



Australian Government

Australian Industrial Registry

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

Dear Mr Cameron,

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

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

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

The documents have been filed.

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

New South Wales Branch

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

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 This certificate is not required under the RAO Schedule as it has, in effect, been replaced by the Operating Report.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

South Australian Branch

Auditor's Report

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

Committee of Management Statement

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

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

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

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

Organisations not divided into branches

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

Organisations divided into branches

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

Queensland Branch

The Operating Report is required to state whether any officer or member of the Branch is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) – see section 254(2)(d) of the RAO Schedule.

In the event that no officer or member of the Branch is a trustee or director of a superannuation entity, the Operating Report should include a comment to this effect.

Employee-Related Expenses – Victorian and Tasmanian Branches

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

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

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

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

Consistency of Accounting Policies Between Branches

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

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

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

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

Please do not hesitate to contact me by email at robert.pfeiffer@air.gov.au or on (03) 8661 7817 if you wish to discuss this letter.

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

Yours sincerely,



Robert Pfeiffer
Statutory Services Branch

31 August 2006

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

SOUTH AUSTRALIAN STATE COUNCIL

CERTIFICATE OF STATE SECRETARY

I *John Camillo*, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union *South Australia* State Council certify:

- that the documents lodged herewith are copies of the Full Report, referred to in section 268 of the ROA Schedule; and
- that the Full Report was provided to members in the month of January 2006; and
- that the Full Report was presented to a meeting of the Committee of Management of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union *South Australian* State Council on *8 February 2006* in accordance with section 266 of the ROA Schedule.

State Secretary
John Camillo

Signature

8 Feb 2006

Date *8 February 2006*

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INDUSTRIES UNION**

SOUTH AUSTRALIAN BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING
& KINDRED INDUSTRIES UNION
SOUTH AUSTRALIAN BRANCH**

OPERATING REPORT

The State Council, being the Committee of Management for the purposes of the Workplace Relations Act 1996, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, South Australian Branch for the financial year ended 30 September 2005.

Review of the State's Principal Activities

The AFMEPKIU's principal industrial objectives are aimed at the improvement of wages and working conditions for members throughout industry. This has been done primarily by way of industrial awards and enterprise agreements. The AFMEPKIU has also been active in trying to influence governments at all levels in a wide range of political issues.

Significant Changes in Nature of Principal Activities

There were no significant changes in the nature of the Branch's principal activities during the financial year.

Results of Principal Activities

	2005	2004
Net surplus/(deficit) for the year:	\$ (10,364)	\$ (51,013)

Significant Changes in the Branch's Financial Affairs

The National Council has determined to keep its financial records on the cash basis as they relate to the income and expenditure of National Council. As the Branch must keep its financial records, as far as practicable, in a consistent manner to each of the other branches and National Council, the Branch has, for the year ended 30 September 2005, also kept its financial records on the cash basis as they relate to the income and expenditure of the Branch.

This is a change in accounting policy in that in previous years the Branch kept its financial records on the accrual basis as they related to the income and expenditure of the Branch. The effect of the change in accounting policy has been insignificant (trade debtors \$270.00).

The Right of Members to Resign

Rule 43(8) of the AFMEPKIU Rules states that a member may resign his/her membership by notifying his/her State Secretary in writing, addressed and delivered to that officer.

"A notice of resignation from membership takes effect:

- (a) Where the member ceases to be eligible to become a member of the organisation:
 - (i) On the day on which the notice is received by the organisation; or
 - (ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

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

whichever is later.

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

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

A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered to the State Secretary.

A resignation from membership is valid even if it is not effected in accordance with this Rule if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted."

Nothing in Rule 43(8) of the AFMEPKIU Rules interferes with a member's right to resign from the union as set out under section 174 of the Workplace Relations Act 1996.

State Officers or Members who are either Directors or Trustees of a Superannuation Entity

Nil.

Other Relevant Information

None to report.

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

- a The number of persons who were recorded in the register of members on 30 September 2005 was 15,175.
- b The number of persons who were employees of the reporting unit on 30 September 2005 was 30, 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 State Council, at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Period Position held
J. Camillo	1 October 2004 to 30 September 2005
A Matthews	1 October 2004 to 30 September 2005
I Mortimer	1 October 2004 to 30 September 2005
C. Larner	1 October 2004 to 30 September 2005
P Bauer	1 October 2004 to 30 September 2005
J Gresty	1 October 2004 to 30 September 2005
T. Taylor	1 October 2004 to 12 July 2005
A Thomson	1 October 2004 to 30 September 2005
J. Laverty	1 October 2004 to 15 February 2005
John Campbell	1 October 2004 to 30 September 2005
Ramon Brown	1 October 2004 to 30 September 2005
S McMillan	1 October 2004 to 30 September 2005
C. Fenney	1 October 2004 to 30 September 2005
M Hamilton	1 October 2004 to 30 September 2005
Mark Plunkett	1 October 2004 to 30 September 2005
William (John) Monaghan	1 October 2004 to 30 September 2005
J Fickling	1 October 2004 to 15 February 2005
D. Bosch	1 October 2004 to 30 September 2005
M Hughes	1 October 2004 to 30 September 2005

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SOUTH AUSTRALIAN BRANCH**

C Clark	1 October 2004 to 30 September 2005
C McKechnie	1 October 2004 to 30 September 2005
D Winter	1 October 2004 to 30 September 2005
P. Waldron	1 October 2004 to 30 September 2005
R. Forte	1 October 2004 to 30 September 2005
B McGivern	1 October 2004 to 30 September 2005
Andrew Plant	1 October 2004 to 16 March 2005
Wayne Bevan	1 October 2004 to 30 September 2005
Paul McMahon	1 October 2004 to 30 September 2005
Kent Stockdale	1 October 2004 to 30 September 2005
Jon Gee	1 October 2004 to 30 September 2005
Alan Sibbons	1 October 2004 to 30 September 2005
M Kendall	1 October 2004 to 30 September 2005
D Gunter	1 October 2004 to 30 September 2005
V Kister	1 October 2004 to 30 September 2005
R Labbozzetta	1 October 2004 to 30 September 2005
N O'Brien	1 October 2004 to 30 September 2005
C Matthews	1 October 2004 to 30 September 2005
Shane Mauldon	1 October 2004 to 30 September 2005
D Thomas	17 March 2005 to 30 September 2005
P Owen	1 October 2004 to 15 February 2005
R Van Poppel	1 October 2004 to 15 February 2005
T Ball	1 October 2004 to 15 February 2005
M Dederichs	15 February 2005 to 30 September 2005
M Hambleton	15 February 2005 to 30 September 2005
A McGee	15 February 2005 to 30 September 2005
G Roncoli	15 February 2005 to 30 September 2005
R Sara	15 February 2005 to 30 September 2005
J Thiele	15 February 2005 to 30 September 2005
B Willis	15 February 2005 to 30 September 2005

Signed in accordance with a resolution of State Council


CRAIG LARNER


PAUL McMAHON

23/11/05
Date

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SOUTH AUSTRALIAN BRANCH**

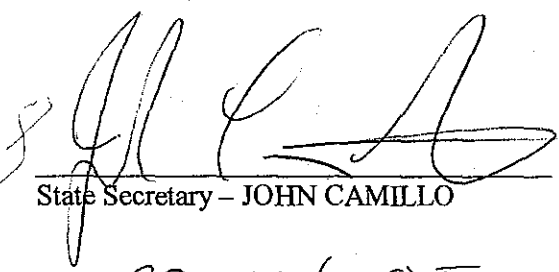
COMMITTEE OF MANAGEMENT STATEMENT

On 23 November 2005 the Committee of Management of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union South Australian State Council General Fund passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 September 2005:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) as the organisation does not consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule; and
 - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

For Committee of Management:


State Secretary – JOHN CAMILLO

23 NOV-05
Date

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SOUTH AUSTRALIAN BRANCH**

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

	Note	2005 \$	2004 \$
GENERAL FUND			
INCOME			
Remittances from National Council			
- General Fund		728,833	601,720
- Local Purpose Allocation		5,702	5,932
Interest Received		756	1,197
		<u>735,291</u>	<u>608,849</u>
TOTAL INCOME			
 EXPENDITURE			
Affiliation Fees		58,101	48,087
Bank Charges		1,265	1,262
Computing		756	4,923
Delegation/Employee Benefits – Other Employees		84,304	36,988
Delegation Expenses - Members		138,447	134,692
Donations		3,322	3,436
General Office Expenses		26,617	23,123
Insurance		31,926	26,097
Motor Vehicle Expenses		94,652	93,326
Newsletter Expenses		12,250	20,095
Payroll Tax		78,697	73,835
Photocopying		26,727	34,177
Postage		24,626	28,979
Printing		610	1,800
Publicity		27,335	17,340
Professional Services	4	11,925	(13,537)
Research		26,164	25,010
Stationery		21,012	16,020
Telephone		76,919	84,209
		<u>745,655</u>	<u>659,862</u>
TOTAL EXPENDITURE			
NET SURPLUS/(DEFICIT) FOR THE YEAR		(10,364)	(51,013)
Accumulated Funds at beginning of the Year		<u>49,884</u>	<u>100,897</u>
ACCUMULATED FUNDS AT END OF YEAR		<u>39,520</u>	<u>49,884</u>

(The attached Notes form part of the financial report)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING
& KINDRED INDUSTRIES UNION
SOUTH AUSTRALIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2005**

	Note	2005 \$	2004 \$
EXCESS OF ASSETS OVER LIABILITIES			
State Council General Fund		<u>39,520</u>	<u>49,884</u>
Represented by Net Assets as follows:			
Cash at Bank - State Council General Fund		5,119	20,544
Net amounts receivable National Council			
- GST Clearing		31,513	26,639
- Delegate Withholding Tax		2,618	2,325
Sundry Debtors		<u>270</u>	<u>376</u>
TOTAL ASSETS		<u>39,520</u>	<u>49,884</u>
TOTAL LIABILITIES <i>(provide details as appropriate)</i>		<u>NIL</u>	<u>NIL</u>
NET ASSETS		<u>39,520</u>	<u>49,884</u>

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 SEPTEMBER 2005**

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council			
-General Fund		728,939	602,384
-Local Purpose Allocation		5,702	5,932
Interest Received		756	1,197
Payments to Suppliers and Employees		<u>(750,822)</u>	<u>(595,201)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	5	<u>(15,425)</u>	<u>14,312</u>
NET INCREASE (DECREASE) IN CASH HELD			
Cash at Beginning of Year		<u>20,544</u>	<u>6,232</u>
CASH AT END OF YEAR		<u>5,119</u>	<u>20,544</u>

(The attached Notes form part of the financial report)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING
& KINDRED INDUSTRIES UNION
SOUTH AUSTRALIAN BRANCH**

Notes to and forming part of the financial report for the year ended 30 September 2005

1. STATEMENT OF ACCOUNTING POLICIES

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

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

The following is a summary of the material accounting policies adopted by the South Australian Branch in the preparation and presentation of the financial report:

- a) The South Australian Branch operates as a branch of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union.
 - (i) All members' contributions are paid direct to National Council.
 - (ii) Apart from miscellaneous interest, income represents the amount reimbursed by the National Council to cover Branch based expenses. Reimbursements are made on an as required basis and are recognised when received by the Branch.
 - (iii) Expenses represent amounts paid directly by the Branch for operational costs.
 - (iv) Other operational expenses eg. salaries which relate to the Branch are paid for by the National Council and are included in the financial report of the National Council only.
 - (v) Provision for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment in the financial report of the National Council.
 - (vi) All fixed assets are recorded in the financial reports of the National Council and the depreciation regarding those assets is charged in the National Council accounts.
 - (vii) No provision for income tax is necessary, as Trade Unions are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING
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SOUTH AUSTRALIAN BRANCH**

Notes to and forming part of the financial report for the year ended 30 September 2005

1. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(viii) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST, except:

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

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

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

b) Going Concern Basis of Accounting

The financial report has been prepared on the basis that the Branch is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The State Council believes it is appropriate to adopt the going concern basis for preparing the report on the grounds that the National Council has made an undertaking to provide financial support to the Branch.

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

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

The State Council is of the opinion that there are no material differences in the Branch's accounting policies on conversion to AIFRSs. Users of the financial statements should, however, note that the amounts disclosed could change if there are any amendments to current AIFRSs by standard-setters, or interpretation of the AIFRSs requirements changes due to the continuing transition work of the State Council.

2. CHANGE IN ACCOUNTING POLICY

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

The effect of the change in accounting policy has been insignificant (trade debtors \$270.00).

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING
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SOUTH AUSTRALIAN BRANCH**

Notes to and forming part of the financial report for the year ended 30 September 2005

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

- 1) A member of a reporting unit, or registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 3) A reporting unit must comply with an application made under subsection (1)

	2005	2004
	\$	\$
4. PROFESSIONAL SERVICES		
Auditing the financial report		
Other Services	<u>8,500</u>	<u>10,857</u>
Legal Expenses	<u>3,425</u>	<u>(24,394)</u>
	<u>(11,925)</u>	<u>(13,537)</u>

5. CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Net Surplus (Deficit)

Net Surplus (Deficit)	(10,364)	(51,013)
Changes in Assets and Liabilities		
(Increase)/Decrease in Sundry Debtors	106	664
Increase/(Decrease) in Sundry Creditors	(5,167)	64,661
	<u>(15,425)</u>	<u>14,312</u>
CASH FLOWS FROM OPERATIONS		

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING
& KINDRED INDUSTRIES UNION
SOUTH AUSTRALIAN BRANCH**

Notes to and forming part of the financial report for the year ended 30 September 2005

6. RELATED PARTIES

- (a) The aggregate amount of remuneration paid to officers during the financial year is included in the National Council's Financial Report
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials is included in the National Council's Financial Report.
- (c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the 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.
- (d) The ultimate controlling entity of the Branch is the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council.
- (e) Transactions with Ultimate Controlling Entity
 - (i) Remittances from National Council are disclosed in the statement of financial performance.
 - (ii) Net Amounts Receivable from the National Office are as follows:

	2005	2004
	\$	\$
Net amounts receivable National Office	728,833	601,720

7. SUBSEQUENT EVENTS

There are no subsequent events that have occurred or are likely to occur that require disclosure.

8. CONTINGENT LIABILITIES

None to report.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING
& KINDRED INDUSTRIES UNION
SOUTH AUSTRALIAN BRANCH**

Notes to and forming part of the financial report for the year ended 30 September 2005

9. FINANCIAL INSTRUMENTS

Interest Rate Risk

The Branch's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

30 September 2005	Floating interest rate	Fixed interest rate		Non interest bearing	Total
		1 year or less	Over 1 to 5 years		
	\$	\$	\$	\$	\$
Financial Assets					
Cash				5,119	5,119
Receivables				34,401	34,401
				<u>39,520</u>	<u>39,520</u>
				0	0
Weighted average Interest rate					
Financial Liabilities					
Payables				NIL	NIL
Net Financial Assets/(Liabilities)				<u>39,520</u>	<u>39,520</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING
& KINDRED INDUSTRIES UNION
SOUTH AUSTRALIAN BRANCH**

Notes to and forming part of the financial report for the year ended 30 September 2005

9. FINANCIAL INSTRUMENTS (Cont'd)

30 September 2004	Floating interest rate	Fixed interest rate		Non interest bearing	Total
		1 year or less	Over 1 to 5 years		
	\$	\$	\$	\$	\$
Financial Assets					
Cash				20,544	20,544
Receivables				29,340	29,340
Short term Call Account				-	-
				49,884	49,884
				0	0
Weighted average Interest rate					
Financial Liabilities					
Payables				NIL	NIL
				NIL	NIL
Net Financial Assets/(Liabilities)				49,884	49,884

Credit Risk Exposure

Credit risk is the risk that counter parties to a financial asset will fail to discharge their obligation, causing the Branch to incur financial loss.

The credit risk exposure of the Branch to financial assets which have been recognised in the Statement of Financial Position is generally the carrying amounts, net of any provisions for doubtful debts.

The carrying amounts of cash and non-interest bearing monetary financial assets and liabilities (e.g. receivables and payables) approximate net fair values.

10. ADDITIONAL BRANCH INFORMATION

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

1st Floor
229 Greenhill Road
DULWICH SA 5065

Rugari & Associates

CERTIFIED PRACTISING ACCOUNTANTS

Suite 17/116 Melbourne Street, North Adelaide SA 5006

Telephone: (08) 8267 4800 Fax: (08) 8239 0728

Email: nat@rugari.com.au Website: www.rugari.com.au

Natale Rugari BA (ACC), AASA, CPA
ABN 73 505 227 015

Automotive Food Metal Engineering Printing & Kindred Industries Union South Australian State Council General Fund

Independent Audit Report

To the members of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union South Australia Branch

Scope

The Financial Report and the Responsibility of Committee of Management and Branch Secretary

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the state council's statement for the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union South Australia Branch, for the year ended 30 September 2005.

The state council and branch secretary are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit in order to express an opinion to the members of the Branch. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the Branch's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the state council and the secretary of the branch.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act 1996.

Audit Opinion

In our opinion the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union South Australia Branch is in accordance with:

- a) The Workplace Relations Act 1996, including:
 - i) giving a true and fair view of the branch's financial position as at 30 September 2005 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards; and
 - iii) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- b) Other mandatory professional reporting requirements in Australia.

RUGARI & ASSOCIATES
Public Accountants



NATALE RUGARI
Registered Company Auditor
17/116 Melbourne Street
NORTH ADELAIDE SA 5006

Date _____