

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

NATIONAL COUNCIL POLITICAL FUND

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

NATIONAL COUNCIL POLITICAL FUND

COMMITTEE OF MANAGEMENT'S STATEMENT

On 10th December 2019 the National Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union passed the following resolution in relation to the general purpose financial report (GPFR) of the National Council Political Fund for the year ended 30 September 2019.

The National Council 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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of *the Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the National Council Political Fund for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the National Council Political Fund will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the National Council Political Fund were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the National Council Political Fund have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the National Council Political Fund have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the National Council Political Fund 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 by a member of the National Council or Commissioner duly made under Section 272 of the RO Act; and
 - (vi) no orders for inspection of financial records has been made by Fair Work Commission under section 273 of the RO Act.

This declaration is made in accordance with a resolution of the National Council:



.....
National Secretary – Paul Bastian

10th December 2019

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

REPORT REQUIRED UNDER SUBSECTION 255(2A)

The National Council presents the expenditure report, as required under subsection 255(2A), on the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council Political Fund for the year ended 30 September 2019.

Categories of expenditures	2019	2018
	\$	\$
Remuneration and other employment-related costs and expenses – employees	2,880	-
Advertising	1,417	-
Operating costs	493,929	390,977
Donations to political parties	542,708	233,445
Legal costs	-	-



National Secretary – Paul Bastian
10 December 2019

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

		2019	2018
		\$	\$
INCOME			
Contributions		491,579	518,773
Interest Received		<u>19,427</u>	<u>36,423</u>
TOTAL INCOME		<u>511,006</u>	<u>555,196</u>
EXPENDITURE			
Affiliation Fees	3	381,345	384,805
Audit and Accountancy Fees	4	14,900	5,400
Bank and Government Charges		240	240
Delegation Expenses – Employees		2,880	-
Donations – over \$1000		532,240	230,990
Donations – \$1000 or less		10,468	2,455
General Office		2,138	532
Marginal seat election expenses		93,923	-
Postage, Printing and Stationery		<u>2,800</u>	<u>-</u>
TOTAL EXPENDITURE		<u>1,040,934</u>	<u>624,422</u>
DEFICIT FOR YEAR		<u>(529,928)</u>	<u>(69,226)</u>
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income for the year		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS		<u>(529,928)</u>	<u>(69,226)</u>

(The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes)

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

**NATIONAL COUNCIL POLITICAL FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	2019	2018
	\$	\$
ASSETS		
Cash at Bank	40	80
Receivable from: Cash Investments National Council	1,002,736	1,535,169
Prepayments	<u>25,836</u>	<u>23,141</u>
TOTAL ASSETS	<u>1,028,612</u>	<u>1,558,390</u>
LIABILITIES		
Trade and other payable	<u>4,500</u>	<u>4,350</u>
TOTAL LIABILITIES	<u>4,500</u>	<u>4,350</u>
NET ASSETS	<u>1,024,112</u>	<u>1,554,040</u>
ACCUMULATED FUNDS		
Accumulated Funds	<u>1,024,112</u>	<u>1,554,040</u>
TOTAL ACCUMULATED FUNDS	<u>1,024,112</u>	<u>1,554,040</u>

(The above statement of financial position should be read in conjunction with the accompanying notes)

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

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Accumulated Funds
	\$
Balance at 30 September 2017	1,623,266
Total comprehensive loss for the year	(69,226)
Balance at 30 September 2018	<u>1,554,040</u>
Total comprehensive loss for the year	(529,928)
Balance at 30 September 2019	<u>1,024,112</u>

(The above statement of changes in accumulated funds should be read in conjunction with the accompanying notes)

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions and Remittances		1,128,360	585,801
Interest Received		19,427	36,423
Payments to Suppliers		(1,147,827)	(624,420)
		<hr/>	<hr/>
NET USED IN OPERATING ACTIVITIES	5(b)	(40)	(2,196)
		<hr/>	<hr/>
NET DECREASE IN CASH HELD		(40)	(2,196)
		<hr/>	<hr/>
Cash at Beginning of Year		80	2,276
		<hr/>	<hr/>
CASH AT END OF YEAR	5(a)	40	80
		<hr/>	<hr/>

(The above statement of cash flows should be read in conjunction with the accompanying notes)

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council Political Fund is a not-for-profit entity.

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

The financial report has been prepared on an accrual basis and in accordance with historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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.

Revenue

Contributions are recognised as income when National council transfers the monies it receives from members for the Political Fund.

Revenue is measured at the fair value of the consideration received of receivable.

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

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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective rate of interest method.

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.

New Australian Accounting Standards

Adoption of New Australian Accounting Standards

The Union has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The following Accounting Standards and interpretations have been adopted during the period;

AASB 9 Financial Instruments

The entity has adopted AASB 9 from 1 October 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset based on its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

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NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

New Australian Accounting Standards (Cont'd)

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. For receivables, a simplified approach is applied whereby impairment is measured using a lifetime expected loss allowance.

The union has adopted AASB 9 during the current period, using the modified retrospective approach, which requires a cumulative catch-up adjustment to retained earnings and no restatement of comparative amounts. No adjustments to any provision for impairment on financial assets have been recognised following the adoption of the expected credit loss model.

Policies for measuring financial assets are outlined in Note 1.

New accounting standards and interpretations not yet mandatory or early adopted.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 September 2019. These are outlined in the table below:

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the company
AASB 1058	Income of Not-for-Profit Entities	This standard establishes principles and guidance when accounting for: a. Transactions where the consideration given to acquire an asset is significantly less than its fair value, in order to enable the entity to further its objectives; and b. The receipt of volunteer services.	For financial years commencing after 1 January 2019	The Political Fund is not expected to be materially impacted by this new standard	1 October 2019* *(comparatives from 1 October 2018)
AASB 15	Revenue from contracts with customers	This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB118: Revenue.	For financial years commencing after 1 January 2019	The Political Fund is not expected to be materially impacted by this new standard	1 October 2019* *(comparatives from 1 October 2018)
AASB 16 (issued February 2016)	Leases	This standard eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It requires the entity to bring most leases onto its balance sheet in a similar way to how existing leases are treated under AASB117. An entity will be required to recognise a lease liability and a right of use of the asset in its balance sheet. There are some exemptions such as leases with a period of 12 months or less and low value leases are exempted .	For financial years commencing on or after 1 January 2019.	The Political Fund is not expected to be impacted by this standards as it holds no operating leases at year end.	1 October 2019* *(comparatives from 1 October 2018)

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NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Going concern basis of accounting

The financial report has been prepared on the basis that the fund 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 Political Fund 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 fund.

The Political Fund does not provide any financial support to any other Branch of the AFMEPKIU.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments 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.

Critical accounting estimates and assumptions

The National Council Political Fund 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.

Critical judgments in applying the National Council Political Fund's accounting principles

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

3. AFFILIATION FEES

	2019	2018
	\$	\$
Australian Labor Party NSW	69,575	70,300
Australian Labor Party Victoria	116,026	125,647
Australian Labor Party Queensland	89,071	80,486
Australian Labor Party Northern Territory	3,308	3,132
Australian Labor Party South Australia	31,061	33,016
Australian Labor Party Western Australia	65,977	66,409
Australian Labor Party Tasmania	6,327	5,815
	<u>381,345</u>	<u>384,805</u>

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NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. AUDIT AND ACCOUNTANCY FEES

	2019	2018
	\$	\$
Auditors		
Audit Fees	3,450	3,350
Preparation of financial statements	1,050	1,000
Financial member affiliation audit	8,800	-
Other audit and accountancy services	1,600	1,050
	<u>14,900</u>	<u>5,400</u>

5. CASH FLOW INFORMATION

	2019	2018
	\$	\$
(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>40</u>	<u>80</u>
(b) Reconciliation of Cash Flow from Operations with (Deficit)/Surplus		
(Deficit)/Surplus	(529,928)	(69,226)
Changes in Assets and Liabilities		
Increase in Prepayments	(2,695)	(98)
Decrease in Receivables from National Council General Fund	532,433	67,028
Increase in Trade and other payables	<u>150</u>	<u>100</u>
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(40)</u>	<u>(2,196)</u>

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NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

6. 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:

	2019	2018
	\$	\$
Cash and cash equivalents	40	80

The cash and cash equivalents are held in a high quality Australian financial institution.

Receivables from National Council General Fund	1,002,736	1,535,169
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**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

6. 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 2019 it had \$40 (2018: \$80) of cash and cash equivalents to meet these obligations as they fall due. The financial liabilities recorded in the financial statements at 30 September 2019 and 30 September 2018 was \$4,500 and \$4,350 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:

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NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

6. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

30 September 2019	Floating/fixed interest rate	Non-interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	40	-	40
Receivable	<u>1,002,736</u>	<u>-</u>	<u>1,002,736</u>
	<u>1,002,776</u>	<u>-</u>	<u>1,002,776</u>
Weighted average interest rate	1.94%	0%	1.94%
Financial Liabilities			
Payables	<u>(4,500)</u>	<u>-</u>	<u>(4,500)</u>
Net Financial Assets	<u>998,276</u>	<u>-</u>	<u>998,276</u>
30 September 2018	Floating/fixed interest rate	Non-interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	80	-	80
Receivable	<u>1,535,169</u>	<u>-</u>	<u>1,535,169</u>
	<u>1,535,249</u>	<u>-</u>	<u>1,535,249</u>
Weighted average interest rate	2.37%	0%	2.37%
Financial Liabilities			
Payables	<u>(4,350)</u>	<u>-</u>	<u>(4,350)</u>
Net Financial Assets	<u>1,530,899</u>	<u>-</u>	<u>1,530,899</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

6. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

Sensitivity Analysis

2019	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	40	-	-

2019	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Receivable	1,002,736	5,014	(5,014)

2018	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	80	-	-

2018	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Receivable	1,535,169	7,676	(7,676)

7. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Political Fund.

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NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

The National Council Political Fund is not aware of any contingent liabilities or commitments that would require disclosure in this financial report.

9. RELATED PARTIES

Key management personnel compensation and other Related Party transactions have been disclosed in the National Council's financial report.

10. SECTION 272 FAIR WORK (REGISTERED ORGANISATION) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisation) Act 2009, the attention of members is drawn to the provisions of subsection (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

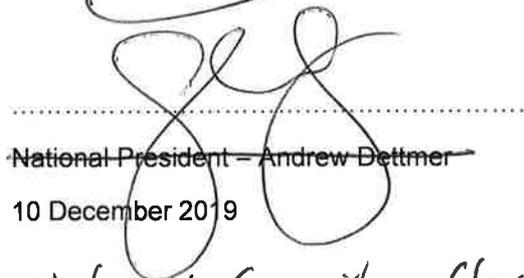
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NATIONAL COUNCIL POLITICAL FUND

Signed in accordance with a resolution of National Council



.....
National Secretary – Paul Bastian



.....
~~National President – Andrew Dettmer~~
10 December 2019

National Councillor - Steve Murphy

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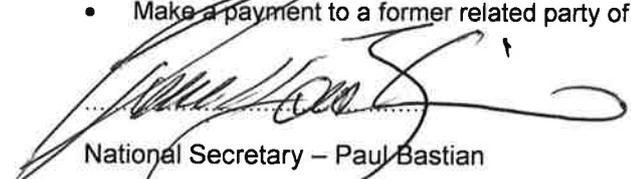
NATIONAL COUNCIL POLITICAL FUND

OFFICER DECLARATION STATEMENT

I Paul Bastian, being the Secretary of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, declare that the following did not occur during the reporting period ending 30 September 2019:

The reporting unit did not:

- Agree to provide financial support to another reporting unit to ensure they continue as a going concern
- Acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- Receive capitation fees from another reporting unit
- Receive revenue via compulsory levies
- Receive donations or grants
- Receive revenue from undertaking recovery of wages activity
- Incur fees as consideration for employers making payroll deductions of membership subscriptions
- Pay capitation fees to another reporting unit
- Pay Wages and Salaries, Superannuation, Leave and Other Entitlements, Separation and Redundancies to Office Holders or other than Office Holders, as these are paid by the National Council and are included in the financial report of the National Council only
- Pay any other expense to another reporting unit
- Pay compulsory levies
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeded \$1,000
- Pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- Incur expenses due to holding a meeting as required under the rules of the organisation
- Pay legal costs relating to litigation
- Pay legal costs relating to other legal matters
- Pay a penalty imposed under the RO Act or the Fair Work Act 2009
- Have a payable for Wages and Salaries, Superannuation, Leave and Other Entitlements, Separation and Redundancies to Office Holders or other than Office Holders, as these are paid by the National Council and are included in the financial report of the National Council only
- Have a payable for Employee Provisions for Office Holders or other than Office Holders, as these are paid by the National Council and are included in the financial report of the National Council only
- Have a payable with other reporting unit(s)
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- Have a payable in respect of legal costs relating to litigation
- Have a payable in respect of legal costs relating to other legal matters
- Have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- Provide cash flows to another reporting unit and/or controlled entity
- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit


National Secretary – Paul Bastian

10 December 2019

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council Political Fund (National Council Political Fund), which comprises the statement of financial position as at 30 September 2019, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the Officer Declaration Statement and the subsection 255(2A) report.

In our opinion the accompanying financial report of National Council Political Fund, presents fairly, in all material respects the National Council Political Fund's, financial position as at 30 September 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the National Council Political Fund's operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

This description forms part of our auditor's report.

Declaration by the auditor

I, Grant Saxon, declare that I am an auditor registered under the *Fair Work (Registered Organisations) Act 2009*.

BDO East Coast Partnership



Grant Saxon
Partner

Sydney, 10 December 2019

Registration number (as registered by the RO Commissioner under the Act): AA2017/103