



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9654 6672

Mr T. Heywood
Federal Secretary
The Australian Licensed Aircraft Engineers Association
25 Stoney Creek Road
BEXLEY NSW 2207

Dear Mr. Heywood

Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 31 December 2005 - FR 2005/635

Reference is made to the financial reports of The Australian Licensed Aircraft Engineers Association for the year ended 31 December 2005. The documents were lodged in the Industrial Registry on 1 June 2006.

The financial documents have been filed.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under Schedule 1. Please note that these matters are advised for assistance in the future preparation of financial reports. With the exception of the comments concerning item 4, no further action is required in respect of the subject documents.

1. Operating Report

(a) Results of principal activities

I refer to the Operating Report, in particular to the "Operating Result". I note that s254(2)(a) of Schedule 1 requires the operating report to include a review of the reporting entity's principal activities, the results of those activities and any significant changes in the nature of those activities.

The "Operating Result" requirement contemplates reference in the operating report to results directly related to the principal activities as opposed to the reporting entity's financial result, particularly as measured in dollar 'surplus' or 'loss' terms. Although this may not be stated explicitly in the text of the subsection, I think it is reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and secondly, the actual financial outcome is elaborated elsewhere in the financial documents, such as the Balance Sheet and/or the Profit and Loss statement.

(b) Membership of Committee of Management:

The operating report is required to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the

reporting period, and the period for which he or she held such a position - refer regulation 159(c) of the RAO Regulations.

The operating report should have provided the positions which members of the committee of management held during the reporting period.

2. Auditor's Report

It is not clear from the Report whether or not the Auditor is an approved auditor. In this regard I draw your attention to the definition of approved auditor in regulation 4 of the RAO Regulations. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

3. Income and Expenditure Statement

I note that the financial documents contain a disclaimer which precedes the reporting unit's Income and Expenditure Statement. Such document was prepared for the members of the organisation.

Section 252 of Schedule 1 of the RAO Schedule requires that a reporting unit must cause a general purpose financial report to be prepared. Such report must consist of, among other things, financial statements containing a profit and loss statement. I note that an Income Statement has been provided.

The accounts and other statements should contain certain disclosures (as prescribed by the Industrial Registrar's Reporting Guidelines).

So as to ensure full compliance with subsection 253, future documents should include a Statement of Income and Expenditure setting out particulars of all relevant disclosure requirements of the Industrial Registrar's Guidelines. I have forwarded a copy of this letter to the organisation's auditor.

Please note failure to fully comply with the requirements of the Act in future may result in the documents not being filed.

4. Loans, Grants and Donations

Section 237(1) of Schedule 1 requires an organisation to lodge in the Industrial Registry within 90 days after the end of each financial year a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.

Inspection of the income and expenditure statement indicates a disclosure "Donations" of \$7,885. I also note that a disclosure "Donations to benevolent institutions" of \$7,884 appears in Note 4 of the Notes to the Accounts.

If appropriate, would you please arrange lodgment in the Industrial Registry of a section 237(1) statement covering any donation exceeding \$1,000, setting out particulars of any donation in accordance with subsection 237(6).

5. Recovery of Wages Activity

I note that Note 22 to the notes to the accounts provides information in relation to recovery of wages activity. Such information should be contained in the Committee of Management Statement.

6. Alteration to list of office holders

It has come to my attention that the office holders of the organisation may have changed. You are reminded that an organisation is required to notify the Industrial Registry of any such changes within 35 days of the changes occurring – see s233(2) of Schedule 1 and regulation 151 of the RAO Regulations

7. References to Schedule 1B

I note the financial documents contain references to Schedule 1B of the Workplace Relations Act 1996. Such references should now be to Schedule 1.

Electronic Lodgement

I encourage you to take advantage of the electronic lodgement service provided by the Registry for future lodgements. You may register as a user and then lodge your documents via the Electronic Lodgement page of the AIRC website at www.airc.gov.au. Alternatively, you may send an email with the documents attached to riateam3@air.gov.au

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7993 or by email at larry.powell@air.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L Powell'.

Larry Powell
Statutory Services Branch

24 July 2006



Australian Government

Australian Industrial Registry

Level 35, 80 Collins Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9654 6672

Mr. J. W. Kellert
J.W. Kellert & Co
Chartered Accountant
Suite 4, 78 Cahors Road
PADSTOW NSW 2211

Dear Mr. Kellert

**Re: The Australian Licensed Aircraft Engineers Association
Financial reports for year ended 31 December 2005**

Please find enclosed for your information our letter to the abovementioned organisation in relation to their financial reports for the year ended 31 December 2005.

Yours sincerely,

Larry Powell

24 July 2006



25 Stoney Creek Rd Bexley 2207 NSW
Ph: (02) 9554 9399 Fax: (02) 9554 9644
Email: alaea@alaea.asn.au
Web: www.alaea.asn.au
ABN: 84 234 747 620

30 May 2006

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

Dear Sir/Madam,

Certificate of Federal Secretary under s.280(1)(b)
Financial Statements – Year ended 31 December 2005

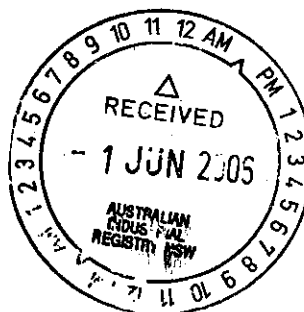
I refer to the enclosed financial statement of the ALAEA for the year ended 31 December 2005.

I certify that the documents lodged are true copies of documents supplied to all members of the ALAEA and the Federal Executive in March 2006 and approved by a presentation meeting of the Federal Executive (committee of Management) of the Australian Licensed Aircraft Engineers Association on 17 May 2006.

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

TIM HEYWOOD
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

CONTENTS

Operating Report	1
Committee of Management Statement	4
Income Statement	5
Balance Sheet	6
Statement of Changes in Equity	7
Cash Flow Statement	8
Notes to and forming part of the Financial Statements	9
Audit Report	26

Additional information not forming part of the audited financial statements

Compilation Report	27
Income & Expenditure Statement	28
Welfare Fund	30

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

Operating Report
For the year ended 31 December, 2005

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 2005.

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
Keith Tyter
Tim Heywood
Paul Cousins
Wesley Bell
Tizian Zavarise
Kevin Dadge
Danny Morarji
Michael Watson

Shane Kenny
Fergus Haines (Trustee)
Stephen Fenech
Stephen Purvinas
Frank Coughlan
George Herdzik (Trustee)
Paras Parasram
Michael Weitenberg

- from 30 June 2005:

Ralph Young

Past committee members from 1 July 2002:

David Kemp (resigned 30 June 2005)

Principal Activities

The principal activities of ALAEA during the financial year were:

- to provide welfare and support facilities and other services including information on technical developments in the aircraft industry, journals and employment related information to members of ALAEA.
- to promote and enforce high standards in aircraft maintenance.
- to provide a means of liaison between the Civil Aviation Safety Authority and Licenced Aircraft Engineers in connection with all matters involving Licenced Aircraft Engineers and the general promotion of safety standards in the aircraft industry.

Significant Changes in Nature of Principal Activities and Financial Affairs

There were no significant changes in the nature of these principal activities or the financial affairs of ALAEA during the financial year.

Operating Result

The profit from ordinary activities after providing for income tax amounted to \$291,756 (2004: \$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. A reduction in media and advertising expenditure contributed significantly to the increase in the surplus for the year.

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

Operating Report
For the year ended 31 December, 2005

Significant Changes in Financial Affairs

No matters or circumstances arose during the financial year which significantly affected financial affairs of ALAEA.

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.

Number of Members

At balance date there were 4085 members of ALAEA (2004: 4158).

Number of Employees

At balance date there were 7 equivalent full-time employees (2004: 8).

Rights of Members to Resign

Part 6 of ALAEA's constitution provides the following:

- (1) 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.
- (2) A member ceases to be eligible for membership if he ceases to be employed:
 - (a) in or in connection with an industry or industrial pursuit in respect of which the Association has constitutional coverage.
- (3) A notice of resignation from membership of the Association takes effect:
 - (a) where the member ceases to be eligible to become a member of the Association:
 - (i) on the day on which the notice is received by the Association; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to become a member;whichever is later.
 - (b) in any other cases, a member's notice of resignation shall take effect:
 - (i) at the end of two weeks after the notice is received by the Association;
 - (ii) or on the day specified in the notice;whichever is later.
- (4) Any dues payable but not paid by the former member, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
- (5) A notice delivered to the person mentioned in (1) above shall be taken to have been received by the Association when it is delivered.

Operating Report
For the year ended 31 December, 2005

Rights of Members to Resign (continued))

- (5) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with (1) above.
- (6) 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 on behalf of the Association that his resignation has been accepted.

Superannuation Trustees

No officer of ALAEA 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.

ALAEA is only aware of one member (not being an officeholder) of ALAEA 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

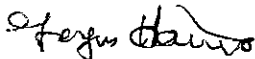
Contingencies and Commitments

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

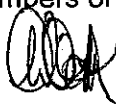
Proceedings on behalf of ALAEA

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



George Herdzik

Dated this 30 day of March 2006

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

Committee of Management Statement

On 30 March 2006, 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 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 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: Federal Secretary

Signature:

Date:

30 MAR 06

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

INCOME STATEMENT
for the year ended 31 December 2005

	Note	2005 \$	2004 \$
Revenue from ordinary activities	3	1,830,706	1,787,833
Employee benefits expense		(573,420)	(564,086)
Depreciation expenses		(42,119)	(40,759)
Seminar expenses		(40,572)	(72,065)
Industrial & management expenses		(656,657)	(751,336)
Postage, Printing & stationery		(66,571)	(59,190)
Computer expenses		(28,198)	(29,486)
Other expenses from ordinary activities		<u>(131,413)</u>	<u>(157,895)</u>
Profit/(Loss) from ordinary activities before income tax expense	4,18(a)	291,756	113,016
Income tax expense relating to ordinary activities	1(a),5	<u>-</u>	<u>-</u>
Net profit / (loss) from ordinary activities after Income tax expense attributable to ALAEA		<u>291,756</u>	<u>113,016</u>
Total changes in equity other than those resulting From transactions with owners as owners		<u>291,756</u>	<u>113,016</u>

The accompanying notes form part of these financial statements.

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

BALANCE SHEET
for the year ended 31 December 2005

	Note	2005 \$	2004 \$
Current assets			
Cash and cash equivalents	7	2,246,767	2,087,665
Trade & other receivables	8	118,675	120,350
Financial assets	9	1,372,811	1,228,271
Other current assets	10	<u>44,465</u>	<u>23,925</u>
Total current assets		<u>3,782,718</u>	<u>3,460,211</u>
Non-current assets			
Property, plant and equipment	11	<u>384,460</u>	<u>405,631</u>
Total non-current assets		<u>384,460</u>	<u>405,631</u>
Total assets		<u>4,167,178</u>	<u>3,865,842</u>
Current liabilities			
Trade and other payables	12	145,793	157,275
Provisions	13	<u>233,108</u>	<u>212,046</u>
Total current liabilities		<u>378,901</u>	<u>369,321</u>
Total liabilities		<u>378,901</u>	<u>369,321</u>
Net Assets		<u>3,788,277</u>	<u>3,496,521</u>
Equity			
General Fund		<u>3,788,277</u>	<u>3,496,521</u>
Total equity		<u>3,788,277</u>	<u>3,496,521</u>

The accompanying notes form part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2005

	Note	Retained Earnings \$	Total \$
Balance at 1 January 2004		3,383,505	3,383,505
Surplus for the year		<u>113,016</u>	<u>113,016</u>
Balance at 31 December 2004		3,496,521	3,496,521
Surplus for the year		<u>291,756</u>	<u>291,756</u>
Balance at 31 December 2005		<u><u>3,788,277</u></u>	<u><u>3,788,277</u></u>

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

STATEMENT OF CASH FLOWS
for the year ended 31 December 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (incl. Members)		1,727,390	1,678,388
Payments to suppliers and employees		(1,638,863)	(1,670,469)
Interest received		<u>95,860</u>	<u>111,216</u>
Net cash provided by (used in) operating activities	18(a)	<u>184,387</u>	<u>119,135</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from property, plant & equipment		13,091	10,000
Purchase of plant & equipment		(38,376)	(30,525)
Purchase of investments		<u>0</u>	<u>(489,327)</u>
Net cash provided by investing activities		<u>(25,285)</u>	<u>(509,852)</u>
Net increase/(decrease) in cash held		159,102	(390,717)
Cash at 1 January 2005		<u>2,087,665</u>	<u>2,478,382</u>
Cash at 31 December 2005	7	<u>2,246,767</u>	<u>2,087,665</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

1. Statement of significant accounting policies

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

The Australian Licenced Aircraft Engineers' Association (hereinafter also referred to as "ALAEA") is a Trade Union affiliated to the ACTU.

The financial report of The Australian Licenced Aircraft Engineers' Association complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

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

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

The Australian Licenced Aircraft Engineers' Association has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of IFRS have been applied retrospectively to 2004 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of The Australian Licenced Aircraft Engineers' Association to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented. The entity has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer Note 20 for further details.

Reconciliations of the transition from previous Australian GAAP to IFRS have been included in Note 2 to this report.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

1. Statement of significant accounting policies (continued)

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.

Accounting Policies

(a) Income Tax

ALAEA is a registered Trade Union and exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(b) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity 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. The depreciation rates used for each class of depreciable assets 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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

1. Statement of significant accounting policies (continued)

(b) Plant and Equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

1. Statement of significant accounting policies (continued)

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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 interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current unit prices for all unquoted investments by reference to the unit price at year end as determined by the Fund Manager.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

1. Statement of significant accounting policies (continued)

(e) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related oncosts. 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.

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

(g) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

1. Statement of significant accounting policies (continued)

(i) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from members' subscriptions and joining fees are recognised when invoiced to members.

Interest revenue is recognised on an accrual basis.

Dividend revenue is recognised at payment date.

Income from managed funds are recognised upon receipt.

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

(j) 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 Taxation 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Affiliation fee

ALAEA is required to pay an annual affiliation fee to the ACTU.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

1. Statement of significant accounting policies (continued)

(m) 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 reads 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).

2. First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Reconciliation of Equity at 1 January 2004 and 31 December 2004

There are no material financial adjustments required in the transition from previous Australian GAAP to IFRS.

Reconciliation of Profit or Loss for 2004

There are no material financial adjustments required in the transition from previous Australian GAAP to IFRS.

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

	2005 \$	2004 \$
3. Revenue from Ordinary activities		
<i>(a) Operating activities</i>		
Interest received from other persons	113,279	110,566
Members subscriptions	<u>1,562,329</u>	<u>1,513,892</u>
Total revenue from operating activities	<u>1,675,608</u>	<u>1,624,458</u>
<i>Non-operating activities</i>		
Unrealised gains on managed funds	148,662	163,375
Realised gains on managed funds	<u>6,436</u>	<u>-</u>
Total revenue from non-operating activities	<u>155,098</u>	<u>163,375</u>
Total revenue	<u>1,830,706</u>	<u>1,787,833</u>
<i>(b) Interest revenue from:</i>		
Other persons	<u>113,279</u>	<u>110,566</u>
Total interest revenue	<u>113,279</u>	<u>110,566</u>
4. Profit from Ordinary Activities		
<i>(a) Expenses</i>		
Rental expense on operating leases		
- minimum lease payments	26,289	26,289
<i>(b) Significant expenses</i>		
The following expense items are relevant in explaining the financial performance:		
Employer payroll deduction expenses	22,538	21,748
Federation and affiliation fees	28,777	24,857
Donations to benevolent institutions	7,884	3,625
Grants & donations to other institutions	0	0

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

	2005 \$	2004 \$
4. Profit from Ordinary Activities (continued)		
(b) Significant expenses (continued)		
Employee benefits to officeholders:		
- wages & benefits	158,522	127,754
- annual leave	19,835	3,625
- long service leave	0	0
- superannuation	8,441	8,416
Employee benefits to other than officeholders:		
- wages & benefits	453,394	419,734
- annual leave	19,835	27,432
- superannuation	57,535	54,482
Legal costs	112,587	145,509
Meetings and conference expenses	296,356	301,945
General administrative expenses	175,194	196,949
Welfare fund contributions	16,624	15,139
5. Income tax expense		
(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2004: 30%)	87,526	33,904
Less:		
Tax effect of:		
- non-taxable income arising from income tax exemption	<u>87,526</u>	<u>33,904</u>
Income tax expense	<u>-</u>	<u>-</u>
6. Auditor's remuneration		
Remuneration of auditor for:		
- auditing or review of financial report	11,250	6,790
- other services	<u>6,356</u>	<u>7,064</u>
Total remuneration	<u>17,606</u>	<u>13,854</u>

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

	2005 \$	2004 \$
7. Cash		
Cash at bank and on hand	251,512	286,685
Short term bank deposits	<u>1,995,255</u>	<u>1,800,980</u>
	<u>2,246,767</u>	<u>2,087,665</u>
The effective interest rate on short-term bank deposits was 5.8% (2004: 5.3%); these deposits have an average maturity of 274 days.		
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	<u>2,246,767</u>	<u>2,087,665</u>
8. Receivables		
Subscriptions receivable	101,565	94,339
Other debtors	<u>17,110</u>	<u>26,011</u>
	<u>118,675</u>	<u>120,350</u>
9. Other financial assets		
Available for sale financial assets	<u>1,372,811</u>	<u>1,228,271</u>
Unlisted investments - at fair value	<u>1,372,811</u>	<u>1,228,271</u>
Total available-for-sale financial assets	<u>1,372,811</u>	<u>1,228,271</u>
10. Other assets		
Prepayments	9,730	6,609
Accrued interest	<u>34,735</u>	<u>17,316</u>
	<u>44,465</u>	<u>23,925</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

	2005 \$	2004 \$
* 11. Property, plant and equipment		
Land and buildings		
Freehold land (at cost)	<u>110,000</u>	<u>110,000</u>
Building:		
At cost	384,214	384,214
Less accumulated depreciation	<u>179,970</u>	<u>160,326</u>
Total buildings	<u>204,244</u>	<u>223,888</u>
Total land and buildings	<u>314,244</u>	<u>333,888</u>
Plant and equipment		
Plant & equipment:		
At cost	200,344	208,393
Accumulated depreciation	<u>130,128</u>	<u>136,650</u>
Total plant and equipment	<u>70,216</u>	<u>71,743</u>
Total property, plant and equipment	<u>384,460</u>	<u>405,631</u>

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:

	Freehold Land \$	Buildings \$	Office Equipment \$	Motor vehicles \$	Total \$
Balance at the beginning of the year	110,000	223,888	28,591	43,152	405,631
Additions	-	-	9,669	28,707	38,376
Disposals	-	-	-	(13,091)	(13,091)
Depreciation expense	<u>-</u>	<u>(19,644)</u>	<u>(14,548)</u>	<u>(12,264)</u>	<u>(46,456)</u>
Cash	<u>110,000</u>	<u>204,244</u>	<u>23,712</u>	<u>46,504</u>	<u>384,460</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

	2005 \$	2004 \$
12. Payables		
Current		
Unsecured liabilities:		
Trade payables	54,025	79,924
Commissions payable to employers	1,628	2,637
Legal fees payable	3,098	34,341
Employee benefits payable – officeholders	52,000	7,947
GST payable	28,588	23,596
Welfare Fund contributions payable	<u>6,454</u>	<u>8,830</u>
	<u>145,793</u>	<u>157,275</u>
13. Provisions		
Current		
Employee benefits – non office holders		
Long service leave	57,152	49,380
Annual leave	<u>75,956</u>	<u>62,666</u>
Total benefits	133,108	112,046
Conferences & training	<u>100,000</u>	<u>100,000</u>
	<u>233,108</u>	<u>212,046</u>
Analysis of Total Provisions		
Current	<u>233,108</u>	<u>212,046</u>
Employee benefits movements – non office holders		
Opening balance at beginning of year	112,046	88,099
Additional provisions raised during year	48,404	57,385
Amounts used	<u>(27,342)</u>	<u>(33,438)</u>
Balance at end of the year	<u>133,108</u>	<u>112,046</u>
A provision has been recognised for employee entitlements relating to annual and long service leave for employees. The measurement and recognition criteria for employee benefits has been included in Note 1.		
Number of employees at year end		
- Non Officeholders	<u>7</u>	<u>7</u>
- Officeholders	<u>18</u>	<u>18</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

	2005 \$	2004 \$
14. Capital and leasing commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
- Not later than 12 months	26,289	26,289
- Between 12 months and 5 years	13,495	26,289
- Greater than 5 years	<u>-</u>	<u>13,495</u>
Balance at the end of the year	<u>39,784</u>	<u>66,073</u>

ALAEA has not entered into any new leases during the past financial year.

15. Contingent liability

Estimates of the potential financial effect of contingent liabilities that may become payable:

Contingent Liabilities

Claims:

Estimated cost of legal actions commenced but not taken up as an expense in the financial statements	<u>80,000</u>	<u>50,000</u>
--	---------------	---------------

16. Segment reporting

ALAEA operates predominantly in one business and geographical segment, being a Trade Union of Licenced Aircraft Engineers operating throughout Australia. Some members also reside and work in as Licenced Aircraft Engineers outside Australia.

17. Events subsequent to Reporting Date

ALAEA expects a significant increase in legal expenses during the period ended 31 December 2006 to facilitate a positive outcome for members affected by Qantas' decision to close the Sydney Heavy Maintenance Facility.

No other 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

	2005 \$	2004 \$
18. (a) 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>291,756</u>	<u>113,016</u>
Non-cash flows in profit from ordinary activities:		
Depreciation	42,119	40,759
Loss/(Profit) on sale of assets	4,337	3,468
Unrealised loss/(gain) on investments	(148,662)	(163,375)
Investment management fees	4,122	3,945
Changes in assets and liabilities:		
(Increase)/Decrease in accounts receivable	(15,744)	10,782
Increase/(Decrease) in prepayments	(3,121)	7,835
Increase/(Decrease) in creditors and accruals	(11,482)	53,758
Increase/(Decrease) in provisions	<u>21,062</u>	<u>48,947</u>
Net cash provided by operating activities	<u>184,387</u>	<u>119,135</u>

(b) Credit stand-by arrangement and loan facilities

ALAEA has no credit stand-by or financing facilities in place.

19. Related Party Transactions

(a) Transactions with members:

ALAEA provides necessary welfare and support services to its members.

(b) Transactions with ACTU:

- affiliation fees paid to the ACTU which amount is included in the determination of operating profit before income tax

<u>22,538</u>	<u>21,748</u>
---------------	---------------

Trustees:

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

Fergus Haines, Stephen Fenech (resigned 30/06/2005) and George Herdzik (appointed 30/06/2005).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

19. Related parties (continued)

Committee Members:

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

Fergus Haines, Stephen Fenech, George Herdzik, Michael O'Rance, Shane Kenny, Keith Tyter, David Kemp (resigned 30/06/2005), Tim Heywood, Paul Cousins, Wesley Bell, Stephen Purvinas, Tizian Zavarise, Frank Coughlan, Kevin Dadge, Danny Morarji, Paras Parasram, Michael Weitenberg, Michael Watson and Ralph Young (appointed 30/06/2005).

Trustees' transactions:

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

20. Employment commitments

Superannuation commitment

	2005	2004
	\$	\$
ALAEA 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 Income Statement	<u>60,808</u>	<u>60,145</u>
Employer contributions provided as payable at balance date	<u>4,678</u>	<u>6,188</u>

21. Mortality and other benefits

ALAEA contributes to a Welfare Fund for members of ALAEA. The fund is administered by the Federal Executive of ALAEA. The balance of the Welfare Fund at 31st December 2005 was \$76,249 (2004: \$75,121)

22. Recovery of wages activity

ALAEA did not undertake any recovery of wages activities during the year ending 31 December 2005.

23. Association details

The principal place of business and registered office of ALAEA is:

25 Stoney Creek Rd
Bexley, NSW

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

24. Change In Accounting Policy

The entity has adopted the following Accounting Standards for application on or after 1 January 2005:

- AASB 132: Financial Instruments: Disclosure and Presentation
- AASB 139: Financial Instruments: Recognition and Measurement

The changes resulting from the adoption of AASB 132 relate primarily to increased disclosures required under the standard and do not affect the value of amounts reported in the financial statements.

25. Financial instruments

(a) Financial Risk Management

ALAEA's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.

ALAEA does not have any derivative instruments at 31 December 2005.

(i) Financial Risks

The main risks ALAEA is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(ii) Interest rate risk

ALAEA is not exposed to fluctuations in interest rate on debt. For further details on interest rate risk refer to Note 25(b).

(iii) Foreign currency risk

ALAEA is not exposed to fluctuations in foreign currencies.

(iv) Liquidity risk

ALAEA manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash facilities are maintained.

(v) 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 impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

ALAEA does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by ALAEA.

(vi) Price risk

ALAEA is not exposed to any material commodity price risk.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

25. Financial Instruments (continued)

(b) Interest Rate Risk

ALAEA'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		Within 1 year		Non-interest bearing		Total	
	2005 %	2004 %	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
Financial assets:										
Cash	.05	.06	251,512	286,685	-	-	-	-	251,512	286,685
Cash in short term deposits	5.8	5.3	-	-	1,995,255	1,800,980	-	-	1,995,255	1,800,980
Receivables			-	-	-	-	118,675	120,350	118,675	120,350
Investments			-	-	-	-	1,372,811	1,228,271	1,372,811	1,228,271
Total Financial Assets			<u>251,512</u>	<u>286,685</u>	<u>1,995,255</u>	<u>1,800,980</u>	<u>1,491,486</u>	<u>1,348,621</u>	<u>3,738,253</u>	<u>3,436,286</u>
Financial liabilities:										
Trade and other payables			-	-	-	-	145,793	157,275	145,793	157,275
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,793</u>	<u>157,275</u>	<u>145,793</u>	<u>157,275</u>

(c) Net fair values of financial assets and liabilities

For 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. Financial assets where the carrying amount exceeds net fair values have not been written down as the entity intends to hold these assets to maturity.

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

Aggregate net fair values are materially in line with carrying amounts of financial assets and financial liabilities at balance date.

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 Income Statement, Balance Sheet, Cash Flow Statement, 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 2005.

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.

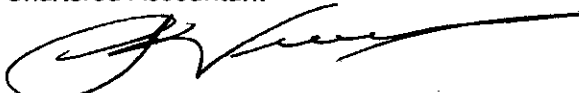
While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Audit Opinion

In our opinion, the general purpose financial report of The Australian Licenced Aircraft Engineers' Association presents fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996, the financial position of The Australian Licenced Aircraft Engineers' Association as at 31 December 2005, 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 31st day of March 2006.

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

Scope

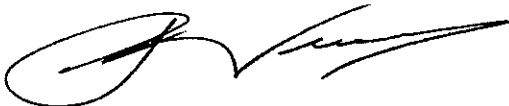
My Auditor's Report dated 31st March 2006, covering the Statutory Financial Statements of The Australian Licenced Aircraft Engineers' Association (hereinafter called 'ALAEA') for the year ended 31 December 2005 as presented by the Committee Members in the preceeding pages, does not relate to the additional financial information presented hereinafter.

Disclaimer:

This additional information comprising the Income & Expenditure Statement for the year ended 31 December 2005 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 2005. 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: 31st March, 2006

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, 2005

	2005 \$	2004 \$
Income		
Members' subscriptions	1,562,329	1,513,892
Interest received	113,279	110,566
Realised gains on managed funds	6,436	
Unrealised gains on managed funds	<u>148,662</u>	<u>163,375</u>
Total income	<u>1,830,706</u>	<u>1,787,833</u>
<u>Expenses</u>		
Employment Costs		
Salaries – Employees	490,200	479,994
Annual leave provision	13,290	6,502
Long service leave provision	7,772	17,445
Payroll tax	604	5,642
Temporary staffing & placements	1,350	0
Superannuation	<u>60,808</u>	<u>60,145</u>
	<u>574,024</u>	<u>569,728</u>
Industrial		
Industrial & travel expenses	253,782	237,567
Professional services	166,580	195,210
Safety awareness campaign	-	117,629
Telephone	<u>45,565</u>	<u>43,098</u>
	<u>465,927</u>	<u>593,504</u>
Management		
Affiliation fees	28,778	24,857
Federal executive expenses	161,952	107,975
Training & conferences	40,572	72,065
Training & conferences provided	<u>-</u>	<u>25,000</u>
	<u>231,302</u>	<u>229,897</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, 2005

	2005	2004
	\$	\$
Overhead Expenses		
Advertising	1,869	0
Bank charges	7,416	6,432
Commissions on employer payroll deductions	22,538	21,748
Computer expenses	28,198	29,486
Depreciation – building	19,644	19,644
Depreciation – equipment	22,475	21,115
Donations	7,885	3,625
Electricity	5,401	4,131
Fringe benefits tax	6,797	3,783
Insurance	10,159	10,772
Investment management fees	4,122	3,945
Library	7,322	8,892
Loss on disposal of plant and vehicles	4,337	3,468
Motor vehicle expenses	14,707	44,092
Postage & delivery	17,868	17,174
Printing & stationery	48,703	42,016
Rates & property expenses	16,760	21,411
Repairs & maintenance	1,432	715
Staff amenities	4,440	4,100
Welfare Fund contribution	<u>15,624</u>	<u>15,139</u>
	<u>267,697</u>	<u>281,688</u>
TOTAL EXPENDITURE	<u>1,538,950</u>	<u>1,674,817</u>
OPERATING SURPLUS FOR YEAR	291,756	113,016
Accumulated funds at beginning of year	<u>3,496,521</u>	<u>3,383,505</u>
ACCUMULATED FUNDS AT END OF YEAR	<u>3,788,277</u>	<u>3,496,521</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, 2005

	2005 \$	2004 \$
Income		
Contributions from General Fund	15,624	15,139
Interest received	<u>3,504</u>	<u>2,140</u>
Total income	<u>19,128</u>	<u>17,279</u>
Expenses		
Welfare payments	<u>18,000</u>	<u>21,500</u>
	<u>18,000</u>	<u>21,500</u>
SURPLUS/(DEFICIT) FOR THE YEAR	1,128	(4,221)
Accumulated funds at beginning of year	<u>75,121</u>	<u>79,342</u>
ACCUMULATED FUNDS AT END OF YEAR	<u>76,249</u>	<u>75,121</u>

Balance Sheet
As at 31 December, 2005

Current Assets

Investments		
Term deposit	69,795	66,291
Receivables - A.L.A.E.A.	<u>6,454</u>	<u>8,830</u>
Net Assets	<u>76,249</u>	<u>75,121</u>
Accumulated Funds	<u>76,249</u>	<u>75,121</u>

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