



FAIR WORK  
AUSTRALIA

20 October 2010

Mr Stephen Purvinas  
Federal Secretary  
The Australian Licenced Aircraft Engineers Association

Attention: Peter Somerville: [PeterS@alaea.asn.au](mailto:PeterS@alaea.asn.au)

Dear Mr Purvinas,

**Lodgement of Financial Documents for year ended 31 December 2009 [FR2009/10254]**

I acknowledge receipt of the financial report of The Australian Licenced Aircraft Engineers Association for the year ended 31 December 2009. The documents were with Fair Work Australia on 16 August 2010.

The financial report has been filed.

I make the following comments to assist you when you next prepare a financial report. No further action is required in connection with the filed documents.

Notes to the financial statements - Note 22

At pages 34 - 35 of the financial report, disclosures are made in relation to items identified in paragraph 19 of the Reporting Guidelines related to section 270 of the *Fair Work (Registered Organisations) Act 2009*.

Those guidelines can only apply if the registered organisation had an income of \$100,000.00 or less in the financial year.

As the Association's income exceeded \$100,000.00, it was not necessary to include the sections 270 disclosures in the report. For completeness I note that the section 253 disclosures contained in Note 22 are necessary.

I trust that this information shall be of assistance. Please contact me by email to [mark.elliott@fwa.gov.au](mailto:mark.elliott@fwa.gov.au) or by telephone on (03) 8661 7811 should you wish to discuss this correspondence.

Yours Sincerely,

MARK ELLIOTT  
Tribunal Services and Organisations



The General Manager  
Fair Work Australia  
GPO Box 1994  
Melbourne VIC 3001

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

Att: Mark Butler

12 July 2010

By email: [mark.butler@fwa.gov.au](mailto:mark.butler@fwa.gov.au)

**Financial Reports of the Australian Licenced Aircraft Maintenance Engineers Association for the financial year ended 31 December 2009.**

Please find attached the following documents for filing:

- Operating Report for 2009
- Committee of Management Statement
- Financial Report for 2009
- Auditors Report
- Designated Officers Certificate.

If you have any queries in regard to these documents, please do not hesitate to contact me at the address shown above.

Yours faithfully

**Peter Somerville**  
General Manager

attachs.

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

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

**Operating Report**  
**For the year ended 31 December, 2009**

Your Committee of Management 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 2009.

**Committee of Management Members:**

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

***Current Committee of Management members***

***- Elected from 1 July 2002 (continuing):***

Paul Cousins (Federal President)  
Wesley Bell (Vice President)  
Stephen Purvinas (Federal Secretary)  
Danny Morarji  
Paras Parasram  
Mike Watson

***- Elected from 1 July 2006 (continuing):***

Mark Gant (Trustee)  
Stephen Re (Trustee)  
Wayne Vasta (Assistant Federal Secretary)  
Brett Bradbury  
Paul Cail  
Christopher Hall  
Robert McGee  
Vinko Vulin

***- Elected from 1 July 2004 (continuing):***

Michael Weitenberg (Senior Vice President)

***- Elected 1 May 2007 (Resigned 24 June 2009):***

Mervyn Whittle

***- Elected from 5 September 2007 (continuing):***

John Alldis

***- Appointed from 24 June 2009 (continuing):***

Bradley Cox

***- Elected from 1 July 2005 (continuing):***

Ralph Young

***- Elected from 28 November 2007 (continuing):***

David Taylor

***- Appointed from 28 April 2009 (continuing):***

Peter Dwyer

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**Principal Activities**

ALAEA has many stakeholders, including the members we care for and their families, our staff and volunteers, the broader community who use air travel, the government agencies that regulate the air travel industry and our suppliers. ALAEA's sees its position as being the peak body to advise government and assist in advising on the effective regulation of the air travel industry in respect of maintenance and safety issues which are paramount not only to those who use the air travel but to those who may be impacted by that air travel – notably the wider Australian community.

In keeping with this philosophy the principal activities of ALAEA during the financial year were:

- to provide representation for workplace related matters and negotiating collective agreements on behalf of members of ALAEA.
- 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 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.
- to promote and enforce high standards in aircraft maintenance.

**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.

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

**Operating Report  
For the year ended 31 December, 2009**

**Operating Result**

The profit for the financial year after providing for income tax ("total comprehensive income for the year") amounted to \$98,731 (2008: \$219,072 loss).

**Review of Operations**

The results for the period covered in this report continued to be adversely affected by the global recession albeit to a lesser extent than the 2008 financial year. It is likely that these external factors will continue to recede in the coming year.

Factors which impacted upon the financial results of ALAEA for the year and in the main contributed to the result include:

Revenue was higher due to an increase in membership and an increase in membership fees. External factors meant that interest and trust distributions were reduced but, as economic conditions improve, this should reverse over future years.

Excluding the impact of an improvement in equity and other markets resulting in an unrealised gain on managed funds of \$110,415 (2008: unrealised loss of \$410,160), the Association's operating costs were higher due largely to increases in employment costs and entitlements and a reduction in industrial expenses.

**Significant Changes in Financial Affairs**

In the opinion of the Committee of Management, there were no significant changes in the state of affairs of ALAEA that occurred during the financial year under review not otherwise disclosed in this report.

**Subsequent Events**

With the exception of legal expenses to be incurred as shown in Note 11 and damages or other claims as a result of future unsuccessful defence of legal matters which claims are unable to be quantified at this time, and the unquantifiable effect of the continuing global recession, there has not arisen in the interval between the end of the financial year and the date of the report any item, transaction or event of a material and unusual nature that in the opinion of the Committee of Management is likely to substantially affect the operations of ALAEA, the results of those operations, or the state of affairs of ALAEA in future financial years.

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

**Operating Report**  
**For the year ended 31 December, 2009**

**Number of Members**

At balance date there were 3,154 members of ALAEA.

**Number of Employees**

At balance date there were 8 equivalent full-time employees (2008: 6).

**Rights of Members to Resign**

Rule 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.
- (6) 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.
- (7) 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.

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

Operating Report  
For the year ended 31 December, 2009

**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 organisation.

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 Notes 11 & 12.

**Proceedings on behalf of ALAEA**

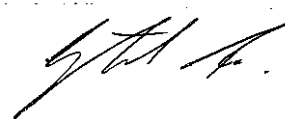
No person has applied for leave of Court to bring proceedings on behalf of ALAEA or intervene in any proceedings to which ALAEA is a party for the purpose of taking responsibility on behalf of ALAEA for all or any part of those proceedings.

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

Mark Gant (Trustee)



Stephen Re (Trustee)



Dated this 6<sup>th</sup> day of MAY 2010

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

**Committee of Management Statement**

On *6 May* 2010, the Committee of Management of The Australian Licenced Aircraft Engineers' Association ["ALAEA"] passed the following resolution in relation to the general purpose financial report ["GPFR"] of the reporting unit for the financial year ended 31 December 2009:


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 General Manager of Fair Work Australia;
- (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 Fair Work (Registered Organisations) Act 2009 [the "RO Act"] and Fair Work (Registered Organisations) Regulations 2009 [the "RO 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 RO Act; and
  - (vi) no orders have been made by the Commission under section 273 of the RO Act.
- (e) No recovery of wages activities was undertaken during the year ending 31 December 2009.

For Committee of Management:  
Title of Office held:

**Stephen Purvinas**  
**Federal Secretary**

Signature:

  
.....

Date:

*6 May 2010*  
.....

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 December 2009**

	Note	2009 \$	2008 \$
Revenue	2	1,721,653	1,636,998
Employee benefits expense		(801,494)	(460,846)
Depreciation expenses		(38,715)	(43,750)
Industrial & management expenses		(643,227)	(747,209)
Postage, Printing & stationery		(26,571)	(23,841)
Computer expenses		(64,166)	(64,443)
Welfare fund contributions		(15,677)	(13,680)
Other expenses		<u>(143,487)</u>	<u>(101,141)</u>
<b>(Loss)/Profit before income tax expense</b>	3,14(a)	(11,684)	182,088
Income tax expense	1(a)	<u>-</u>	<u>-</u>
<b>(Loss)/Profit for the year</b>		<u>(11,684)</u>	<u>182,088</u>
<b>Other comprehensive income after income tax</b>			
Net gain/(loss) on revaluation of financial assets		<u>110,415</u>	<u>(401,160)</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>110,415</u>	<u>(401,160)</u>
<b>Total comprehensive income for the year</b>		<u><b>98,731</b></u>	<u><b>(219,072)</b></u>
<b>Total comprehensive income attributable to members of the entity</b>		<u><b>98,731</b></u>	<u><b>(219,072)</b></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 2009**

	<b>Note</b>	<b>2009</b> <b>\$</b>	<b>2008</b> <b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents	4	1,893,421	1,851,833
Trade and other receivables	5	62,347	65,300
Financial assets	6	1,562,064	1,384,839
Other current assets	7	30,620	23,452
<b>Total current assets</b>		<u>3,548,452</u>	<u>3,325,424</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	293,365	332,080
<b>Total non-current assets</b>		<u>293,365</u>	<u>332,080</u>
<b>Total assets</b>		<u>3,841,817</u>	<u>3,657,504</u>
<b>Current liabilities</b>			
Trade and other payables	9	133,202	76,116
Provisions	10	48,014	33,614
<b>Total current liabilities</b>		<u>181,216</u>	<u>109,730</u>
<b>Non-Current liabilities</b>			
Provisions	10	38,725	24,629
<b>Total current liabilities</b>		<u>38,725</u>	<u>24,629</u>
<b>Total liabilities</b>		<u>219,941</u>	<u>134,359</u>
<b>Net Assets</b>		<u>3,621,876</u>	<u>3,523,145</u>
<b>Equity</b>			
General Fund		<u>3,621,876</u>	<u>3,523,145</u>
<b>Total equity</b>		<u>3,621,876</u>	<u>3,523,145</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 2009**

	<b>Retained Earnings \$</b>	<b>Total \$</b>
<b>Balance at 1 January 2008</b>	3,742,217	3,742,217
Profit attributable to the entity	182,088	182,088
Total other comprehensive income for the year	<u>(401,160 )</u>	<u>(401,160)</u>
<b>Balance at 31 December 2008</b>	<b>3,523,145</b>	<b>3,523,145</b>
Profit attributable to the entity	(11,684 )	(11,684)
Total other comprehensive income for the year	<u>110,415</u>	<u>110,415</u>
<b>Balance at 31 December 2009</b>	<b><u>3,621,876</u></b>	<b><u>3,621,876</u></b>

The accompanying notes form part of these financial statements.

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

**CASH FLOW STATEMENT**  
**for the year ended 31 December 2009**

	Note	2009 \$	2008 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers (incl. Members)		1,741,145	1,516,236
Payments to suppliers and employees		(1,767,047 )	(1,886,632 )
Interest received		63,490	131,767
Trust distributions		66,810	139,573
Donations received from closing union		-	-
Sundry receipts		4,000	-
		<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) operating activities</b>	14(a)	<u>108,398</u>	<u>(99,056 )</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from property, plant & equipment		-	11,404
Purchase of plant & equipment		-	(30,963 )
Purchase of investments		(66,810 )	(139,573 )
		<u>                    </u>	<u>                    </u>
<b>Net cash provided by investing activities</b>		<u>(66,810 )</u>	<u>(159,132 )</u>
<b>Net increase/(decrease) in cash held</b>		41,588	(258,188 )
Cash at 1 January 2009		<u>1,851,833</u>	<u>2,110,021</u>
<b>Cash at 31 December 2009</b>	4	<u>1,893,421</u>	<u>1,851,833</u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**1. Statement of significant accounting policies**

The financial report covers The Australian Licenced Aircraft Engineers' Association (hereinafter also referred to as "ALAEA") as an individual not for profit entity. ALAEA is a Trade Union domiciled in Australia and affiliated to the ACTU.

**Basis of Preparation**

The financial report is a general purpose financial report ["GPFR"] 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 Fair Work (Registered Organisations) Act 2009 [the "RO Act"].

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

As a result, some terminology has changed with effect from 1 January 2009. In particular, Section 253(2) of RO Act and Determinations of reporting guidelines for the purposes of section 253 and 270 of the RO Act refer to a profit and loss statement or other operating statement. This statement is currently referred to under GPFR prepared under IFRS as a Statement of Comprehensive Income.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**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) Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are measured on the cost basis less subsequent depreciation for buildings and impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**1. Statement of significant accounting policies (continued)**

**(b) Property, Plant and Equipment (continued)**

**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 amount.

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 ALAEA and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised leased 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% - 25%	Prime cost
Motor vehicles	12.5% - 15%	Prime cost

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

Asset classes 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 Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**De-recognition and disposal**

An item of property, plant and equipment is de-recognised upon disposal or when the item is no longer used in the operations of the Association. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is de-recognised.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**1. Statement of significant accounting policies (continued)**

**(c) Financial Instruments**

**Initial Recognition & Measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that ALAEA commits to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified at fair value through profit or loss. Transaction costs related to instruments classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as :

- (i) the amount at which the financial asset or financial liability is measured at initial recognition
- (ii) less principal repayments
- (iii) plus or minus the cumulative amortization of the difference, if any, between the amount initially recognized and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**(i) Financial assets at fair value through profit and loss**

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**(ii) 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 subsequently measured at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**1. Statement of significant accounting policies (continued)**

*(iii) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

*(iv) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. The fair value of all unlisted investments is determined by reference to the unit price at year end as determined by the Fund Manager.

**Impairment**

At each reporting date, ALAEA 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 recognized in the Statement of Comprehensive Income.

**Derecognition**

Financial assets are derecognized where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby ALAEA no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is derecognized in profit or loss.

**(d) Impairment of Assets**

At each reporting date, ALAEA 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 Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**1. Statement of significant accounting policies (continued)**

**(e) Employee Benefits**

Provision is made for the ALAEA'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 on-costs. Employee benefits payable later than one year have been measured at 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 of Management 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.

**(f) Provisions**

Provisions are recognised when ALAEA 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.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments.

**(h) Revenue and Other Income**

Revenue from members' subscriptions and joining fees are recognized when received directly from members or collected by employers prior to year end.

Interest revenue is recognized on a proportional basis taking into account the interest rates applicable to the financial assets.

Trust distributions from managed funds are recognized at crediting date being the date the Fund Manager applies the distribution to the purchase of units in the managed funds.

No amounts are included in the financial statements for services donated by volunteers.

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



NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

1. Statement of significant accounting policies (continued)

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognized 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 recognized 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 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.

(j) Affiliation fee

ALAEA is required to pay an annual affiliation fee to the ACTU. Other voluntary affiliation fees are also paid to other organisations.

(k) Comparative Figures

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

Where ALAEA has retrospectively applies an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(l) Key estimates

(i) Impairment

ALAEA assesses impairment at the end of each reporting period by evaluation of conditions and events specific to ALAEA that may be indicative of impairment triggers. Recoverable amounts of relevant assets are re-assessed using estimates of sale values.

(m) Key judgements

(i) Provision for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in Note 1(f). The amount of these provisions would change should any of these factors change in the next 12 months.

(ii) Available for sale financial assets

ALAEA maintains a portfolio of securities within managed funds with a carrying value of \$1,562,064 at reporting date. These managed funds have not declined in value since year end. Should the managed funds values decline to a level which is in excess of 20% below cost or should prices remain at levels below cost for a period in excess of 12 months, the Committee of Management has determined that such investments will be considered impaired in the future.

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**1. Statement of significant accounting policies (continued)**

**(n) Adoption of New and Revised Accounting Standards**

During the current year, ALAEA adopted the following new and revised Australian Accounting Standards and Interpretations applicable to its operations.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the ALAEA.

**AASB 101: Presentation of Financial Statements**

In September 2007, the Australian Accounting Standards Board revised AASB 101 and, as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on ALAEA's financial statements.

*Disclosure impact*

**Terminology changes** – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity** – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

**Statement of comprehensive income** – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

ALAEA's financial statements now contain a statement of comprehensive income.

**Other comprehensive income** – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

**Amendments to IFRS Financial Instrument Disclosures – improving disclosures about financial instruments**

The amendments require additional disclosures for financial instruments that are measured at fair value in the statement of financial position. These fair value measurements are categorized into a three-level fair value hierarchy (see Note 19) which reflects the extent to which they are based on observable market data. A separate quantitative maturity analysis (see Note 19) must be presented for derivative financial liabilities that shows the remaining contractual maturities, where these are essential for an understanding of the timing of cash flows.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**1. Statement of significant accounting policies (continued)**

**(o) New Accounting Standards for application in future periods**

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. ALAEA does not anticipate the early adoption of these standards. A discussion of those future requirements and their impact on ALAEA follows:

- AASB 1: First time adoption of Australian Accounting Standards (May 2009) – “AASB 1R” (applicable for annual reporting periods commencing from 1 January 2010)

The structure of this standard has been amended for ease of use and as it applies only on first-time adoption of Australian equivalents to International Financial Reporting Standards, it is not expected to impact ALAEA.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect ALAEA.

- AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect ALAEA.

- AASB 2009-7: Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17] (applicable for annual reporting periods commencing on or after 1 July 2009).

This standard reflects editorial changes made to a number of accounting standards by the IASB. No changes are expected to materially affect ALAEA.

- AASB 2009-9: Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters (applicable for annual reporting periods commencing on or after 1 July 2009).

This standard makes amendments to ensure that entities applying Australian Accounting Standards for the first time will not face undue cost or effort in the transition process in particular situations. No changes are expected to materially affect ALAEA until ALAEA determines to transition to IFRS.

- IFRS 9: Financial Instruments – to be issued in Australia as AASB 9 (applicable for annual reporting periods commencing on or after 1 January 2013).

IFRS 9 is the first part of Phase 1 of this project. ALAEA has yet to assess the impact that this amendment is likely to have on the financial statements. ALAEA does not expect to implement the amendments until all chapters of the IAS 39 replacement have been published and ALAEA can then assess the impact of these changes.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**1. Statement of significant accounting policies (continued)**

*The AASB has issued other new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods which will not apply to ALAEA financial statements. ALAEA has decided against early adoption of these standards. A brief summary of these follows:*

- AASB 127: Consolidated and Separate Financial Statements (March 2008) – “AASB 127R” (applicable for annual reporting periods commencing from 30 June 2010).
- AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 [Business Combinations (March 2008)] and AASB 127 (see above) [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 14, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing on or after 30 June 2010). AASB 2008-3 was issued after the AASB revised AASB 3 and AASB 127, as consequential amendments were necessary to other Australian Accounting Standards.
- AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & 5] (applicable for annual reporting periods commencing from 30 June 2010). This relates to loss of control of a subsidiary. ALAEA does not have subsidiaries.
- AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 30 June 2010). ALAEA does not use hedging.
- AASB 2008-11: Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities [AASB 3] (applicable for annual reporting periods commencing from 30 June 2010). ALAEA does not have business combinations.
- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 30 June 2010). This is significant if non-cash dividends have been issued. ALAEA does not pay dividends to owners.
- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 (Share Based Payment), AASB 138 (Intangible Assets) and AASB Interpretations 9 (Reassessment of Embedded Derivatives) & 16 (Hedges of a Net Investment in a Foreign Operation)] (applicable for annual reporting periods commencing from 30 June 2010).
- AASB 2009-8: Amendments to Australian Accounting Standards – Group Cash – settled Share-based Payment Transactions (applicable for annual reporting periods commencing from 31 December 2010). Clarifies the scope of AASB 2 Share-based Payment. ALAEA does not issue shares.
- AASB 2009-10: Amendments to Australian Accounting Standards – Classification of Rights Issues (applicable for annual reporting periods commencing from 31 January 2011). Clarifies issues in AASB 132 Financial Instruments: Presentation. ALAEA does not have any rights, options or warrants or its own equity instruments.
- AASB Interpretation 18 – Transfers of Assets from Customers (applicable for annual reporting periods commencing from 1 July 2009). This is significant if there is a receipt of transfer of assets from customers. As ALAEA does not have any agreements in place under the scope of this interpretation, this standard does not apply to ALAEA.
- AASB Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2009). As ALAEA does not have equity instruments, this standard does not apply to ALAEA.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

1. Statement of significant accounting policies (continued)

(o) Information to be provided to Members or Registrar

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 [the "RO Act"], the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of the RO Act which reads as follows:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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).

The financial report was authorised for issue on *6 MAY* 2010 by the Committee of Management.

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

	2009	2008
	\$	\$
<b>2. Revenue</b>		
<b>Other revenue</b>		
Interest received from other persons (banks)	66,719	129,472
Membership subscriptions	1,584,123	1,367,953
Trust distributions	66,811	139,573
Rebates	4,000	-
<b>Total revenue</b>	<u>1,721,653</u>	<u>1,636,998</u>
<b>3. Profit from Ordinary Activities</b>		
<b>(a) Expenses</b>		
Depreciation		
- land and buildings	19,644	19,644
- office equipment	11,528	13,847
- motor vehicle	7,543	10,259
Total Depreciation	<u>38,715</u>	<u>43,750</u>
Remuneration of auditor for:		
- auditing or review of financial report	20,998	20,698
- other services	16,050	14,860
<b>(b) Significant expenses</b>		
The following expense items are relevant in explaining the financial performance:		
Employee benefits expense to officeholders	377,012	345,860
Employee benefits expense to other than officeholders	526,942	453,183
Legal costs	58,427	45,633
Consultants fees	36,490	33,372
Meetings and conference expenses	252,280	205,793
General administrative expenses	212,378	173,224

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

	2009 \$	2008 \$
<b>4. Cash and cash equivalents</b>		
Cash at bank and on hand	1,635,097	1,718,385
Short term bank deposits	258,324	133,448
	<u>1,893,421</u>	<u>1,851,833</u>

The effective interest rate on short-term bank deposits was 3.5% (2008: 6.6%); these deposits have an average maturity of 30 days (2008: 49 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 Statement of Financial Position as follows:

Cash and cash equivalents	<u>1,893,421</u>	<u>1,851,833</u>
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**5. Trade and other receivables**

Subscriptions receivable	61,015	59,800
Other debtors	1,332	5,500
	<u>62,347</u>	<u>65,300</u>

Current receivables are generally on 60 day terms.

These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired.

There are no past due or impaired receivables in the current or previous financial year.

All receivables are within initial trade terms.

The entity does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

For further information on credit risk associated with receivables see Note 19(a).

*Collateral held as security*

No collateral is held as security for any of the trade and other receivable balances.

**Financial assets classified as loans and receivables**

	Note		
Trade and other Receivables			
- Total Current	19	<u>62,347</u>	<u>65,300</u>

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

	2009 \$	2008 \$
<b>6. Financial assets</b>		
CURRENT		
Available-for-sale financial assets	<u>1,562,064</u>	<u>1,384,839</u>
<b>(a) Available-for-sale financial assets comprise:</b>		
Unlisted investments – at fair value	<u>1,562,064</u>	<u>1,384,839</u>
Available-for-sale financial assets comprise investments in Managed Funds. There are no fixed returns or fixed maturity date attached to these investments.		
<b>7. Other current assets</b>		
Prepayments	20,315	16,376
Accrued interest	10,305	7,076
	<u>30,620</u>	<u>23,452</u>
<b>8. Property, plant and equipment</b>		
<b>Land and buildings</b>		
Freehold land (at cost)	<u>110,000</u>	<u>110,000</u>
Building:		
At cost	384,214	384,214
Less accumulated depreciation	(258,546)	(238,902)
Total buildings	<u>125,668</u>	<u>145,312</u>
Total land and buildings	<u>235,668</u>	<u>255,312</u>
<b>Plant and equipment</b>		
Plant & equipment:		
At cost	238,424	238,424
Less accumulated depreciation	(180,727)	(161,656)
Less accumulated impairment losses	-	-
Total plant and equipment	<u>57,697</u>	<u>76,768</u>
<b>Total property, plant and equipment</b>	<u>293,365</u>	<u>332,080</u>



**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**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:

	Freehold Land	Buildings	Office Equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2008	110,000	164,956	51,309	30,006	356,271
Additions	-	-	2,163	28,800	30,963
Disposals	-	-	-	(11,404)	(11,404)
Depreciation expense	-	(19,644)	(13,847)	(10,259)	(43,750)
Balance at 31 December 2008	110,000	145,312	39,625	37,143	332,080
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	-	(19,644)	(11,528)	(7,543)	(38,715)
Balance at 31 December 2009	110,000	125,668	28,097	29,600	293,365

Note	2009	2008
	\$	\$

**9. Trade and other payables**

**Current**

**Unsecured liabilities:**

Trade payables	93,983	54,554
Commissions payable to employers	1,443	1,464
Legal fees payable	12,571	-
Employee benefits payable – officeholders	-	-
GST payable	20,528	8,049
Welfare Fund contributions payable	4,677	12,049
	<u>133,202</u>	<u>76,116</u>

Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

- Total current	19	<u>133,202</u>	<u>76,116</u>
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***Collateral pledged***

No collateral has been pledged for any of the trade and other payable balances.

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

	2009 \$	2008 \$
<b>10. Provisions</b>		
<b>Current</b>		
Employee benefits – non office holders		
Annual leave	48,014	33,614
<b>Total current provisions</b>	<u>48,014</u>	<u>33,614</u>
<b>Non-current</b>		
Employee benefits – non office holders		
Long service leave	38,725	24,629
<b>Total Non-current provisions</b>	<u>38,725</u>	<u>24,629</u>
<b>Movements in provisions</b>		
<b>Current</b>		
<i>Employee benefits movements – non office holders</i>		
Opening balance at beginning of year	33,614	46,880
Additional provisions raised during year	47,067	24,474
Amounts used	(32,667)	(37,740)
Adjustments	-	-
<i>Balance at end of the year</i>	<u>48,014</u>	<u>33,614</u>
<b>Non-current</b>		
<i>Employee benefits movements – non office holders</i>		
Opening balance at beginning of year	24,629	17,960
Additional provisions raised during year	14,096	6,669
Amounts used	-	-
Adjustments	-	-
<i>Balance at end of the year</i>	<u>38,725</u>	<u>24,629</u>
<b>Analysis of total provisions</b>		
Current	48,014	33,614
Non-current	38,725	24,629
	<u>86,739</u>	<u>58,243</u>
<b>Number of employees at year end</b>		
- Non Officeholders	<u>8</u>	<u>6</u>
- Officeholders	<u>21</u>	<u>19</u>

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**10. Provisions (continued)**

**Provision for Conferences and Training**

ALAEA no longer provides for estimated conference and training expenses. ALAEA may incur costs in the future in connection with the Federal conference. It is estimated that ALAEA may incur costs of approximately \$120,000 in the year ending 31 December 2010 in the holding of the Federal conference.

**Provision for Long-term Benefits**

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1(e).

	2009	2008
	\$	\$

**11. Contingent liability**

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

**Contingent Liabilities**

**Claims:**

The Committee of Management have estimated the cost of legal actions commenced in respect of members or in defending actions taken against members and ALAEA but which have not been taken up as an expense in the financial statements as:

	100,000	100,000
	100,000	100,000

ALAEA is unable to quantify the additional cost to the Association from the possible claims for damages by third parties in the event of losing any of the above legal actions.

**12. Employment commitments**

**Superannuation commitment**

ALAEA has provided for superannuation contributions for each employee in accordance with their workplace agreement. Details of contributions are as follows:

Employer contributions expensed in Profit and loss	66,445	37,282
	66,445	37,282

Employer contributions provided as payable at balance date	12,001	3,333
	12,001	3,333

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**13. Events subsequent to Reporting Date**

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.

	2009	2008
	\$	\$

**14. Cash Flow Information**

**(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	(11,684)	182,088
Non-cash flows in profit from ordinary activities:		
Depreciation	38,715	43,750
Changes in assets and liabilities:		
(Increase)/Decrease in accounts receivable	(1,215)	11,495
(Increase)/Decrease in other assets	(3,000)	29,376
Increase/(Decrease) in creditors and accruals	57,086	(359,168)
Increase/(Decrease) in provisions	28,496	(6,597)
Net cash provided by operating activities	108,398	(99,056)

**(b) Credit stand-by arrangement and loan facilities**

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

2009  
\$

2008  
\$

**15. 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

6,004

22,745

**(e) Trustees' transactions:**

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

**16. 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 31<sup>st</sup> December 2009 was \$122,204 (2008: \$114,217).

**17. Key Management Personnel Compensation**

	Short-term Benefits					Post Employment Benefit	Total \$
	Salary & Fees \$	Superannuation Contribution \$	Bonus \$	Non-Cash Benefits \$	Other \$	Long-term Benefits Long Service Leave \$	
<b>2009</b> Total compensation	347,633	29,379	-	-	-	-	377,012
<b>2008</b> Total compensation	321,678	24,182	-	-	-	-	345,860

**18. Association details**

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

25 Stoney Creek Rd  
 Bexley, NSW

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**19. Financial Risk Management**

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:-

	Note	2009 \$	2008 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	1,893,421	1,851,833
Loans and receivables	5	62,347	65,300
Available-for-sale financial assets			
- Managed Funds	6	1,562,064	1,384,839
		<u>3,517,832</u>	<u>3,301,972</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	9	133,202	76,116
- Borrowings		-	-
		<u>133,202</u>	<u>76,116</u>

**Financial Risk Management Policies**

ALAEA's Federal Secretary is responsible for, amongst other issues, monitoring and managing financial risk exposures of ALAEA. The Committee of Management monitors ALAEA's transactions and reviews the effectiveness of controls relating to credit risk, financing risk, and interest rate risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the Committee of Management.

The Committee of Management's overall risk management strategy seeks to ensure that ALAEA meets its financial targets, whilst minimizing potential adverse effects of cash flow shortfalls.

**Specific Financial Risk Exposures and Management**

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

**(a) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**19. Financial Risk Management (continued)**

**(a) Credit risk (continued)**

Credit risk is managed through maintaining procedures (such as the utilization of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness. Subscriptions are expected to be paid prior to the commencement of the subscription period. No subscriptions receivable are past due.

Risk is also minimized through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Committee of Management has otherwise cleared as being financially sound.

*Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

There is no collateral held by the ALAEA securing trade and other receivables.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5.

ALAEA has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables is provided in Note 5.

**(b) Liquidity risk**

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. ALAEA manages this risk through the following mechanisms:-

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realization. Actual timing may therefore differ from that disclosed.

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**19. Financial Risk Management (continued)**

*Financial liability and financial asset maturity analysis*

	Within 1 year		Total	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Financial liabilities due for payment:</b>				
Trade and other payables	133,202	79,116	133,202	79,116
Total contracted outflows	133,202	79,116	133,202	79,116
Total expected outflows	133,202	79,116	133,202	79,116
<b>Financial assets – cash flows realizable:</b>				
Cash and cash equivalents	1,893,421	1,851,833	1,893,421	1,851,833
Trade and other receivables	62,347	65,300	62,347	65,300
Available-for-sale investments	1,562,064	1,384,839	1,562,064	1,384,839
Total Financial Assets	3,517,832	3,301,972	3,517,832	3,301,972
Net inflow on financial instruments	3,384,630	3,222,856	3,384,630	3,222,856

*Financial assets pledged as collateral*

No financial assets have been pledged as security for any financial liability.

**(c) Market risk**

ALAEA is not exposed to any significant interest rate risk since cash balances are invested short-term and there are no borrowings.

**(d) Price risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

ALAEA is exposed to securities price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations.

ALAEA's investments are held in diversified management funds portfolios.



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

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**19. Financial Risk Management (continued)**

*Sensitivity analysis*

The following table illustrates sensitivities to ALAEA's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that the Committee of Management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

**Equity price risk on cash:**

	<b>2009</b>	<b>2008</b>
	\$	\$
<b>Change in profit – increase/(decrease)</b>		
– Increase in interest rate by 1%	14,420	14,637
– Decrease in interest rate by 3%	(56,433)	(61,209)
<b>Change in equity - increase/(decrease)</b>		
– Increase in interest rate by 1%	14,420	14,637
– Decrease in interest rate by 3%	(56,433)	(61,209)

**Equity price risk on managed funds:**

<b>Change in profit – increase/(decrease)</b>		
– Increase in funds price by 10%	156,206	138,483
– Decrease in funds price by 15%	(234,310)	(207,724)
<b>Change in equity - increase/(decrease)</b>		
– Increase in funds price by 10%	156,206	138,483
– Decrease in funds price by 15%	(234,310)	(207,724)

No sensitivity analysis has been performed on foreign exchange risk, as the Association has minimal exposure to foreign currency fluctuations.

**Net Fair Values**

**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Areas of judgement and the assumptions used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. Fair values for managed funds are obtained from the Fund Manager.

**THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION**  
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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**19. Financial Risk Management (continued)**

**Net Fair Values (continued)**

	Footnote	2009		2008	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	1,893,421	1,893,421	1,851,833	1,851,833
Trade and other receivables	(i)	62,347	62,347	65,300	65,300
Available-for-sale investments					
- unlisted managed funds	(ii)	1,562,064	1,562,064	1,384,839	1,384,839
<b>Total Financial Assets</b>		<b>3,517,832</b>	<b>3,517,832</b>	<b>3,301,972</b>	<b>3,301,972</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	133,202	133,202	76,116	76,116
<b>Total Financial Liabilities</b>		<b>133,202</b>	<b>133,202</b>	<b>76,116</b>	<b>76,116</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.
- (ii) For unlisted managed funds available-for-sale financial assets, closing quoted bid prices at reporting date as provided by the Fund Manager are used.

**Financial Instruments Measured at Fair Value**

The financial instruments recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and,
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>2009</b>				
<b>Financial assets</b>				
Available-for-sale investments	-	1,562,064	-	1,562,064
	-	1,562,064	-	1,562,064

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**19. Financial Risk Management (continued)**

**Net Fair Values (continued)**

	Level 1	Level 2	Level 3	Total
2008	\$	\$	\$	\$
<b>Financial assets</b>				
Available-for-sale investments	-	1,384,839	-	1,384,839
	-	1,384,839	-	1,384,839

Included within Level 2 of the hierarchy are unlisted investments in managed funds. The fair value of these financial assets has been based on the unit pricing supplied by the external manager of the managed funds portfolio.

**20. Capital Management**

The Committee of Management controls the capital of ALAEA to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximized. Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include credit risk policies and future cash flow requirements.

ALAEA's capital consists of total equity and financial liabilities.

The Committee of Management effectively manages ALAEA's capital by assessing its financial risks and responding to changes in these risks and in the market.

This is a change to the strategy adopted by the Committee of Management to control the capital of ALAEA in previous years to a more meaningful risk control assessment. The strategy of ALAEA is to maintaining a gearing ratio below 10%.

The gearing ratios for the years ended 31 December 2009 and 31 December 2008 and 31 December 2007 are as follows:

	Note	2009	2008	2007
		\$	\$	\$
Trade and other payables		133,202	79,116	435,284
Total financial liabilities		133,202	79,116	435,284
Total equity (retained earnings)		3,523,145	3,523,145	3,742,217
<b>Total capital</b>		<b>3,656,347</b>	<b>3,602,261</b>	<b>4,177,501</b>
Gearing ratio		3.6%	2.2%	10.4%

**Association details**

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

25 Stoney Creek Rd  
 Bexley, NSW

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

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009**

**21. Recovery of wages activity**

ALAEA did not undertake any recovery of wages activities during the year ending 31 December 2009.

2009	2008
\$	\$

**22. Other information required under determination of reporting guidelines for the purposes of sections 253 & 270 of RO Act**

The following expense items are provided in accordance with the above RO Act:

**Section 253 determination Paragraph 11:**

(a) Employer payroll deduction expenses	16,431	14,662
(b) & Payments to another reporting unit as contribution towards		
(c) administrative expenses	0	0
(d) Federation and affiliation fees	24,284	40,597
(e) Compulsory levies imposed on ALAEA not included in (d)	0	0
(f) Donations to benevolent institutions	1,500	1,539
Grants & donations to other institutions	0	0
(g) Employee benefits <i>expense</i> to officeholders	377,012	345,860
(h) Employee benefits <i>expense</i> to other than officeholders	526,924	460,846
(i) Fees or allowances to persons in respect of their attendances as representatives of ALAEA at conferences or other meetings	0	0
(j) Legal costs and litigation expenditure	58,427	45,633
(k) Meetings and conference expenses	252,280	205,793
(l) Penalties imposed under the Act or Regulations	0	0

**Section 270 determination Paragraph 19:**

(a) Employer payroll deduction expenses	16,431	14,662
(b) Federation and affiliation fees	24,284	40,597
(c) Compulsory levies imposed on ALAEA not included in (b)	0	0
(d) Donations to benevolent institutions	1,500	1,539
Grants & donations to other institutions	0	0
(e) Employee benefits <i>paid</i> to officeholders:		
(i) wages & benefits	347,633	321,678
(ii) annual leave & sick leave	0	0
(iii) long service leave	0	0
(iv) superannuation	29,379	24,182

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

	2009	2008
	\$	\$
<b>22. Other information required under determination of reporting guidelines for the purposes of sections 253 &amp; 270 of RO Act (continued)</b>		
<i>Section 270 determination Paragraph 19 (continued):</i>		
(f) Employee benefits paid to other than officeholders:		
(i) - wages & benefits	502,161	381,566
- redundancy	0	0
(ii) - annual leave	32,667	41,998
- sick leave (other than normal wage entitlements)	0	0
(iii) - long service leave	0	0
(iv) - superannuation	54,673	37,282
(g) Fees or allowances to persons (excluding amounts included in sub-paragraphs (e) and (f) above) in respect of their attendances as representatives of ALAEA at conferences or other meetings	0	0
(h) Remuneration of auditor for:		
- auditing or review of financial report	20,998	20,698
- other services	16,050	14,860
(i) Meetings and conference expenses	252,280	205,793
(j) General administrative expenses	212,378	173,224
(k) Interest on loans and any other expenses incurred in connection with the control or management of assets of ALAEA	0	0
(l) Depreciation or amortization on investments and assets	38,715	43,750
(m) Penalties imposed under the Act or Regulations	0	0

**23. Post-reporting date events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

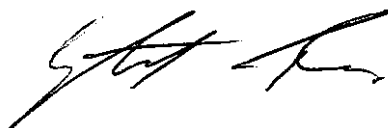
**24. Authorisation of financial statements**

The financial statements for the year ended 31 December 2009 (including comparatives) were approved by the Committee of Management on **6 MAY** 2010.

Mark Gant  
Trustee



Stephen Re  
Trustee



J.W. KELLERT B.COM.,F.C.A.

J.W. KELLERT  
— & CO. —

CHARTERED ACCOUNTANT

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE AUSTRALIAN LICENCED AIRCRAFT ENGINEERS' ASSOCIATION**

**Report on the financial report**

We have audited the accompanying financial report, being a general purpose financial report, of The Australian Licenced Aircraft Engineers' Association (hereinafter referred to as "ALAEA", which comprises the Statement of Financial Position as at 31 December 2009, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Statement by Members of the Committee of Management.

**Committee of Management Members' responsibility for the financial report**

The Committee of Management members of ALAEA are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Fair Work (Registered Organisations) Act 2009 [the "RO Act"] and are appropriate to meet the needs of the members. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the Committee of Management also state, in accordance with Australian Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalent to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS. The Committee of Management has stated that the Association operates as a not-for-profit trade union.

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management members, as well as evaluating the overall presentation of the financial report. In so doing no opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of individual members.

Our audit did not involve an analysis of the prudence of business decisions made by the Committee of Management members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee of Management members' financial reporting requirements under the Workplace Relations Act 1996. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

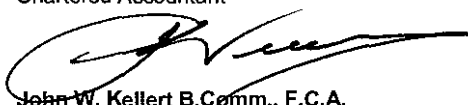
**Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**Auditor's opinion**

In our opinion the general purpose financial report of The Australian Licenced Aircraft Engineers' Association presents fairly in accordance with the accounting policies described in Note 1 to the financial statements and applicable accounting standards and the requirements imposed by Part 3 of Chapter 8 of Fair Work (Registered Organisations) Act 2009, the financial position of ALAEA as at 31 December 2009 and its performance and its cash flows for the year ended on that date.

J.W. Kellert & Co.  
Chartered Accountant



John W. Kellert B.Comm., F.C.A.

Registered Auditor No. 2874

Approved Auditor (Reg. 4 of Fair Work (Registered Organisations) Regulations 2009)

Dated this 17<sup>th</sup> day of May 2010

J.W. KELLERT B.COM.,F.C.A.

J.W. KELLERT  
— & CO. —

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## 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 17 May 2010, covering the General Purpose Financial Statements of The Australian Licenced Aircraft Engineers' Association (hereinafter called 'ALAEA') for the year ended 31 December 2009 as presented by the Committee of Management Members in the preceeding pages, does not relate to the Additional Financial Information presented hereinafter which are designated as special purpose financial information.

We have compiled the following special purpose Income and Expenditure Statement and Welfare Fund Income and Expenditure Statement and Balance Sheet (the "Additional Financial Information") in accordance with APES 315: Compilation of Financial Information.

#### Disclaimer:

The additional financial information for the year ended 31 December 2009 is in accordance with the books and records presented to us by ALAEA that have been subjected to the auditing procedures applied in my audit of ALAEA's General Purpose Financial Statements for the year ended 31 December 2009.

It will be appreciated that my audit of the General Purpose Financial Statements did not include verification or validation procedures of all items of the following Additional Financial Information.

Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the Additional Financial Information, which has been prepared to satisfy the information requirements of the Committee of Management.

Accordingly, I do not express an opinion on this special purpose Additional Financial Information and no warranty of accuracy or reliability is given. To the extent permitted by law, neither myself or any employee or associated entity 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 Additional Financial Information, including any errors or omissions therein, arising through negligence or otherwise however caused. No person should rely on the Additional Financial Information without having an audit or review conducted.

**J.W. KELLERT & CO.**

Chartered Accountant



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

17 May, 2010

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

**Income & Expenditure Statement**  
**for the year ended 31 December 2009**

	Note	2009 \$	2008 \$
<b>Income</b>			
Members' subscriptions		1,584,123	1,367,953
Interest received		66,719	129,472
Trust distributions		66,811	139,573
Donations		-	-
Rebates		4,000	-
Unrealised gains on managed funds		110,415	-
		<u>1,832,068</u>	<u>1,636,998</u>
<b>Total income</b>			
<b>Expenses</b>			
<b>Employment Costs</b>			
Salaries & annual leave – Employees		691,864	369,993
Staff recruitment		-	7,412
Long service leave provision		14,096	6,669
Payroll tax		11,850	-
Temporary staffing & placements		8,583	39,490
Superannuation		75,101	37,282
		<u>801,494</u>	<u>460,846</u>
<b>Industrial</b>			
Industrial & travel expenses		143,769	234,123
Professional services		134,500	118,485
Telephone		48,564	55,760
		<u>326,833</u>	<u>408,368</u>
<b>Management</b>			
Affiliation fees		24,284	40,597
Federal executive expenses		267,348	271,228
Training & conferences		24,762	27,016
		<u>316,394</u>	<u>338,841</u>

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



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

**Income & Expenditure Statement (continued)**  
**for the year ended 31 December 2009**

	Note	2009 \$	2008 \$
<b>Overhead Expenses</b>			
Advertising		11,218	540
Bank charges		12,003	9,489
Commissions on employer payroll deductions		15,760	14,662
Computer expenses		64,166	64,443
Depreciation – building		19,644	19,644
Depreciation – equipment		19,071	24,106
Donations		1,500	1,539
Electricity		5,949	4,841
Fringe benefits tax		6,230	4,209
Insurance		18,378	8,115
Library		5,875	3,091
Loss on managed funds (unrealised)		-	401,160
Membership recruitment costs		16,435	10,259
Motor vehicle expenses		16,053	12,912
Postage & delivery		13,001	9,705
Printing & stationery		13,570	14,136
Rates & property expenses		24,611	23,767
Repairs & maintenance		5,846	4,058
Staff amenities		3,629	3,659
Welfare Fund contribution		15,677	13,680
<b>Total overhead expenses</b>		<u>288,616</u>	<u>648,015</u>
<b>Total Expenditure</b>		<u>1,733,337</u>	<u>1,856,070</u>
<b>Operating Surplus/(Loss) for the year</b>		<b>98,731</b>	<b>(219,072)</b>
Accumulated funds at beginning of year		<u>3,523,145</u>	<u>3,742,217</u>
<b>Accumulated Funds at end of year</b>		<u><b>3,621,876</b></u>	<u><b>3,523,145</b></u>
<b>Reconciliation of total overhead expenses to Statement of Comprehensive Income</b>			
Depreciation expense		38,715	43,750
Postage, printing & stationery		26,571	23,841
Computer expenses		64,166	64,443
Welfare fund contributions		15,677	13,680
Other expenses		143,487	101,141
Unrealised loss on managed funds		-	401,160
<b>Total overhead expenses</b>		<u>288,616</u>	<u>648,015</u>

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

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

**WELFARE FUND**

**Income & Expenditure Statement**  
**for the year ended 31 December 2009**

	Note	2009 \$	2008 \$
<b>Income</b>			
Contributions from General Fund		15,677	13,680
Interest received		3,310	6,332
		<u>18,987</u>	<u>20,012</u>
Total income		<u>18,987</u>	<u>20,012</u>
<b>Expenses</b>			
Welfare payments		11,000	3,000
		<u>11,000</u>	<u>3,000</u>
Surplus for the year		7,987	17,012
Accumulated funds at beginning of year		<u>114,217</u>	<u>97,205</u>
Accumulated Funds at end of year		<u>122,204</u>	<u>114,217</u>

**Balance Sheet**  
**for the year ended 31 December 2009**

**Current Assets**

Investments:			
Term deposit		117,527	102,168
Receivables – ALAEA		4,677	12,049
		<u>122,204</u>	<u>114,217</u>
<b>Net Assets</b>		<u>122,204</u>	<u>114,217</u>
<b>Accumulated Funds</b>		<u>122,204</u>	<u>114,217</u>

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

**Designated Officer's Certificate or other Authorised Officer**  
**s268 of the *Fair Work (Registered Organisations) Act, 2009***

I *Stephen Purvinas* being the Federal Secretary of the Australian Licenced Aircraft Engineers Association certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act, 2009*; and
- that the full report, was provided to members on *20 May 2010*; and
- that the full report was presented to *a meeting of the committee of management* of the reporting unit on 6 May 2010 in accordance with section 266 of the *Fair Work (Registered Organisations) Act, 2009* and a resolution was passed to present the report to the members. The report was subsequently provided to the members via a notice to members and displayed on the ALAEA website.
- that after a period exceeding 28 days on 18 June 2010 a further motion was put to *a meeting of the committee of management* that following the release to the members there were no outstanding questions relating to the financial report that the report be lodged with the General Manager of Fair Work Australia. This motion was passed on 23 June 2010.

Signature



Date: 12 July 2010



FAIR WORK  
AUSTRALIA

8 February 2010

Mr Stephen Purvinas  
Federal Secretary  
The Australian Licenced Aircraft Engineers Association  
fedsec@alaea.asn.au

Dear Mr Purvinas,

**Lodgement of Financial Documents for year ended 31 December 2009 [FR2009/10254]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of The Australian Licenced Aircraft Engineers Association (the “reporting unit”) has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit’s financial documents. The full financial report must be lodged with Fair Work Australia within a period of 5 months and 14 days or 6 months and 14 days, depending on your rules, of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. You will find that the legislative requirements remain largely unchanged to that of the former requirements under Schedule 1 of the Workplace Relations Act 1996. The information can be viewed at [www.fwa.gov.au](http://www.fwa.gov.au) – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial reporting guidelines.

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at [orgs@fwa.gov.au](mailto:orgs@fwa.gov.au). Alternatively, you can forward the documents by fax to (03) 9655 0410.

Please do not hesitate to contact me on (03) 8661 7993 or by email at [larry.powell@fwa.gov.au](mailto:larry.powell@fwa.gov.au) if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Larry Powell  
Tribunal Services and Organisations  
Fair Work Australia

**TIMELINE/ PLANNER**

Financial reporting period ending:	/ /
------------------------------------	-----

Prepare financial statements and Operating Report.
----------------------------------------------------

(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	

*As soon as practicable after end of financial year*

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
-----------------------------------------------------------------------------	-----

*Within a reasonable time of having received the GPFR  
(NB: Auditor's report must be dated on or after date of Committee of Management Statement)*

Provide full report free of charge to members – s265 The full report includes:	/ /
<ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	

*(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,*

*or*

*(b) in any other case including where the report is presented to a Committee of Management meeting\*, the report must be provided to members within 5 months of end of financial year.*

Present full report to:	/ /
(a) General Meeting of Members - s266 (1),(2); OR	
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

*Within 6 months of end of financial year*

*Within 6 months of end of financial year*

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
----------------------------------------------------------------------------------------------------------	-----

*Within 14 days of meeting*

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.