are held at cost plus the share of the entities net earnings under the equity method of accounting.

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12(a). For Assets measured at fair value based on Level 3 in the Statement of Financial Position.

Fair value measurement at the end of the reporting period	Cost	Available for sale financial assets	Available for sale financial assets
	Equity Investments in IPP and Union House Partnership	Equity investments	Foundation Units
Opening balance - 2012	303,350	21,104	46,670
Total gains or losses			
- in profit or loss	(2,896)	-	-
- in other comprehensive income	-	-	-
Disposals	-	-	-
Transfers out of Level 3	-	-	-
Opening balance - 2013	300,454	21,104	46,670
Total gains or losses			
- in profit or loss	41,176	-	-
- in other comprehensive income	-	-	-
Purchases	-	-	-
Issues	-	-	-
Disposals	-	-	-
Transfers out of Level 3	-	-	-
Closing balance 2014	341,630	21,104	46,670
Total gains or losses for the period included in profit or loss			
2014	41,176	-	-
2013	(2,896)	-	-

12(b). Associated entities disclosures

The Industrial Printing and Publishing Pty Ltd (IPP) financial reporting date is the 30 June 2014. As a private company the company has no published price quotations. The audited financial information as at the 30 September is not readily available. Accordingly the 30 June 2014 amounts are applied to represent the gains or losses.

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	2014 \$	2013 \$
13. PROPERTY, PLANT AND EQUIPMENT		
Computer Equipment		
Cost	3,244,540	3,204,848
Less Accumulated Depreciation	<u>(2,754,838)</u>	<u>(2,563,705)</u>
	<u>489,702</u>	<u>641,143</u>
Furniture and Fittings		
Cost	5,688,039	5,491,328
Less Accumulated Depreciation	<u>(5,168,243)</u>	<u>(5,081,087)</u>
	<u>519,796</u>	<u>410,241</u>
Motor Vehicles		
Cost	6,694,910	7,462,198
Less Accumulated Depreciation	<u>(2,513,070)</u>	<u>(2,226,247)</u>
	<u>4,181,840</u>	<u>5,235,951</u>
Properties held for own use - at Cost		Amended
Land	3,955,000	3,955,000
Buildings	48,283,424	47,404,462
Buildings - Work in progress	33,452	434,570
	<u>52,271,876</u>	<u>51,794,032</u>
Less Accumulated Depreciation on Buildings	<u>(19,552,349)</u>	<u>(18,367,031)</u>
	<u>32,719,527</u>	<u>33,427,001</u>
TOTAL PROPERTY PLANT & EQUIPMENT	<u>37,910,865</u>	<u>39,714,336</u>

MOVEMENTS IN CARRYING AMOUNTS

2014

	Computer Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Land and Buildings \$	Total \$
Balance at					
1 October 2013	641,143	410,241	5,235,951	33,427,001	39,714,336
Additions	72,876	196,320	1,109,320	477,844	1,856,360
Disposals	(11,923)	-	(908,165)	-	(920,088)
Depreciation	<u>(212,394)</u>	<u>(86,765)</u>	<u>(1,255,266)</u>	<u>(1,185,318)</u>	<u>(2,739,743)</u>
Balance at					
30 September 2014	<u>489,702</u>	<u>519,796</u>	<u>4,181,840</u>	<u>32,719,527</u>	<u>37,910,865</u>

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2013

	Computer Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Land and Buildings (amended) \$	Total \$
Balance at 1 October 2012	766,461	410,480	4,911,572	34,139,096	40,227,609
Additions	118,192	70,662	2,349,828	472,944	3,011,626
Disposals	(8,559)	(147)	(745,098)	-	(753,804)
Depreciation	<u>(234,951)</u>	<u>(70,754)</u>	<u>(1,280,351)</u>	<u>(1,185,039)</u>	<u>(2,771,095)</u>
Balance at 30 September 2013	<u>641,143</u>	<u>410,241</u>	<u>5,235,951</u>	<u>33,427,001</u>	<u>39,714,336</u>

Investment Property

Investment property has been reclassified separately from other Property this year. This has resulted in a reclassification of the 2013 balances - refer Note 1n Item 4

Rental income is received on buildings owned and occupied by the National Office and branches in each State, with the exception of the designated Investment property set out below. The portions of property rented varies in each State. The portions occupied by the Union and or its branches is more than an insignificant portion of the available space and is not able to be separately sold as part of a Strata title. Accordingly the property other than the buildings noted below have not been classified as Investment property

	2014 \$	2013 \$
Investment property		
Land	375,000	375,000
Rented Property - at Cost	1,049,011	967,194
Accumulated Depreciation	<u>(439,193)</u>	<u>(419,639)</u>
Net Book Value	<u>984,818</u>	<u>922,555</u>

	2014 \$	2013 \$
Balance at start of year	922,555	940,855
Additions	81,818	1,023
Disposals	-	-
Depreciation	<u>(19,555)</u>	<u>(19,323)</u>
Balance at end of year	<u>984,818</u>	<u>922,555</u>

The investment properties are commercial office buildings with operating leases related to service entities. The union applies the cost model to avoid the costs needed to undertake regular fair value assessment. The future lease rental returns are set out in Note 24. 2013 Valuations available place the property \$2,240,101

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	2014	2013
	\$	\$
14. Trade and Other Payables		
Other Payables - Legal Costs - litigation	86,259	66,698
Other Payables - Legal Costs - other legal matters	-	-
Other Payables - Consideration to employers for payroll deductions	-	-
Payables to other reporting units	320,379	198,666
Sundry Creditors, Trade and other payables	517,525	1,317,228
	<u>924,163</u>	<u>1,582,592</u>
Receivable from another reporting unit comprise	320,379	198,666
New South Wales	71,926	42,663
Queensland	30,330	60,827
Western Australia	49,039	14,650
South Australia	17,245	17,245
Victoria	151,839	63,281
15. Provisions		
<u>Current</u>		
Services	-	368,317
Annual Leave Entitlements	3,562,568	3,485,950
Long Service Leave Entitlements	4,605,685	4,565,692
	<u>8,168,253</u>	<u>8,419,959</u>
<u>Non-Current</u>		
Long Service Leave Entitlements	331,352	349,514
	<u>331,352</u>	<u>349,514</u>
15A Employee Provisions		
<i>Office Holders:</i>		
Annual leave	966,489	1,017,214
Long service leave	1,789,237	1,832,007
Separations and redundancies	-	-
Other	-	167,042
	<u>2,755,726</u>	<u>3,016,263</u>
<i>Subtotal employee provisions—office holders</i>		
<i>Employees other than office holders:</i>		
Annual leave	2,596,079	2,468,736
Long service leave	3,147,800	3,083,199
Separations and redundancies	-	-
Other	-	201,275
	<u>5,743,879</u>	<u>5,753,210</u>
<i>Subtotal employee provisions—employees other than office holders</i>		
Total employee provisions	<u>8,499,605</u>	<u>8,769,473</u>

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16. PROFESSIONAL SERVICES	Note	2014 \$	2013 \$
Auditors			
Audit Fees		71,650	70,650
Other Services		8,500	10,153
		<u>80,150</u>	<u>80,803</u>
Legal Expenses			
Litigation		120,953	194,876
Other Legal Matters		61,272	36,823
		<u>182,225</u>	<u>231,699</u>
		<u>262,375</u>	<u>312,502</u>
17. 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	9	1,944,657	2,139,850
Short Term Deposits	11	59,198,533	58,602,272
		<u>61,143,190</u>	<u>60,742,122</u>
b) Reconciliation of Cash Flow from Operations with Net Surplus			
Net Surplus		6,466,271	3,757,869
Non-Cash Flows in Net Surplus			
Depreciation		2,759,298	2,790,418
Deficit on Disposal of Fixed Assets		136,966	95,649
Deficit on Disposal of Managed Funds		750,374	550,306
Reinvestment of Income from Managed Funds		(971,747)	(358,978)
Changes in Assets and Liabilities			
Prior period adjustment (Note 1.n)		-	112,447
(Increase) Decrease in Sundry Debtors & Membership in Arrears		(18,712)	(749,769)
Decrease (Increase) in Accrued Interest		46,432	122,009
(Increase) Decrease in Prepayments		793,048	(555,779)
Increase in Sundry Creditors		(667,107)	491,622
Increase (Decrease) in Trust Grants		(72,016)	441,143
Increase in Employee Entitlements		(269,868)	685,190
		<u>8,952,939</u>	<u>7,382,127</u>
CASH FLOWS FROM OPERATIONS		<u>8,952,939</u>	<u>7,382,127</u>

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18. ACCUMULATED FUNDS SUMMARY

Funds	Opening Balance 1 Oct 2013	Contributions into Funds	Net Expenditure and transfers of funds	Profit and Loss of General Fund	Closing Balance 30 Sep 2014
	\$	\$	\$	\$	\$
National Council Political	1,876,018	746,741	(624,784)	-	1,997,975
Education	5,876,549	1,046,028	(464,727)	-	6,457,850
Hardship	7,847,332	96,457	(96,457)	-	7,847,332
Vehicle Division Education	307,318	6,589	(852)	-	313,055
Campaign and Organising	6,006,879	2,033,730	(2,420,509)	-	5,620,100
Fairfax Chapel Dispute	50,953	-	-	-	50,953
Australian Printing Federation	33,023	-	-	-	33,023
York Endowment	46,313	-	-	-	46,313
General	84,622,220	-	-	6,144,055	90,766,275
	106,666,605	3,929,545	(3,607,329)	6,144,055	113,132,876

FUNDS	THE SPECIFIC PURPOSE OF THE FUND
National Council Political	Established under Rule to further the political objectives of the Union amongst the membership and the wider community.
Education	Established to assist members and employees to gain knowledge and skills which strengthen their participation in Union activities.
Hardship	Established for the welfare of Union members who require relief from hardship.
Vehicle Division Education	Established to assist members and employees to gain knowledge and skills which strengthen their participation in the Union's activities.
Campaign and Organising	Established to strengthen the Union's core campaign and organising objectives and to represent the interests of members and influence broader policy and debate.
Fairfax Chapel Dispute	Established during a major industrial dispute at Fairfax Chullora that commenced in 1976, contributions were received to support the families of the workers involved.
Australian Printing Federation	Established to promote the industries and occupations of our members in printing.
York Endowment	The late Eric Percival York bequeathed his estate to the AMF&SU to be invested for the benefit of the Union.
General	The working account of the AFMEPKIU National Office.

**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 2014 (Cont'd)**

19. 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:

	2014 \$	2013 \$
Cash and Bank Balances	1,944,657	2,139,850
Short Term Deposits	<u>59,198,533</u>	<u>58,602,272</u>
	<u>61,143,190</u>	<u>60,742,122</u>
The cash and cash equivalents are held in high quality Australian financial institutions.		
Receivables		
National Entitlement Security Trust	3,940,768	3,516,908
Sundry Debtors	<u>523,412</u>	<u>535,473</u>
	<u>4,464,180</u>	<u>4,052,381</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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Cont'd)**

19. 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 2014 it had \$1,944,657 (\$2,139,850 - 2013) of cash and cash equivalents to meet these obligations as they fall due. The Financial liabilities recorded in the financial statements at 30 September 2014 and 30 September 2013 were \$9,423,767 and \$10,352,065 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 cash flows 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:

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 2014	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial Assets	\$	\$	\$	\$
Cash Assets	1,908,678	-	35,979	1,944,657
Receivables	-	3,940,768	523,412	4,464,180
Managed Funds	15,941,575	-	-	15,941,575
Short term deposits	-	59,198,533	-	59,198,533
	<u>17,850,253</u>	<u>63,139,301</u>	<u>559,391</u>	<u>81,548,945</u>
Weighted average Interest rate	0.83%	3.51%		
Financial Liabilities				
Payables	-	-	(924,162)	(924,162)
	<u>-</u>	<u>-</u>	<u>(924,162)</u>	<u>(924,162)</u>
Net financial assets (liabilities)	<u>17,850,253</u>	<u>63,139,301</u>	<u>(364,771)</u>	<u>80,624,783</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 2014 (Cont'd)**

19. FINANCIAL RISK MANAGEMENT (Cont'd)

30 September 2013	Floating interest rate	Fixed interest rate	Non- interest Bearing	Total
Financial Assets	\$	\$	\$	\$
Cash Assets	2,103,633	-	36,217	2,139,850
Receivables	-	3,516,908	535,473	4,052,381
Managed Funds	8,766,003	-	-	8,766,003
Short term deposits	-	58,602,272	-	58,602,272
	<u>10,869,636</u>	<u>62,119,180</u>	<u>571,690</u>	<u>73,560,506</u>
Weighted average Interest rate	0.83%	3.37%		
Financial Liabilities				
Payables	-	-	(1,582,592)	(1,582,592)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net financial assets (liabilities)	<u>10,869,636</u>	<u>62,119,180</u>	<u>(1,010,902)</u>	<u>71,977,914</u>
Sensitivity Analysis				
2014	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss	
	\$	\$	\$	
Cash Assets	1,908,678	19,087	(19,087)	
Receivables	3,940,768	39,408	(39,408)	
Short Term Deposits	59,198,533	591,985	(591,985)	
2013	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss	
	\$	\$	\$	
Cash Assets	2,139,850	21,398	(21,398)	
Receivables	3,516,908	35,169	(35,169)	
Short Term Deposits	58,602,272	586,023	(586,023)	

**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 2014 (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:

Sensitivity Analysis - Managed Funds (external)

	2014	2013		2014	2013
Fund Allocation (%):			Fund Allocation (\$):		
Domestic Shares	44.38%	34.92%	Domestic Shares	7,074,762	3,061,088
International Shares	27.30%	10.12%	International Shares	4,351,370	887,120
Domestic Listed Property	6.17%	7.83%	Domestic Listed Property	984,221	686,378
Domestic Fixed Interest	6.58%	14.60%	Domestic Fixed Interest	1,048,734	1,279,836
International Fixed Interest	4.24%	10.04%	International Fixed Interest	675,534	880,107
Other	0.02%	0.97%	Other	4,124	85,030
Cash	11.31%	21.52%	Cash	1,802,830	1,886,444
Total	100%	100%	Total	15,941,575	8,766,003

(f) Other Price Risks (Cont'd)

2014	Carrying Amount	+1.00% (100 basis points) Other Equity Profit	-1.00% (100 basis points) Other Equity Loss
	\$	\$	\$
Cash & Bonds	1,802,830	18,028	(18,028)
	Carrying Amount	+ 10.00 % (1000 basis points) Other Equity Profit	- 10.00 % (1000 basis points) Other Equity Loss
	Amount	\$	\$
Domestic Shares	7,074,762	707,476	(707,476)
International Shares	4,351,370	435,137	(435,137)
Domestic Listed Property	984,221	98,422	(98,422)
Domestic Fixed Interest	1,048,734	104,873	(104,873)
International Fixed Interest	675,534	67,553	(67,553)
Other	4,124	412	(412)
Sub Total	14,138,745	1,413,873	(1,413,873)
Total	15,941,575	1,431,901	(1,431,901)

**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 2014 (Cont'd)**

19. FINANCIAL RISK MANAGEMENT (Cont'd)

(f) Other Price Risks (Cont'd)

2013	Carrying Amount	+1.00% (100 basis points) Other Equity Profit	-1.00% (100 basis points) Other Equity Loss
	\$	\$	\$
Cash & Bonds	1,886,444	18,864	(18,864)
Sub Total	<u>1,886,444</u>	<u>18,864</u>	<u>(18,864)</u>

	Carrying Amount	+ 10.00 % (1000 basis points) Other Equity Profit	- 10.00 % (1000 basis points) Other Equity Loss
	Amount \$	\$	\$
Domestic Shares	3,061,088	306,109	(306,109)
International Shares	887,120	88,712	(88,712)
Domestic Listed Property	686,378	68,638	(68,638)
Domestic Fixed Interest	1,279,836	127,984	(127,984)
International Fixed Interest	880,107	88,011	(88,011)
Other	85,030	8,503	(8,503)
Sub Total	<u>6,879,559</u>	<u>687,957</u>	<u>(687,957)</u>
Total	<u>8,766,003</u>	<u>706,821</u>	<u>(706,821)</u>

(g) Foreign Exchange Risk

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

20. 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 2014 (Cont'd)**

21. 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 \$645,132 (2013: \$650,539).
- (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 \$3,867,116 (2013: \$3,789,245) from its associate, U Cover Pty Ltd during the year.

22. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the National Council and National Administrative and Budget Committee. Key management personnel have been determined to consist of the National Secretary, National President, National Executive Officer, All State Secretaries, Assistant National Secretary, National Secretary (TS&A Division), National Secretary (Vehicle Division), National Secretary (Food & Confectionary Division), National Secretary (Print Division) and the NSW Printing Division Secretary. Remuneration received or due by key management personnel of the National Council for management of its affairs are as follows:

	2014	2013
Short-term employee benefits	\$	\$
Salary (including annual leave taken)	1,534,133	1,483,593
Annual leave accrued	116,542	108,164
Service entitlement		167,042
Performance bonus accrued	-	
Total short-term employee benefits	1,650,675	1,758,799
Post-employment benefits:		
Superannuation	159,236	163,335
Total post-employment benefits	159,236	163,335
Other long-term benefits:		
Long-service leave	37,876	35,153
Total other long-term benefits	37,876	35,153
Termination benefits	-	-
Total	1,847,787	1,957,287

**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 2014 (Cont'd)**

23. CONTINGENT LIABILITIES

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

24. LEASE RENTAL INCOME

The future minimum lease payments under non-cancellable operating leases are set out below, in the aggregate and represent for each of the following periods, the current rental amounts receivable :

	2014	2013
	\$	\$
(i) not later than one year;	2,529,749	2,362,370
(ii) later than one year and not later than five years;	6,200,063	7,039,027
(iii) later than five years;	1,264,480	-
	<u>9,994,292</u>	<u>9,401,397</u>
(b) total contingent rents recognised as income in the period;	<u>-</u>	<u>-</u>

General description of the lessor's leasing arrangements

The operating leases applicable to the buildings owned for use by the Union and its branches are in part leased under operating leases of between 3 and 5 years. One lease has a term of 10 years. The leases are subject to annual lease reviews with increases based on varying levels of 3% to 4%, subject to varying conditions and inflation.

25. ADDITIONAL INFORMATION

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

Level 4,

133 - 137 Parramatta Road

Granville NSW 2142

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.granthornton.com.au

**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 ("National Council"), which comprises the statement of financial position as at 30 September 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Committee of Management of National Council.

Responsibility of the Committee of Management and the National Secretary 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 and the Fair Work Act 2009 (Registered Organisations). This responsibility includes such internal controls as the Committee of Management and National Secretary determine are necessary to enable the preparation of the financial report to be 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 which require us to 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.

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

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 National Council'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 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 applicable independence requirements of the Accounting Professional, Ethical Standards Board and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion,

- a the financial report;
 - i presents fairly, in all material respects, the entity's financial position as at 30 September 2014 and of the entity's performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1; and
 - ii complies with Australian Accounting Standards the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statement;
- c In preparing the financial report management has appropriately applied the going concern basis of accounting.

Report on the recovery of wages activity

The Committee of Management and the National Secretary are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2) (c) of the Fair Work Act 2009 (Registered Organisations). Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the Committee of Management and the National Secretary to include in the scope of the audit required under subsection 257(1) of the Fair Work Act 2009 (Registered Organisations) all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

Auditor's opinion on the recovery of wages activity financial report

Based upon the management statements referred to above, in our opinion in relation to the recovery of wages activity, the financial report presents fairly all reporting guidelines of the General Manager, including:

- i any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- ii any donations or other contributions deducted from recovered money

Other Matter

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Institute of Chartered Accountants in Australia.

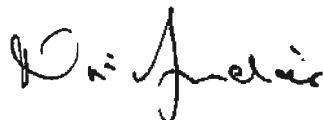
Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council has prepared a separate consolidated financial report for the year ended 30 September 2014 dated 10 December 2014.

Emphasis of Matter

Attention is drawn to the accounting policy note 1 Basis of Preparation of Financial Report which has described that these accounts reflect the change in the reporting approach from a consolidated basis with the State Branches included, to a non-consolidated National Council entity only report. The consequence of the change in approach as recommended by the Fair Work Commission resulted in several amendments to financial statements for prior years reported results as detailed in Note 1(n). The impact of these changes resulted in the accounting profit change in 2014 of \$ 310,444 (2013 \$ (202,349)). The net assets similarly changed in 2014 by \$ 297,757 (2013 \$ (608,202)).



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Neville Sinclair
Partner - Audit & Assurance

Sydney, 12 June 2015

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

NATIONAL COUNCIL POLITICAL FUND

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	2014	2013
	\$	\$
INCOME		
Contributions	680,379	697,127
Interest Received	<u>66,363</u>	<u>78,329</u>
TOTAL INCOME	<u>746,742</u>	<u>775,456</u>
EXPENDITURE		
Affiliation Fees	3 444,811	464,719
Audit and Accountancy Fees	6,999	7,475
Bank and Government Charges	272	242
Election Expenses-Advert	24,099	-
Delegation Expenses - Members	-	-
Donations - over \$1000	155,590	228,200
Donations - \$1000 or less	109	-
General Office	-	8,474
Legal Expenses	-	9,786
Marginal seat election expenses	-	349,651
Postage, Printing & Stationery	<u>-</u>	<u>8,805</u>
TOTAL EXPENDITURE	<u>631,880</u>	<u>1,077,352</u>
(DEFICIT)/SURPLUS FOR YEAR	<u>114,862</u>	<u>(301,897)</u>
OTHER COMPREHENSIVE INCOME		
Other Comprehensive Income for the year	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/ INCOME	<u>114,862</u>	<u>(301,897)</u>

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

(The attached Notes form part of these Accounts)

**STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2014**

	2014	2013
	\$	\$
ASSETS		
Cash at Bank	177	7,088
Receivable from: Cash Investments National Council	1,968,799	1,846,842
Prepayments	<u>25,253</u>	<u>32,346</u>
TOTAL ASSETS	<u>1,994,229</u>	<u>1,886,276</u>
LIABILITIES		
Sundry Creditors	<u>3,350</u>	<u>10,258</u>
TOTAL LIABILITIES	<u>3,350</u>	<u>10,258</u>
NET ASSETS	<u>1,990,879</u>	<u>1,876,018</u>
ACCUMULATED FUNDS		
Accumulated Funds	<u>1,990,879</u>	<u>1,876,018</u>
TOTAL ACCUMULATED FUNDS	<u>1,990,879</u>	<u>1,876,018</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
 FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	Accumulated Funds	Total
	\$	\$
Balance at 30 September 2012	2,177,915	2,177,915
Total comprehensive loss for the year	(301,897)	(301,897)
Balance at 30 September 2013	<u>1,876,018</u>	<u>1,876,018</u>
Total comprehensive income for the year	114,862	114,862
Balance at 30 September 2014	<u>1,990,880</u>	<u>1,990,880</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 2014**

	Note	2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions		558,422	1,007,961
Interest Received		66,363	78,329
Payments to Suppliers		(631,696)	(1,079,323)
		<hr/>	<hr/>
NET CASH PROVIDED / (USED IN) BY OPERATING ACTIVITIES	4(b)	(6,911)	6,967
		<hr/>	<hr/>
NET INCREASE / (DECREASE) IN CASH HELD		(6,911)	6,967
Cash at Beginning of Year		7,088	121
		<hr/>	<hr/>
CASH AT END OF YEAR	4(a)	177	7,088
		<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 2014**

1. SIGNIFICANT ACCOUNTING POLICIES

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

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards. As such the National Council have prepared a full set of financial statements with all disclosures requirements.

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 2014 (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.

**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 2014 (Cont'd)**

3. AFFILIATION FEES

	2014	2013
	\$	\$
Australian Labor Party NSW	92,791	104,087
Australian Labor Party Victoria	152,724	156,896
Australian Labor Party Queensland	96,775	108,407
Australian Labor Party Northern Territory	2,493	2,457
Australian Labor Party South Australia	38,143	36,331
Australian Labor Party Western Australia	54,948	49,560
Australian Labor Party Tasmania	6,937	6,981
	<u>444,811</u>	<u>464,719</u>

4. CASH FLOW INFORMATION

	2014	2013
	\$	\$
(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	<u>177</u>	<u>7,088</u>
(b) Reconciliation of Cash Flow from Operations with (Deficit) / Surplus		
(Deficit) / Surplus	(114,862)	(301,897)
Changes in Assets and Liabilities		
(Increase) in Prepayments	(7,093)	(9,103)
Decrease / (Increase) in National Council General Fund	121,957	310,834
Increase in Sundry Creditors	<u>6,909</u>	<u>7,133</u>
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>6,911</u>	<u>6,967</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 2014 (Cont'd)**

5. 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:

	2014	2013
	\$	\$
Cash and cash equivalents	177	7,088
The cash and cash equivalents are held in a high quality Australian financial institution.		
National Council General Fund	1,968,799	1,846,842

**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 2014 (Cont'd)**

5. FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit Risk (Cont'd)

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

(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 2014 it had \$177 (2013: \$7,088) of cash and cash equivalents to meet these obligations as they fall due. The financial liabilities recorded in the financial statements at 30 September 2014 and 30 September 2013 were \$3,350 and \$10,258 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 cash flows 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:

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 2014 (Cont'd)

5. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

30 September 2014	Floating/fixed interest rate	Non-interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	177	-	177
Receivable	<u>1,968,799</u>	<u>-</u>	<u>1,968,799</u>
	<u>1,968,976</u>	<u>-</u>	<u>1,968,976</u>
Weighted average Interest rate	3.54%	-	
Financial Liabilities			
Payables	-	3,350	3,350
	<u>-</u>	<u>3,350</u>	<u>3,350</u>
Net Financial Assets / (Liabilities)	<u>1,968,976</u>	<u>(3,350)</u>	<u>1,965,626</u>
30 September 2013	Floating/fixed interest rate	Non interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	7,088	-	7,088
Receivable	<u>1,846,842</u>	<u>-</u>	<u>1,846,842</u>
	<u>1,853,930</u>	<u>-</u>	<u>1,853,930</u>
Weighted average Interest rate	3.99%		
Financial Liabilities			
Payables	-	10,258	10,258
	<u>-</u>	<u>10,258</u>	<u>10,258</u>
Net Financial Assets / (Liabilities)	<u>1,853,930</u>	<u>(10,258)</u>	<u>1,843,672</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 2013 (Cont'd)

5. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

Sensitivity Analysis

2014	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	177	1	(1)

2014	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Receivable	1,968,799	9,844	(9,844)

2013	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	7,088	35	(35)

2013	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Receivable	1,846,842	9,234	(9,234)

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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, being a special 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 2014, and the statement of comprehensive income, a statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report.

Responsibility of the Committee of Management and the National Secretary for the financial report

The Committee of the Management and National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. This responsibility includes such internal controls as the Committee of Management and the National Secretary determine are necessary to enable the preparation of the financial report to be 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 which require us to 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

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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 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 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 qualified audit opinion.

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board as well as the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion, the financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council Political Fund

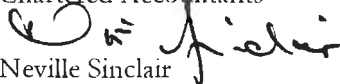
- i presents fairly, in all material respects, the entity's financial position as at 30 September 2014 and of the entity's performance and cash flows for the year then ended; and
- ii complies with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Other Matters

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Institute of Chartered Accountants in Australia. Member of Institute of Chartered Accountants And Holder of Current Public Practice Certificate Registered Company Auditor

Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council has prepared a separate financial report for the year ended 30 September 2014 dated 10 December 2014.


GRANT THORNTON AUDIT PTY LTD
Chartered Accountants


Neville Sinclair

Partner-Audit & Assurance, Sydney, 12 June 2015



16 April 2015

Mr Paul Bastian
National Secretary
“Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the
Australian Manufacturing Workers’ Union
Level 4, 133 Parramatta Road
GRANVILLE NSW 2142

via email: national.secretary@amwu.asn.au

Dear Mr Bastian

“Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union Financial Reports for the year ended 30 September 2014 - [FR2014/369]

I acknowledge receipt of the financial report of the “Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union (the AMWU National). The documents were lodged with the Fair Work Commission (FWC) on 25 March 2015.

The financial report has not been filed.

I have examined the financial report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The General Purpose Financial Report (GPFR) will require amendments. The amended reports will need to be provided to members, presented to a Committee of Management, republished on the AMWU website and lodged with the FWC.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards. A set of ‘Model financial statements’ is also available on the FWC website to assist organisations in preparing returns.

Notes to the financial statements

For-profit or not-for profit entity

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 8(b) requires that the entity disclose whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.

This information has not been provided.

Consolidated financial statements

Note 1 Significant accounting policies of the AMWU National GPFR states that “*the financial report has been prepared on a consolidated basis as the National Council has control over the ‘State Branches’ or ‘State Councils’*”.

Chapter 8, Part 3 of the RO Act sets out the requirements that are placed on organisations in relation to financial records, accounting and auditing. It provides for reports to be provided on the basis of reporting units.

Section 242 of the RO Act defines a reporting unit. When an organisation is divided into Branches s.242(3) states the following:

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

The General Manager has not issued a section 245 certificate which allows the organisation to be divided into reporting units on an alternative basis, therefore the AMWU National and each State Branch or State Council are required to meet all of the obligations under Chapter 8, Part 3 of the RO Act.

The FWC has received and filed reports from each State Branch and State Council and they demonstrate the financial position and performance of those reporting units. The AMWU National report is required to demonstrate the financial position and performance of only the National reporting unit.

I note that the AMWU National has an agreement whereby the National office pays all staff and officers of the organisation and collects all member subscriptions, remitting amounts to the State Branches and State Councils as appropriate.

It does not appear to us that the AMWU National is a consolidated entity, rather a reporting unit that pays sustentation to other reporting units within the AMWU. As such, lacking a s.245 certificate, the AMWU National report is obligated to demonstrate the financial position and performance of the AMWU National only including a transparent reporting of all transactions with other reporting units and reflecting only those expenses and revenues which are attributable to the AMWU National (including those employee expenses as per the agreement).

As such the AMWU National GPFR supplied does not satisfy the requirements under the RO Act. Further comments are made below concerning issues in the content of the statements and notes.

Revenue recognition

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue.

The accounting policies for interest, rent and board fees for AMWU National has not been disclosed.

Disclosure of accounting policies

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 states:

An entity shall disclose in the summary of significant accounting policies:

- (a) the measurement basis (or bases) used in preparing the financial statements; and
- (b) the other accounting policies used that are relevant to an understanding of the financial statements.

It is noted that the following accounting policies have not been provided:

- Fair Value,
- Investment in associates,
- Cash,
- Financial instruments; and
- Leases.

Therefore, in accordance with AASB 101, the above accounting policies should be reflected in Note 1 *Significant Accounting Policies*.

Financial support received/given from/to another RU

Agreed to provide support to another reporting unit

The AMWU National appears to have agreed to provide financial support to another reporting unit. Each State Branch/State Council of the AMWU indicates that *'the National Council has made an undertaking to provide financial support to the Branch.'* Item 11 of the reporting guidelines requires a reporting unit in this situation to disclose in the notes to the financial

statement, the name of the reporting unit to which the agreed financial support is directed and the terms and conditions attached to this agreed financial support. This information has not been provided.

The following table indicates the amount that each State Branch/State Council of the AMWU has reported as the remittance they have received from the AMWU National Office:

	2014	2013
	\$	\$
Western Australia	1,045,431	923,873
Victoria	1,873,794	2,660,082
Tasmania	210,850	245,581
New South Wales	1,243,891	1,325,246
Queensland	1,433,468	1,528,554
South Australia	545,292	564,415
	6,352,726	7,247,751

In the Statement of Comprehensive Income there is an expense item called '*State Council Net Expenditure*'. If this expense item relates to the remittance to each State Branch/State Council it is noted that the figure reported in the AMWU National GPFRR does not reconcile with information provided in the table above i.e. \$6,355,907 for 2014 (difference of \$3,181) and \$7,064,218 for 2013 (difference of \$183,533).

Please amend accordingly or provide an explanation for the difference.

Leases

In the AMWU National GPFRR, the Statement of Comprehensive Income states that an amount of \$2,590,560 in the 2014 financial year for rent received. The GPFRR does not include any information in relation to this operating lease and does not provide for the required disclosures under *AASB117 Leases* paragraph 56. Please amend the GPFRR accordingly.

Fair Value Measurement

Disclosure requirements - measured at fair value

Australian Accounting Standard *AASB 13 Fair Value Measurement* paragraph 93 identifies the disclosure requirement for when assets and liabilities are measured at fair value.

These disclosure requirements have not been sufficiently addressed in the GPFRR.

Reconciliation of items within the GPFRR

There are a number of instances within the GPFRR where the provided figures do not fully explain or reconcile with the totals provided or are inconsistently reported in different places within the report. Please provide explanations for the following differences or amend the GPFRR to accurately report these items.

Depreciation

The Statement of Comprehensive Income reports the following amounts for Depreciation:

	2014
	\$
Buildings	1,204,872
Computer Installation	212,394
Furniture & Fittings	86,765
Motor Vehicles	1,204,872
	2,759,297

When calculating the figures in this table however, the total equates to \$2,708,903. This is a difference of \$50,394.

Note 12 Property, Plant and Equipment indicate the following amounts for Depreciation in the movements in carrying amounts table

	2014
	\$
Buildings	1,204,872
Computer Installation	209,300
Furniture & Fittings	86,766
Motor Vehicles	1,193,295
	<hr/>
	2,694,232
	<hr/>

The Depreciation figure for Computer Installation and Motor Vehicles differs from the figures reported in the Statement of Comprehensive Income.

Employee expenses

The Statement of Comprehensive Income reports the following amounts for Employee Benefit Expense:

	2014
	\$
Salaries	22,081,345
Accrued Annual Leave	27,965
Long Service Leave	165,206
Fringe Benefit Tax	713,703
Payroll Tax	355,497
Redundancies	588,573
Superannuation	2,253,592
	<hr/>
	26,186,081
	<hr/>

When calculating the figures in this table however, the total equates to \$26,185,881. This is a difference of \$200.

Note 6 *Salaries* reports the following amounts for employee expenses holders of office:

	2014
	\$
Wages and salaries	5,908,869
Superannuation	645,132
Leave and other entitlements	52,405
Separation and redundancies	214,709
Other employee expenses	-
	<hr/>
	7,193,715
	<hr/>

When calculating the figures in this table however, the total equates to \$6,821,115. This is a difference of \$372,600.

Note 6 *Salaries* reports the following amounts for employee expenses employees other than office holders:

	2014
	\$
Wages and salaries	16,172,476
Superannuation	1,608,460
Leave and other entitlements	140,766
Separation and redundancies	373,864
Other employee expenses	-
	<u>18,291,283</u>

When calculating the figures in this table however, the total equates to \$18,295,566. This is a difference of \$4,283.

Professional Services

Note 16 *Professional Services* reports auditor fees as \$80,150 and legal expense as \$106,461 for a total of \$186,611. In the Statement of Comprehensive Income, the reported figure for Professional Services is \$262,375.

Contributions

Note 4 *Contributions* identifies a breakdown of the gross contributions to the various funds. It appears that the Vehicle Division Education Fund has been excluded from the Note as the figures in the table are \$6,588 less than the reported amount in the Statement of Comprehensive Income.

Receivables

Note 10 *Receivables* reports the following amounts for current receivables:

	2014
	\$
Accrued Interest	604,961
Membership in Arrears	282630
National Entitlement Security Trust	3,940,768
Prepayments	335,584
Sundry Debtors	810,171
Receivable for another reporting unit	-
Trust - Grants	336,239
	<u>5,355,245</u>

When calculating the figures in this table however, the total equates to \$6,310,353. This is a difference of \$955,108.

The Statement of Financial Position reports that current receivables are \$5,481,946. This also differs from the figures reported in Note 10.

Other Financial Assets

Note 11 *Other Financial Assets* has not included the Non-Current value in the total for other financial assets. The total should be \$75,186,778 not the reported figure of \$75,140,108.

Cash Flow Information

Note 17(a) *Cash Flow Information* refers to the incorrect Notes for Cash and Bank Balance and Short Term Deposits. They should refer to Notes 9 and 11 respectively.

Financial Risk Management

Note 19(b) and 19(e) states the value of Sundry Debtors as \$527,541. Note 10 states the value of Sundry Debtors as \$810,171. This is a difference of \$282,630.

Disclosure of fees or allowances in respect of attendance at meetings

Reporting Guideline 16(h) requires separate disclosure of fees and/or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings. Note 8 to the report disclose delegation/employee expenses. Any allowances, if applicable, must be separately disclosed.

Materiality

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. Note 5 Sundry Income to the financial statements reports \$711,735 as sundry income, which is a material amount. This item is required to be further divided to ensure that any material items within sundry income are separately disclosed.

Statement of Financial Position

Receivable and/or payable with another reporting unit

Reporting Guideline 19 requires either the Statement of Financial Position or the notes to the Statement of Financial Position to disclose any receivables from and/or payables owed to other reporting unit(s), including the name of the other reporting unit(s).

In the GPFR of the AMWU South Australia Branch a accounts receivable from the AMWU National Office of \$2,776 for 2014 (\$2,776 for 2013) appears. Also in the GPFR of the AMWU Victorian Branch an accounts receivable from the AMWU National Office of \$1,623 for 2014 (\$1,524 for 2013) appears.

A corresponding accounts payable does not appear under Note 14 *Trade and Other Payables* in the AMWU National GPFR. Payables to other reporting units are reported as 'nil'.

You are required to update Note 14 accordingly.

Property, plant and equipment reconciliation

Australian Accounting Standard *AASB 116 Property, Plant and Equipment* paragraph 73(e) requires a reconciliation of the carry amount at the beginning and end of the period for each class of property, plant and equipment.

While Note 12 provides a movement table for the 2014 financial year, this information has not been provided for the 2013 financial year.

As mentioned earlier, the depreciation figure reported in the movement table does not reconcile back to the Statement of Comprehensive Income. It is also noted that the figure reported as additions (\$1,923,507) does not reconcile back to the payments for Property, Plant and Equipment in the Cash Flow Statement (\$1,364,802).

Cash Flow Statement

Notes to the Cash Flow Statement

Reporting Guideline 24 states that '*where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit and/or controlled entity concerned*'. The Cash Flow Statement for AWMU National states that there has not been any payment to another reporting unit.

All State Branches/State Councils of the AMWU indicate that they have received the following cash inflow from the AMWU National Office:

	2014	2013
	\$	\$
Western Australia	1,045,431	923,874
Victoria	1,873,695	2,659,985
Tasmania	210,850	245,581
New South Wales	1,243,891	1,325,246
Queensland	1,433,468	1,528,554

South Australia	545,292	564,415
	<u>6,352,627</u>	<u>7,247,655</u>

Please update the Cash Flow Statement to provide the appropriate disclosures relating to cash flows to another reporting unit.

Statement of Loans, Grants and Donations

Under subsection 237(1) of the RO Act, if an individual loan, grant or donation made by a branch exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with the FWC within 90 days of the end of the financial year.

The FWC received a loans, grants and donations statement from the AMWU National on the 23 December 2014. This statement indicated that donations over \$1,000 had been made by the AMWU National during the financial year. The financial statement discloses the total value of those donations over \$1,000 during the financial year. The financial statements for the AMWU National Council Political Fund also indicate that donations were made during the financial year. This value did not however distinguish between those donations over \$1,000 and those donations under \$1,000 as per Reporting Guideline 16(e). Please ensure in further years that the appropriate disclosures are made.

Prior years and opening balance adjustments

Accounting standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* provides the disclosure requirements when accounting for changes in accounting policies, changes in accounting estimates and correction of prior period errors.

Within the AMWU National GPFR I note the following has been identified in the Statement of Comprehensive Income:

- A prior year adjustment of \$126,441 in 2014; and
- Opening balance adjustment of (\$368,317) in 2014 and \$112,447 in 2013

The Notes to the GPFR do not provide any information about these adjustments.

The breakup of Provisions (Note 15) between current and non-current has also changed. The policy relating to Employee Provisions however has not changed between the two reporting periods and no information has been provided on the nature of the change.

The Statement of Comprehensive Income and Note 5 *Sundry Income* include an item for 'Board Fees'. This item has been retrospectively included in the 2013 figure but no information has been provided about this item. An equivalent amount has also been included in the expense item 'Delegation/Employee Expenses'.

Please amend the GPFR to include policies explaining these changes.

If you have any queries regarding this letter, please contact me on (03) 8661 7886 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch