



Australian Government

Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Mr David Kemp
Federal Secretary
Australian Licensed Aircraft Engineering Association
24 Stoney Creek Road
BEXLEY NSW 2207

Dear Mr Kemp

**RE: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 30 June 2004 – FR2004/756**

The documents have now been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dimitra Doukas'.

Dimitra Doukas
Statutory Services Branch
16 August 2005



Australian Government

Australian Industrial Registry

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Mr David Kemp
Federal Secretary
Australian Licensed Aircraft Engineering Association
25 Stoney Creek Road
BEXLEY NSW 2207

Dear Mr Kemp,

**RE: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 30 June 2004 - FR2004/756**

I acknowledge receipt of the financial reports of the Australian Licensed Aircraft Engineering Association. The documents were lodged in the Industrial Registry on 10 June 2005.

I direct your attention to the following comments concerning the above reports and the financial reporting obligation under RAO Schedule. Please note that these matters are generally advised for existence in the future preparation of financial reports. With exception of the comments concerning Item 1, no further action is required in respect of the subject documents.

Your written response to this matter is required by 4 July 2005.

1. Secretary's Certificate

Please note your Branch has not lodged a Certificate by a designated officer as required by s268 of the RAO Schedule. Financial documents lodged with the Registry are required by section 268 to be filed with a certificate by a designated officer - stating that the documents so lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266. I request that the certificate contain the date on which the meeting was held. This certificate does not have to be in the form of a statutory declaration.

2. Operating Report

(a) Significant changes in financial affairs

The report must give details of any significant changes in the reporting unit's financial affairs during the year.

3. Committee of Management Statement

(a) Date of resolution

Item 18 of the Registrar's Reporting Guidelines requires the Committee of Management's statement to specify the date of passage of the resolution made by the Committee. The statement does not provide that the appropriate resolution was passed and therefore no date is evident either.

4. General Purpose Financial Report

(a) Notes to accounts

The accounts must contain a notice drawing the attention of the members to provisions of the RAO Schedule that prescribed information is available to them on request. Subsection 272(5) of the RAO Schedule requires the GPFR to set out subsections 272(1), (2) and (3). Would you please ensure those subsections are copied into the GPFR in the next financial report of the Branch.

5. Auditor's Report

The opinion expressed by the auditor in their report has been drafted in terms of the previous requirements of the Act. Section 257(5) of the RAO Schedule now sets out the matters on which an auditor is required to state an opinion. An acceptable wording would be as follows:

"In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the RAO Schedule."

I have forwarded a copy of this letter to the auditor for their views about these matters.

Should you wish to discuss any of the matters raised in this letter, I may be contacted on (03) 8661 7764 or by email : dimitra.doukas@air.gov.au.

Yours sincerely,



Dimitra Doukas
Statutory Services Branch

20 June 2005

FR2004/756



7 June 2005

Deputy Industrial Registrar
Australian Industrial Registry
(NSW Registry)
Level 8, Terrace Towers
80 William Street
SYDNEY. NSW 2011

25 Stoney Creek Rd Bexley 2207 NSW
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Email: alaea@alaea.asn.au
Web: www.alaea.asn.au
ABN: 84 234 747 620

Dear Sir/Madam

Certificate of Federal Secretary under s.280(1)(b)
Financial Statements – Year ended 31 December 2004

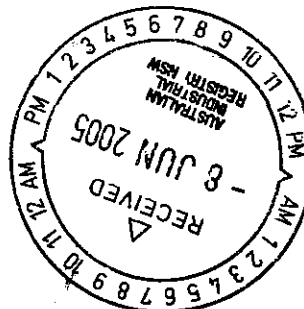
I refer to the enclosed financial statements of the ALAEA for the year ended 31 December 2004.

I certify that the documents lodged are true copies of documents supplied to all members of the ALAEA and the Federal Executive in April 2005 and approved by a presentation meeting of the Federal Executive (Committee of Management) of the Australian Licensed Aircraft Engineers Association on 15 May 2005.

The ALAEA rules provide that 5% of the membership can seek a general meeting of the members to discuss the financial report. No request was received from the membership.

Yours faithfully

DAVID KEMP
Federal Secretary



"To undertake supervise and certify for the safety of all who fly."

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

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THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

Operating Report
For the year ended 31 December, 2004

Your Committee members submit the financial report of the The Australian Licenced Aircraft Engineers' Association (hereinafter referred to as 'ALAEA') for the financial year ended 31 December 2004.

COMMITTEE MEMBERS

The names of Committee of Management members throughout the year and at the date of this report are:

Current committee members from 1 July 2002:

Michael O'Rance	Shane Kenny
Keith Tyter	David Kemp
Tim Heywood	Fergus Haines (Trustee)
Paul Cousins	Stephen Fenech (Trustee)
Wesley Bell	Stephen Purvinas
Tizian Zavarise	Frank Coghlan
Kevin Dadge	George Herdzik
Danny Morarji	Paras Parasram
Michael Weitenberg	

Past committee members from 1 July 2002:

Peter Vince (resigned March 2004)	Robert Bruty (deceased November 2004)
-----------------------------------	---------------------------------------

PRINCIPAL ACTIVITIES

The principal activities of the association during the financial year were:

- to provide welfare and support facilities and services to members of ALAEA.

SIGNIFICANT CHANGES

No significant change in the nature of these activities occurred during the year.

OPERATING RESULT

The profit from ordinary activities after providing for income tax amounted to \$113,016.

REVIEW OF OPERATIONS

The results for the period covered in this report are pleasing considering the difficulties that ALAEA has faced. Through slight fee increases and expenditure reductions the financial position of ALAEA remains sound.

SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of ALAEA, the results of those operations, or the state of affairs of ALAEA in future financial years.

MEMBERS

At balance date there were 4158 members of the Association (2003: 4104).

EMPLOYEES

At balance date there were 8 equivalent full-time employees (2003: 8).

Operating Report
For the year ended 31 December, 2004

RIGHT OF MEMBERS TO RESIGN

Part 6 (1) of the Association's constitution provides the following:

A member of the Association may resign from membership by written notice addressed and delivered to the Federal secretary, or addressed and delivered to the officer performing the duties of the Federal Secretary at the Registered Office of the Association.

SUPERANNUATION TRUSTEES

No officer of the Association acts as a Trustee or is a director of a company that acts as a trustee of a superannuation entity or an exempt public sector superannuation scheme where a criterion for being a Trustee is the officer is a member of a registered organization.

The Association is only aware of one member (not being an officeholder) of the Association acting as a Trustee in the circumstances aforementioned. Details are as follows:

Members name – Mr Kash Gillies

Name of Superannuation Fund – Qantas Superannuation Limited

Position held - Trustee

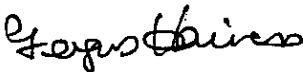
CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments other than stated at Note 15.

PROCEEDINGS ON BEHALF OF SUB-BRANCH

No person has applied for leave of Court to bring proceedings on behalf of ALAEA or intervene in any proceedings to which ALAEA is a party for the purpose of taking responsibility on behalf of ALAEA for all or any part of those proceedings.

Signed in accordance with a resolution of the Members of the Committee of Management.



Fergus J Haines



Stephen J Fenech

Dated this 7th day of April 2005

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

Committee of Management Statement

On 7th April 2005, the Committee of Management of The Australian Licenced Aircraft Engineers' Association passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2004:

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 flow 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; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; 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) the organisation is the sole reporting unit; and
 - (v) there has not been any request for information by 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: Tim Heywood
Title of Office held: Assistant Federal Secretary

Signature:

Date:

13 APR 05

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 December 2004

	Note	2004 \$	2003 \$
Revenue from ordinary activities	2	1,797,833	1,458,263
Employee benefits expense		(564,086)	(540,280)
Depreciation expenses		(40,759)	(54,837)
Seminar expenses		(72,065)	(23,666)
Industrial & management expenses		(751,336)	(764,715)
Other expenses from ordinary activities		<u>(256,571)</u>	<u>(227,667)</u>
Profit/(Loss) from ordinary activities before income tax expense	14b	113,016	(152,902)
Income tax expense relating to ordinary activities	1b	<u>-</u>	<u>-</u>
Net profit / (loss) from ordinary activities after income tax expense attributable to the Association		<u>113,016</u>	<u>(152,902)</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>113,016</u>	<u>(152,902)</u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

STATEMENT OF FINANCIAL POSITION
for the year ended 31 December 2004

	Note	2004 \$	2003 \$
Current assets			
Cash assets	4	2,087,665	2,478,382
Receivables	5	120,350	130,482
Other financial assets	6	1,228,271	579,514
Other	7	<u>23,925</u>	<u>32,410</u>
Total current assets		<u>3,460,211</u>	<u>3,220,788</u>
Non-current assets			
Property, plant and equipment	8	<u>405,631</u>	<u>429,333</u>
Total non-current assets		<u>405,631</u>	<u>429,333</u>
Total assets		<u>3,865,842</u>	<u>3,650,121</u>
Current liabilities			
Payables	9	157,275	103,517
Provisions	10	<u>212,046</u>	<u>163,099</u>
Total current liabilities		<u>369,321</u>	<u>266,616</u>
Total liabilities		<u>369,321</u>	<u>266,616</u>
Net Assets		<u>3,496,521</u>	<u>3,383,505</u>
Equity			
General Fund	11	<u>3,496,521</u>	<u>3,383,505</u>
Total equity		<u>3,496,521</u>	<u>3,383,505</u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

STATEMENT OF CASH FLOWS
for the year ended 31 December 2004

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers (incl. Members)		1,678,388	1,409,242
Payments to suppliers and employees		(1,670,469)	(1,720,003)
Interest received		<u>111,216</u>	<u>125,796</u>
Net cash provided by (used in) operating activities	14b	<u>119,135</u>	<u>(184,965)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Property, plant & equipment		10,000	11,818
Purchase of plant & equipment		(30,525)	(15,878)
Purchase of investments		<u>(489,327)</u>	<u>0</u>
Net cash provided by investing activities		<u>(509,852)</u>	<u>(4,060)</u>
Net increase/(decrease) in cash held		(390,717)	189,025
Cash at 1 January 2004		<u>2,478,382</u>	<u>2,667,407</u>
Cash at 31 December 2004	14a	<u>2,087,665</u>	<u>2,478,382</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

1. Statement of significant accounting policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers The Australian Licenced Aircraft Engineers' Association as an individual entity. It is an association registered under the Workplace Relations Act 1996 and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Re-classification of financial information

Where required by Accounting Standards or as a result of applying for the first time reporting requirements of the Workplace Relations Act 1996 comparative figures have been adjusted to conform with changes in presentation for the current year.

(b) Income Tax

No provision for income tax is necessary, as Trade Unions are exempt from income tax under s50-15 of the Income Tax Assessment Act 1997.

(c) Investments

Units in trusts held as current assets are valued by the Committee of Management at balance date from the unit prices established by Fund Managers for units in unlisted trusts, less any material transaction costs.

The gains or losses, whether realized or unrealized are included in profit from ordinary activities before income tax.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

1. Statement of significant accounting policies (continued)

(d) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office ("ATO"). 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 in the Statement of Financial Position are shown inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

1. Statement of significant accounting policies (continued)

(e) Property, Plant and Equipment (continued)

The depreciation rates used for each class of depreciable asset are:

Class of asset	Depreciation rate	Depreciation basis
Buildings	5% - 10%	Prime cost
Office equipment & furniture	10% - 33.34%	Prime cost
Motor vehicles	15%	Prime cost

(f) Investments

Non-current investments are measured on the cost basis.

The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or unit valuations for managed funds. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(g) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(h) Revenue

Revenue from members' subscriptions and joining fees are recognised when received from members or their employer in respect of the current year.

Interest revenue is recognised as it accrues.

All revenue is stated net of the amount of goods and services tax (GST).

(i) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

1. Statement of significant accounting policies (continued)

(j) Employee entitlements

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date (Note 10). Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and other current employee entitlements, which will be settled after one year, are accrued at their nominal amounts. Other employee benefits payable later than one year have been measured at their nominal value as it is considered that this results in a value not materially different to that achieved by determining the present value of the estimated future cash outflows to be made for those benefits.

The Association makes contributions to employee superannuation plans (not controlled by the Association, its Trustees or its Committee members). Such contributions are charged as expenses as incurred. The Association has no legal obligation to cover any shortfall in the plans' obligations to provide benefits to employees on retirement.

(k) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The committee are assessing the significance of these changes and preparing for their implementation. A separate IFRS subcommittee has been established to oversee and manage the Association's transition to IFRS.

The committee are of the opinion that the key differences in the Association's accounting policies which will arise from the adoption of IFRSs are:

Impairment of Assets

The entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136 *Impairment of Assets*, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised, more often than under the existing policy.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

1. Statement of significant accounting policies (continued)

(I) 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 SubSections (1), (2) and (3) of Section 274 of that Act which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

	2004	2003
	\$	\$
2. Revenue from Ordinary activities		
<i>From operating activities</i>		
Members subscriptions	<u>1,513,892</u>	<u>1,286,941</u>
	<u>1,513,892</u>	<u>1,286,941</u>
<i>From non-operating activities</i>		
Interest received from other persons	110,566	118,007
Unrealised gains on managed funds	163,375	41,497
Proceeds on disposal of fixed assets	<u>10,000</u>	<u>11,818</u>
	<u>283,941</u>	<u>171,322</u>
	<u>1,797,833</u>	<u>1,458,263</u>

3. Profit from Ordinary Activities

Profit from ordinary activities before income tax expense has been determined after:

(a) Expenses

Net loss on disposal of plant & vehicles	3,468	5,143
Remuneration of auditor		
- audit or review of financial report	6,790	6,000
- other services	<u>7,064</u>	<u>4,240</u>
Total remuneration	<u>13,854</u>	<u>10,240</u>
Depreciation of property, plant & equipment	40,759	43,019
Rental expense on operating leases		
- minimum lease payments	32,955	26,289

(b) Significant expenses

The following expense items are relevant in explaining the financial performance:

Employer payroll deduction expenses	21,748	18,809
Federation and affiliation fees	24,857	13,134
Donations to benevolent institutions	3,625	1,187
Grants & donations to other institutions	0	10,000

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

	2004 \$	2003 \$
3. Profit from Ordinary Activities (continued)		
(b) Significant expenses (continued)		
Employee benefits to officeholders:		
- wages & benefits	127,754	255,560
- annual leave	6,006	35,946
- long service leave	0	46,169
- superannuation	8,416	20,553
Employee benefits to other than officeholders:		
- wages & benefits	419,734	336,418
- annual leave	27,432	19,114
- superannuation	54,482	41,805
Legal costs	145,509	108,878
Meetings and conference expenses	301,945	372,037
General administrative expenses	196,949	183,687
Welfare fund contributions	15,139	12,870
4. Cash		
Cash at bank	285,204	286,644
Short term deposits	1,800,980	2,191,450
Cash on hand	1,481	288
	<u>2,087,665</u>	<u>2,478,382</u>
5. Receivables		
Subscriptions receivable	94,339	109,547
Other debtors ^{#1}	26,011	20,935
	<u>120,350</u>	<u>130,482</u>
^{#1} Other debtors includes an advance \$13,816 to an employee for salary packaging in relation to a vehicle. This advance has been fully repaid since balance date.		
6. Other financial assets		
Investments in unlisted Managed Trusts		
- at market value	<u>1,228,271</u>	<u>579,514</u>

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

	2004 \$	2003 \$
7. Other		
Prepayments	6,609	14,444
Accrued interest	<u>17,316</u>	<u>17,966</u>
	<u>23,925</u>	<u>32,410</u>
8. Property, plant and equipment		
Freehold land (at cost)	<u>110,000</u>	<u>110,000</u>
Building		
At cost	384,214	384,214
Accumulated depreciation	<u>160,326</u>	<u>140,682</u>
	<u>223,888</u>	<u>243,532</u>
Plant & equipment		
At cost	153,285	154,244
Accumulated depreciation	<u>124,694</u>	<u>116,585</u>
	<u>28,591</u>	<u>37,659</u>
Motor vehicles		
At cost	55,108	51,230
Accumulated depreciation	<u>11,956</u>	<u>13,088</u>
	<u>43,152</u>	<u>38,142</u>
	<u>405,631</u>	<u>429,333</u>

Committee valuation:

A committee of management valuation of freehold land and buildings was undertaken at 31 December 2003. The valuation was based on an assessment of the property's current market value. The increase in value has not been taken up in the financial statements.

Freehold land and building

Management Committee valuation 2003	<u>750,000</u>	<u>750,000</u>
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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

8. Property, plant and equipment (continued)

Movement in carrying amounts:

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:

	2004 \$	2003 \$
<i>Freehold land and building</i>		
Carrying amount at beginning of year	353,532	373,176
Additions	-	-
Disposals	-	-
Depreciation	<u>(19,644)</u>	<u>(19,644)</u>
	<u>333,888</u>	<u>353,532</u>
<i>Office equipment</i>		
Carrying amount at beginning of year	37,659	34,751
Additions	4,236	15,878
Disposals	-	-
Depreciation	<u>(13,304)</u>	<u>(12,970)</u>
	<u>28,591</u>	<u>37,659</u>
<i>Motor vehicles</i>		
Carrying amount at beginning of year	38,142	65,508
Additions	26,289	-
Disposals	(10,000)	(11,818)
Depreciation	<u>(11,279)</u>	<u>(15,548)</u>
	<u>43,152</u>	<u>38,142</u>

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

	2004	2003
	\$	\$
9. Payables		
Current		
Trade creditors	79,924	70,341
Commissions payable to employers	2,637	2,353
Legal fees payable	34,341	1,136
Employee benefits payable – officeholders	7,947	2,663
GST payable	23,596	11,833
Welfare Fund contributions payable	<u>8,830</u>	<u>15,191</u>
	<u>157,275</u>	<u>103,517</u>
10. Provisions		
Current		
Employee benefits – non office holders		
Long service leave	49,380	31,935
Annual leave	<u>62,666</u>	<u>56,164</u>
Total benefits	112,046	88,099
Conferences & training	<u>100,000</u>	<u>75,000</u>
	<u>212,046</u>	<u>163,099</u>
Number of employees at year end		
- Non Officeholders	7	7
- Officeholders	<u>18</u>	<u>18</u>
11. General Fund		
Balance at beginning of year	3,383,505	3,536,407
Net profit / (loss) from operations	<u>113,016</u>	<u>(152,902)</u>
Balance at the end of the year	<u>3,496,521</u>	<u>3,383,505</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

12. Events subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

13. Segment reporting

The Association is a Trade Union of Licenced AircraftEngineers operating throughout Australia.

Some members also reside and work in this capacity outside Australia.

14. Cash Flow Information

(a) Reconciliation of cash

	2004	2003
	\$	\$
Cash on hand	1,481	288
Cash	285,204	286,644
Deposits at call	<u>1,800,980</u>	<u>2,191,450</u>
	<u>2,087,665</u>	<u>2,478,382</u>

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

	2004 \$	2003 \$
14. (b) Reconciliation of Net Cash provided by operating activities to Profit from ordinary activities after income tax		
Profit / (loss) from ordinary activities after income tax	<u>113,016</u>	<u>(152,902)</u>
Non-cash flows in profit from ordinary activities:		
Loss/(Profit) on sale of assets	3,468	5,143
Unrealised loss/(gain) on investments	(163,375)	(41,497)
Depreciation	<u>40,759</u>	<u>43,019</u>
	<u>(119,148)</u>	<u>6,665</u>
Changes in assets and liabilities:		
(Increase)/Decrease in accounts receivable	10,782	(786)
(Increase)/Decrease in managed funds	3,945	3,784
Increase/(Decrease) in prepayments	7,835	(5,248)
Increase/(Decrease) in payables	53,758	(15,820)
Increase/(Decrease) in provisions	<u>48,947</u>	<u>(20,658)</u>
	<u>125,267</u>	<u>(38,728)</u>
Net cash provided by operating activities	<u>119,135</u>	<u>(184,965)</u>
15. Contingent liability		
Estimated cost of legal actions commenced but not taken up as an expense in the financial statements	<u>50,000</u>	<u>-</u>
16. Employment commitments		
<i>Superannuation commitment</i>		
The Association has provided for a contribution rate of 9% of each employee's Base salary to a superannuation fund.		
Details of contributions during the year are as follows:		
Employer contributions expensed in statement of financial performance	<u>60,145</u>	<u>58,342</u>
Employer contributions provided as payable at balance date	<u>6,188</u>	<u>6,078</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

17. Capital and Leasing Commitments

Operating lease expenditure contracted for at balance date that is not cancelable and is not provided for in the accounts:

	2004 \$	2003 \$
Payable:		
Being for rent of equipment:		
No later than 1 year	26,289	32,955
Later than 1 year but not later than 2 years	26,289	26,289
Later than 2 years but not later than 5 years	<u>13,495</u>	<u>39,784</u>
	<u>66,073</u>	<u>99,028</u>

18. Related parties

Trustees:

The names of persons who were Trustees of the Association at any time during the financial year are as follows:

Fergus Haines and Stephen Fenech

Committee Members:

The names of persons who were Committee Members of the Association at any time during the financial year are as follows:

Fergus Haines, Stephen Fenech, Michael O'Rance, Shane Kenny, Keith Tyer, David Kemp, Tim Heywood, Paul Cousins, Wesley Bell, Stephen Rurvinas, Tizian Zavarise, Frank Coghlan, Keith Dadge, George Herdzik, Danny Morarji, Paras Parasram, Mike Watson, Michael Weitenberg, Peter Vince and Robert Bruty.

Trustees' transactions:

Transactions between Trustees, Committee Members and the Association are on normal commercial terms and conditions no more favourable than those available to other parties.

19. Recovery of wages activity

The Association did not undertake any recovery of wages activities during the year ending 31 December 2004.

20. Association details

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

25 Stoney Creek Rd
Bexley, NSW

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2004

21. Financial instruments

(a) Interest rate risk

The association'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 financial liabilities, is as follows:

	Weighted Average Effective interest rate		Floating interest Rate		Fixed Interest Rate Maturity			
					Within 1 year		1 to 5 Years	
	2004	2003	2004	2003	2004	2003	2004	2003
	%	%	\$	\$	\$	\$	\$	\$
Financial assets								
Cash	0.6	0.5	286,685	286,932	-	-	-	-
Short term deposits	5.3	5.3	-	-	1,800,980	2,191,450	-	-
			<u>286,685</u>	<u>286,932</u>	<u>1,800,980</u>	<u>2,191,450</u>	<u>-</u>	<u>-</u>

(b) Credit risk

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, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

c) Net fair values of financial assets and liabilities

For all financial assets and liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

22. Mortality and other benefits

The Association contributes to a Welfare Fund for members of the Association. The fund is administered by the Federal Executive of the Association. The balance of the Welfare Fund at 31st December 2004 was \$75,121 (2003: \$79,342)

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION

ABN 84 234 747 620

Independent Audit Report

To the members of The Australian Licenced Aircraft Engineers' Association

Scope

The financial report and committee's responsibility

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 statement by members of the committee for The Australian Licenced Aircraft Engineers' Association, for the year ended 31 December 2004.

The Association's Committee of Management and Accounting Officer 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 conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to 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 a accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Association's financial position, and of 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 Committee and Accounting Officer.

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.

Audit Opinion

In our opinion, the financial report of The Australian Licenced Aircraft Engineers' Association presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia including the reporting guidelines or any other requirements of Chapter 8, Part 3 of the RAO Schedule (Workplace Relations Act 1996), the financial position of The Australian Licenced Aircraft Engineers' Association as at 31 December 2004, and the results of its operations and its cash flows for the year then ended.

J.W. Kellert & Co
Chartered Accountant



John W. Kellert B.Comm., F.C.A.
Registered Company Auditor
Suite 4, 78 Cahors Rd, Padstow, NSW
Dated this 11th day of April 2005.

COMPILATION REPORT ON ADDITIONAL INFORMATION
TO THE MEMBERS OF
THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

Scope

My Auditor's Report dated 11th April 2005, covering the Statutory Financial Statements of The Australian Licenced Aircraft Engineers' Association (hereinafter called 'ALAEA') for the year ended 31 December 2004 as presented by the Committee Members in the preceeding pages, does not relate to the additional financial information presented hereinafter.

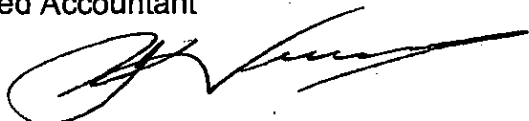
Disclaimer:

This additional information comprising the Income & Expenditure Statement for the year ended 31 December 2004 is in accordance with the books and records presented to us by ALAEA that have been subjected to the auditing procedures applied in my statutory audit of ALAEA for the year ended 31 December 2004. It will be appreciated that my statutory audit did not include verification or validation procedures of all items of the additional financial information. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the additional information.

Accordingly, I do not express an opinion on this additional information and no warranty of accuracy or reliability is given. To the extent permitted by law, neither myself or any employee of mine undertakes responsibility arising in any way whatsoever to any person (other than ALAEA) and we do not accept liability for any loss or damage which any person (other than ALAEA) may suffer in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused. No person should rely on the additional information without having an audit or review conducted.

J.W. KELLERT & CO.

Chartered Accountant



By: **John W. Kellert** B.Comm., F.C.A.

Date: 11th April, 2005

Address: Suite 4, 78 Cahors Road
Padstow, NSW, 2211

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

Income & Expenditure Statement
For the year ended 31 December, 2004

	2004 \$	2003 \$
Income		
Members' subscriptions	1,513,892	1,286,941
Interest received	110,566	118,007
Unrealised gains on managed funds	<u>163,375</u>	<u>41,497</u>
Total income	<u>1,787,833</u>	<u>1,446,445</u>
<u>Expenses</u>		
Employment Costs		
Salaries – Employees	479,994	445,647
Annual leave provision	6,502	17,144
Long service leave provision	17,445	13,529
Payroll tax	5,642	0
Temporary staffing & placements	0	5,618
Superannuation	<u>60,145</u>	<u>58,342</u>
	<u>569,728</u>	<u>540,280</u>
Industrial		
Industrial & travel expenses	237,567	327,271
Professional services	195,210	135,548
Safety awareness campaign	117,629	8,024
Telephone	<u>43,098</u>	<u>49,367</u>
	<u>593,504</u>	<u>520,210</u>
Management		
Affiliation fees	24,857	13,134
Federal executive expenses	107,975	212,342
Training & conferences	72,065	23,666
Training & conferences provided	<u>25,000</u>	<u>25,000</u>
	<u>229,897</u>	<u>274,142</u>

This statement is for the information of members and does not form part of the audited financial statements.

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

Income & Expenditure Statement
For the year ended 31 December, 2004

	2004 \$	2003 \$
Overhead Expenses		
Advertising	0	4,029
Bank charges	6,432	7,134
Commissions on employer payroll deductions	21,748	18,809
Computer expenses	29,486	31,745
Depreciation – building	19,644	19,644
Depreciation – equipment	21,115	23,375
Donations	3,625	1,187
Electricity	4,131	3,945
Fringe benefits tax	3,783	5,542
General expenses	0	283
Insurance	10,772	10,832
Investment management fees	3,945	3,785
Library	8,892	3,567
Loss on disposal of plant and vehicles	3,468	5,143
Motor vehicle expenses	44,092	17,790
Postage & delivery	17,174	22,807
Printing & stationery	42,016	46,040
Rates & property expenses	21,411	20,551
Repairs & maintenance	715	1,237
Staff amenities	4,100	4,400
Welfare Fund contribution	<u>15,139</u>	<u>12,870</u>
	<u>281,688</u>	<u>264,715</u>
 TOTAL EXPENDITURE	 <u>1,674,817</u>	 <u>1,599,347</u>
 OPERATING SURPLUS/(LOSS) FOR YEAR	 113,016	 (152,902)
 Accumulated funds at beginning of year	 <u>3,383,505</u>	 <u>3,536,407</u>
 ACCUMULATED FUNDS AT END OF YEAR	 <u>3,496,521</u>	 <u>3,383,505</u>

This statement is for the information of members and does not form part of the audited financial statements.

THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION
ABN 84 234 747 620

WELFARE FUND

Income & Expenditure Statement
For the year ended 31 December, 2004

	2004	2003
	\$	\$
Income		
Contributions from General Fund	15,139	12,870
Interest received	<u>2,140</u>	<u>1,890</u>
Total income	<u>17,279</u>	<u>14,760</u>
Expenses		
Welfare payments	<u>21,500</u>	<u>7,500</u>
	<u>21,500</u>	<u>7,500</u>
SURPLUS/(DEFICIT) FOR THE YEAR	(4,221)	7,260
Accumulated funds at beginning of year	<u>79,342</u>	<u>72,082</u>
ACCUMULATED FUNDS AT END OF YEAR	<u>75,121</u>	<u>79,342</u>

Balance Sheet
As at 31 December, 2004

Current Assets		
Investments		
Term deposit	66,291	64,151
Receivables - A.L.A.E.A.	<u>8,830</u>	<u>15,191</u>
Net Assets	<u>75,121</u>	<u>79,342</u>
Accumulated Funds	<u>75,121</u>	<u>79,342</u>

This statement is for the information of members and does not form part of the audited financial statements.