



AUSTRALIAN INDUSTRIAL REGISTRY

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

Mr Ted Lang
President
The Civil Air Operations Officers' Association of Australia
PO BOX 394
PORT MELBOURNE 3207

Dear Mr Lang

Re: Financial statements for year ended 30 June 2003 - FR2003/396

Receipt is acknowledged of the financial documents of the organisation for the year ended 30 June 2003. The documents were lodged in the Industrial Registry on 19 December 2003.

The documents have been filed.

Yours sincerely,

Sylvia van Riet
Statutory Services Branch

19 January 2004

FR 2003/396

REGISTERED & FEDERAL OFFICE
214 Graham Street,
P.O. Box 394, Port Melbourne, Vic 3207
Telephone: (03) 9646 9277
Fax: (03) 9646 6799
Email: civilair@civilairtasn.au

Civil Air

The Australian Air Traffic Control Association

15 December 2003

Industrial Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001



Dear Sir,

RE: ASSOCIATION FINANCIAL STATEMENTS AND ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2003.

In accordance with Section 280 of the Workplace Relations Act 1996 please find enclosed a signed copy of the Association's Financial Statements and Annual Report for the financial year ended 30th June 2003.

The Auditors of the Association, Donald W. Cox and Associates, were appointed in accordance with Section 275 of the Act, and were provided full access to the accounts of the Association in accordance with Section 276 of the Act.

The enclosed Financial Statements and Annual Report were compiled in accordance with Section 273, 276 and Regulations 107, 108, 109 and 110.

A resolution accepting the Accounts was passed by the Committee of Management on 10 September 2003.

The Statements of the Accounting Officer and Committee of Management were signed on 8 October 2003. The Auditor's Report was signed on 16 October 2003.

On 20 October 2003, the Statements were sent free of charge to Civil Air Representatives at all Air Traffic Control work locations, for the perusal of all Civil Air members, as required by Section 279 of the Act.

On 13 November 2003, after the Association's members had time to examine the document, the National Executive of the Association accepted the Reports and Statements in accordance with Section 279(6) of the Act. This meeting was held in accordance with Rule 24 of the Association Rules and a quorum existed during the meeting.

I trust the above information is satisfactory and that these Statements meet the requirements of the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Ted Lang".

TED LANG
PRESIDENT

Financial Statements

2002-2003

REGISTERED & FEDERAL OFFICE
214 Graham Street,
P.O. Box 394, Port Melbourne, Vic 3207
Telephone: (03) 9646 9277
Fax: (03) 9646 6799
Email: civilair@civilair.asn.au

Civil Air

The Australian Air Traffic Control Association

ANNUAL ACCOUNTS

2003

I have pleasure in presenting the Annual Accounts of the Civil Air Operations Officers' Association of Australia, and those of the Air Officers Trust.

The Association returned a small operating loss of approximately \$6,000 for the financial year ending 30th June, 2003. This is an anticipated result representing not even 0.5% of our total operating income, and has occurred in a year where fees were not increased. Given that the worst of the Certified Agreement negotiations put an enormous strain on our resources at the start of the financial year, it is not unexpected. It also demonstrates that the expenses incurred in running the Association are finely matched to that same income. Fees for members are at the minimum possible to sustain us from running at a larger operating loss.

Furthermore, our financial position is bolstered by the distribution of dividends from the Air Officers Trust. This has ensured that the Association has an additional long-term income stream to further guarantee its future.

Having said that, it is expected that Civil Air will return to a position where expenses match revenues for the 2003-2004 financial year, due to the necessary increase in membership fees occurring in July 2003. Every effort is being made to ensure that our operating costs are kept to an absolute minimum, but we can never predict what may eventuate on the industrial or legal horizons. However, it shall be managed and minimised. Additionally, the income from the Air Officers Trust provides the necessary security for such circumstances.

When reading the Accounts, please keep in mind that we have operated on the cash-based accounting system for a full year now. It was felt that the simpler and easier to understand cash system would better suit the needs of our membership, and the Industrial Relations Registrar permits this. Members who scrutinize the accounts hopefully will see how much more transparent this accounting system is for allowing the visibility of expenditure of your subscriptions.

The Accounts, as presented this year, represent the true, yet simple, state of the incomings and outgoings of the Association.

My thanks to the untiring efforts of our Accountant, Patricia Ganci and George Fishlock, Vice President Finance, without whom we would not find the union in such a sound financial situation.



TED LANG
PRESIDENT

**CIVIL AIR OPERATIONS
OFFICERS' ASSOCIATION
OF AUSTRALIA**

**Financial Statements for the
Financial Year ended
30th June, 2003**

Statement of Cash Flows

**Statement of the Committee of
Management**

**Statement by the Accounting
Officer**

Auditor's Report

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDING 30TH JUNE 2003**

| 2002 | INCOME | NOTE | 2003 |
|----------------|--------------------------------|------|----------------|
| 816,334 | Membership Fees - Full | 4 | 883,937 |
| 18,109 | Membership Fees - Associates | 4 | 20,427 |
| 6,858 | Interest Income | | 6,573 |
| <u>841,300</u> | <u>TOTAL INCOME</u> | | <u>910,938</u> |
| | EXPENSES | | |
| | ADMINISTRATION EXPENSES | | |
| 4,817 | Accounting Fees | 5 | 1,237 |
| - | Advertising & Press Releases | | 2,626 |
| 31,027 | Affiliation Fees | 23 | 48,347 |
| 7,707 | Audit Fees | | 11,340 |
| 1,936 | Bank Charges | | 2,921 |
| 3,184 | Bank Charges - Credit Cards | | 962 |
| 750 | CabCharge Service Fee | | 1,036 |
| 10,245 | Cleaning - Premises | | 10,440 |
| 597 | Cleaning Supplies | | 660 |
| 4,171 | Computer Support | | 10,235 |
| 573 | Conference Registrations | | 1,331 |
| 23,619 | Consultancy Fees | | 24,313 |
| 250 | Daily Allowance | | 160 |
| 23,578 | Depreciation | 17 | 28,996 |
| 19,244 | Electricity | | 15,443 |
| 1,649 | E-mail & Internet Expenses | | 2,443 |
| 64 | Fines | | - |
| 6,443 | Fringe Benefits Tax | | 13,455 |
| 40 | Freight & Delivery Costs | | 75 |
| 1,911 | Gifts | | 1,771 |
| 1,500 | Hire Fees | | - |
| - | Insurance | 7 | 11,401 |
| 6,033 | Insurance - WorkCover | | 5,796 |
| 2,154 | Internet Allowance | | 2,260 |
| - | Media Monitoring Costs | | 3,715 |
| 2,486 | Motor Vehicle Expenses | | 1,197 |
| 3,045 | Office Allowance | | 2,740 |
| 1,045 | Office Requirements | | 1,285 |
| 5,778 | Postage | | 5,222 |
| 8,904 | Printing | | 6,012 |
| 7,991 | Publications & Subscriptions | | 10,107 |
| 3,909 | Rates & Taxes | | 3,780 |
| 45,000 | Rent - Premises | 13 | 45,000 |
| 5,184 | Repairs & Maintenance | 6 | 6,213 |
| 271,004 | Salaries - Permanent Staff | 22 | 288,053 |
| 6,292 | Salary Sacrifice | | - |

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDING 30TH JUNE 2003**

| | | | |
|-----------|--|----|-----------|
| - | Staff Recruitment Expenses | | 201 |
| 1,200 | Staff Training | | - |
| 4,500 | Stationery | | 6,504 |
| 21,514 | Superannuation | | 23,727 |
| 22,993 | Telephone | | 25,215 |
| 880 | Video Conferencing Costs | | - |
| 563,218 | | | 626,219 |
| | ORGANISATION EXPENSES | | |
| 23,433 | Accommodation Expenses | 8 | 24,986 |
| 10,697 | Meals Expenses | 9 | 12,551 |
| 347 | Parking Expenses | 10 | 1,053 |
| 81,330 | Travel Expenses | 11 | 100,880 |
| 115,807 | | | 139,471 |
| | GENERAL EXPENSES | | |
| 150,513 | Legal Fees | | 150,434 |
| 1,649 | Member Services | | 852 |
| 398 | Tributes & Grants | | - |
| 152,560 | | | 151,286 |
| 831,584 | TOTAL EXPENSES | | 916,977 |
| 9,716 | OPERATING SURPLUS/(DEFICIT) | | (6,039) |
| | NON-OPERATING INCOME AND EXPENSES | | |
| | NON-OPERATING INCOME | | |
| 108,245 | Distribution from Air Officers Trust | 14 | 126,475 |
| 1,368 | Golden Wing Reimbursements | | - |
| 701 | Increase(Decrease) in Provision for Annual Leave | | - |
| 819 | Increase(Decrease) in Provision for Legal Costs | | - |
| 1,990 | Miscellaneous Reimbursements | | - |
| - | Profit(Loss) on Disposal of Assets | | 100 |
| - | Airservices Reimbursements | | 29,106 |
| 842 | WorkCover Refund | | - |
| 113,966 | | | 155,681 |
| | NON-OPERATING EXPENSES | | |
| 206 | AUSATTS Trading Account | 20 | 408 |
| - | Increase(Decrease) in Provision for Annual Leave | | 2,482 |
| - | Increase(Decrease) in Provision for Long Service Leave | | 7,818 |
| 1,000 | Loan Forgiveness | | - |
| 1,206 | | | 10,708 |
| 112,760 | | | 144,973 |
| 122,476 | NET SURPLUS AND EXTRAORDINARY ITEMS | | 138,934 |
| 3,157,225 | Opening Balance | | 3,279,701 |
| 3,279,701 | ACCUMULATED SURPLUS | | 3,418,635 |

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**BALANCE SHEET
FOR THE PERIOD ENDING 30TH JUNE 2003**

| 2002 | <u>ACCUMULATED FUNDS</u> | NOTE | 2003 |
|-------------------------|---|-------------|-------------------------|
| | RESERVES | | |
| 5,000 | Emergency Fund | | 5,000 |
| <u>3,279,701</u> | Accumulated Surplus | | <u>3,418,635</u> |
| <u><u>3,284,701</u></u> | <u>TOTAL CAPITAL AND RESERVES</u> | | <u><u>3,423,635</u></u> |
| | <i>Represented By:</i> | | |
| | PROPERTY, PLANT AND EQUIPMENT | | |
| 36,000 | Motor Vehicles At Cost | 17 | 36,000 |
| <u>(10,473)</u> | Less Provision for Depreciation | | <u>(16,217)</u> |
| 25,527 | | | 19,783 |
| 124,115 | Office Furniture & Fittings At Cost | 17 | 145,523 |
| <u>(64,582)</u> | Less Provision for Depreciation | | <u>(87,835)</u> |
| 59,533 | | | 57,688 |
| | NON-CURRENT ASSETS | | |
| 3,189,072 | Loan - Air Officers Pty Ltd as Trustee for Air Officers Trust | | 3,266,768 |
| <u>168,623</u> | CURRENT ASSETS | 1 | <u>265,815</u> |
| 3,442,754 | <u>TOTAL ASSETS</u> | | 3,610,054 |
| 32,397 | CURRENT LIABILITIES | 2 | 50,462 |
| 125,656 | NON-CURRENT LIABILITIES | 3 | 135,957 |
| <u><u>3,284,701</u></u> | <u>NET ASSETS</u> | | <u><u>3,423,635</u></u> |

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003**

| 2002 | NOTE 1 - CURRENT ASSETS | NOTE | 2003 |
|--|--|-------------|----------------|
| 100 | Cash on Hand - Petty Cash | | 100 |
| 138,946 | Cash at Bank | | 246,966 |
| 28,786 | Convention Cheque Account | | 18,401 |
| 791 | AUSATTS Cheque Account | | 349 |
| <u>168,623</u> | | | <u>265,815</u> |
| NOTE 2 - CURRENT LIABILITIES | | | |
| 20,833 | Convention Funds Held | | 21,062 |
| 4,784 | GST Liabilities | | 20,628 |
| 1,576 | FBT Instalment Liability | | 3,006 |
| 5,204 | PAYG Tax Payable | | 5,766 |
| <u>32,397</u> | | | <u>50,462</u> |
| NOTE 3 - NON-CURRENT LIABILITIES | | | |
| 35,055 | Provision for Long Service Leave | 15 | 42,873 |
| 15,602 | Provision for Annual Leave | 15 | 18,084 |
| 75,000 | Provision for Legal Costs for Representing Members | 12 | 75,000 |
| <u>125,656</u> | | | <u>135,957</u> |
| NOTE 4 - MEMBERSHIP SUBSCRIPTIONS | | | |
| 816,334 | Membership Fees - Full | | 883,937 |
| 18,109 | Membership Fees - Associates | | 20,427 |
| <u>834,442</u> | | | <u>904,365</u> |

In collecting membership fees for this year, no expenses were incurred as consideration from employers making payroll deductions of membership subscriptions.

Membership subscriptions are brought to account on a cash basis. Despite membership numbers remaining constant and a slight increase in fees for the year, the efficiency and constant improvement in the management of subscriptions resulted in more fees being collected this year.

As at 30th June, 2003, management reported that there were no outstanding membership subscriptions.

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003**

| 2002 | NOTE | 2003 |
|---------------|--|---------------|
| | NOTE 5 - SECRETARY AND ACCOUNTANCY FEES | |
| 4,817 | Cox Partners Accountants Pty Ltd - Accounting and Taxation | 1,237 |
| <u>4,817</u> | | <u>1,237</u> |
| | NOTE 6 - REPAIRS AND MAINTENANCE | |
| 245 | Repairs & Maintenance - Equipment | 620 |
| - | Repairs & Maintenance - Computers | 220 |
| 147 | Repairs & Maintenance - General | 60 |
| 4,792 | Repairs & Maintenance - Contracts | 5,313 |
| <u>5,184</u> | | <u>6,213</u> |
| | NOTE 7 - INSURANCE | |
| - | Insurance - Association Liability | 6,793 |
| - | Insurance - Office | 3,531 |
| - | Insurance - Travel | 1,076 |
| <u>-</u> | | <u>11,401</u> |
| | NOTE 8 - ACCOMMODATION EXPENSES | |
| 119 | Administration Meetings | - |
| 735 | Airservices Australia Meetings | 3,769 |
| - | Convention Meetings | 420 |
| 2,607 | Committee of Management Meetings | 3,834 |
| 510 | Divisional Meetings | 747 |
| - | EBA Meetings | 592 |
| - | Government Meetings | 124 |
| 1,854 | Incidents and Accidents Meetings | 95 |
| 6,492 | IFATCA Meetings | 8,709 |
| 274 | Industrial Relations Commission Hearings | 475 |
| 6,765 | National Executive Meetings | 3,356 |
| 3,805 | Other Meetings | 2,865 |
| 273 | Technical Meetings | - |
| <u>23,433</u> | | <u>24,986</u> |

By adopting the cash basis for accounting, no insurance expense was reported in the 2001-2002 financial year. It is noted that an amount of \$11,041 was paid this financial year.

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003**

| 2002 | NOTE 9 - MEALS EXPENSES | NOTE | 2003 |
|-----------------------------------|--|------|----------------|
| 1,587 | Administration Meetings | | 2,235 |
| 126 | Airservices Australia Meetings | | 417 |
| 64 | Convention Meetings | | - |
| 4,078 | Committee of Management Meetings | | 3,210 |
| - | Divisional Meetings | | 346 |
| - | EBA Meetings | | 689 |
| 53 | IFATCA Meetings | | 865 |
| 78 | Industrial Relations Commission Hearings | | 112 |
| 3,767 | National Executive Meetings | | 4,042 |
| 942 | Other Meetings | | 637 |
| <u>10,697</u> | | | <u>12,551</u> |
| NOTE 10 - PARKING EXPENSES | | | |
| 56 | Airservices Australia Meetings | | 330 |
| 17 | Convention Meetings | | - |
| 33 | Committee of Management Meetings | | 118 |
| 60 | Divisional Meetings | | 155 |
| 67 | Industrial Relations Commission Hearings | | 201 |
| 114 | Other Meetings | | 248 |
| <u>347</u> | | | <u>1,053</u> |
| NOTE 11 - TRAVEL EXPENSES | | | |
| 1,448 | Administration Meetings | | 801 |
| 11,795 | Airservices Australia Meetings | | 25,334 |
| 1,761 | Convention Meetings | | 10,272 |
| 14,563 | Committee of Management Meetings | | 25,269 |
| 7,996 | Divisional Meetings | | 961 |
| - | EBA Meetings | | 9,015 |
| - | Government Meetings | | 40 |
| 4,670 | Incidents and Accidents Meetings | | 2,304 |
| 5,817 | IFATCA Meetings | | 6,532 |
| 2,855 | Industrial Relations Commission Hearings | | 1,389 |
| 18,931 | National Executive Meetings | | 12,889 |
| 9,627 | Other Meetings | | 6,034 |
| 1,866 | Technical Meetings | | 39 |
| <u>81,330</u> | | | <u>100,880</u> |

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003**

NOTE 12 - The provision for legal costs has remained at \$75,000 for the purpose of legal representation of members in any forthcoming claims.

NOTE 13 - Rent of \$45,000 was paid to Air Officers Pty Ltd as landlord for the office property at 214 Graham Street, Port Melbourne.

NOTE 14 - During the year, the Association has derived income of \$126,475 as a beneficiary from Air Officers Pty Ltd, Trustee for the "Air Officers Trust". The Trust has made investments from which it receives interest and rental income.

NOTE 15 - The following provisions for long service leave and annual leave have been maintained to show the accrued entitlements of the staff employed by the Association as at 30th June, 2003.

Provision for Long Service Leave - \$42,872

Provision for Annual Leave - \$18,084

NOTE 16 - The accounts have been prepared in accordance with both generally accepted accounting principles and the cash basis of accounting. Australian Accounting Standards and Statements of Accounting Concepts, as issued by the Joint Professional Accounting Bodies, have been adopted where applicable. The accrual system of accounting has only been adopted to bring to account taxation liabilities and provisions.

NOTE 17 - Fixed assets have been depreciated under the diminishing value method in order to write-off the assets over their useful life.

NOTE 18 - No provision for income tax has been raised as Registered Trade Unions are exempt from paying Income Tax under the provisions of Sections 50-15 and 50-1 of the *Income Tax Assessment Act 1997*.

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003**

**NOTE 19 - Convention Income and Expenditure Account for the year ended
30th June, 2003.**

| 2002 | INCOME | 2003 |
|-------------|--------------------------------|-------------|
| 9,620 | 500 Club | - |
| - | Convention Levy | 9,282 |
| 895 | Interest Received | 655 |
| 267 | Merchandise Sales | 710 |
| - | Registrations | 16,790 |
| 2,664 | Sponsorship | 17,591 |
| 13,445 | Total Income | 45,028 |
| | EXPENDITURE | |
| 3,000 | 500 Club | - |
| 139 | Accommodation | 17,606 |
| 10 | Bank Charges | 40 |
| - | Catering | 4,991 |
| - | Entertainment | 2,140 |
| - | Freight | 1,893 |
| 2,723 | Functions | 6,311 |
| - | Members' Draw | 1,991 |
| - | Printing | 1,980 |
| - | Prizes | 209 |
| - | Refunds | 1,818 |
| - | Travel | 5,821 |
| 5,871 | Total Expenditure | 44,799 |
| 7,574 | NET SURPLUS / (DEFICIT) | 228 |

Convention income and expenditure is separate to, and is not included in, the Association income and expenditure account.

A compulsory annual levy of \$10 is raised from membership subscriptions. This amount is directed towards funding for conferences held by the Association. For the reporting period, a total of \$9,282 was raised.

Convention accounts should be viewed on a biennial basis, as both income and expenditure for each Convention is spread over two (2) years.

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003**

**NOTE 20 - AUSATTS Income and Expenditure Account for the year ended
30th June, 2003.**

| 2002 | INCOME | 2003 |
|--------------|----------------------------------|---------------------|
| - | Write-Back of Unpresented Cheque | 60 |
| - | Total Income | 60 |
| | EXPENDITURE | |
| 1 | Bank Charges | 2 |
| 73 | Gifts | 86 |
| 75 | Postage | 95 |
| 18 | Printing | 76 |
| 38 | Subscriptions | 88 |
| - | Telephone | 120 |
| 206 | Total Expenditure | 468 |
| <u>(206)</u> | NET SURPLUS/(DEFICIT) | <u>(408)</u> |

AUSATTS total expenditure of \$408, shown under non-operating expenses, is the result of AUSATTS trading activities for the current financial year.

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003**

NOTE 21 - In accordance with Schedule B, Section 272 of the *Workplace Relations Act 1996*, members are advised of the requirements of this section:

Application for Information.

272(1) - A member of an organisation, or a Registrar, may apply to the organisation or a Registrar, for specified prescribed information in relation to the organisation.

Provision of Information.

272(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 organisation.

Function of Registrar.

272(4) - A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application at the request of a member.

Addresses of relevant Officers for submission of such requests:

Australian Industrial Registry
Principal Registry
Nauru House
Melbourne Vic 3000

Postal Address:
GPO Box 1994S
Melbourne Vic 3001

George Fishlock
Vice President Finance
Civil Air Operations Officers' Association of Australia
214 Graham Street
Port Melbourne Vic 3207

Postal Address:
PO Box 394
Port Melbourne Vic 3207

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003**

NOTE 22 - REMUNERATION OF EMPLOYEES

Amounts received, or due and receivable by, employees of Civil Air Operations Officers' Association of Australia whose remuneration is \$100,000 or more.

| <u>Range</u> | <u>2001-2</u> | <u>2002-3</u> |
|-----------------------|---------------|---------------|
| \$100,000 - \$110,000 | 1 | 1 |

Furthermore, no elected official of the organisation receives any employee benefits in the form of salary, wages, long service leave, annual leave, or superannuation.

NOTE 22 - AFFILIATION FEES

The Association pays annual affiliation fees to the Australian Council of Trade Unions, the International Federation of Air Traffic Controllers' Association, The Union Shopper, Inc. and the Victorian Trades Hall Council. For the reporting period, the following amounts were paid:

| | |
|--------------------------|----------|
| ACTU: | \$2,341 |
| IFATCA: | \$44,772 |
| The Union Shopper, Inc.: | \$576 |
| VTHC: | \$659 |

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**STATEMENT OF CASH FLOWS
FOR THE REPORTING PERIOD ENDED 30TH JUNE 2003**

| Inflows (Outflows) | 2002 | Cash Flows from Operating Activities | Inflows (Outflows) | 2003 |
|-------------------------------|----------------|--|-------------------------------|-----------------|
| | 852,089 | Receipts from Operations | | 933,470 |
| | (767,446) | Payments to Creditors and Employees | | (821,543) |
| | 6,858 | Interest Received | | 6,573 |
| | <u>91,501</u> | Net cash provided by Operating Activities (Note 2) | | <u>118,500</u> |
| | | Cash Flows from Investing Activities | | |
| | (8,791) | Payment for Non-Current Assets | | (21,408) |
| | - | Proceeds from Sale of Non-Current Assets | | 100 |
| | <u>(8,791)</u> | Net cash used in Investing Activities | | <u>(21,308)</u> |
| | 83,483 | Net Increase (Decrease) in Cash Held | | 97,192 |
| | 85,140 | Cash at beginning of the financial year | | 168,623 |
| | <u>168,623</u> | Cash at the end of the financial year (Note 1) | | <u>265,815</u> |

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

**NOTE TO THE STATEMENT OF CASH FLOWS
FOR THE REPORTING PERIOD ENDED 30TH JUNE 2003**

1. Reconciliation of Cash.

For the purpose of the Statement of Cash Flows, cash includes Cash on Hand and in Banks and Money Market instruments, net of outstanding Bank Overdrafts. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:-

| 2002 | | 2003 |
|----------------|---------------------------|----------------|
| 138,946 | Cash at Bank | 246,966 |
| 100 | Cash on Hand | 100 |
| 28,786 | Convention Cheque Account | 18,401 |
| 791 | AUSATTS Cheque Account | 349 |
| <u>168,623</u> | | <u>265,816</u> |

2. Reconciliation of Net Cash provided by Operating Activities to Net Surplus/(Deficit).

| | | |
|---------------|---|----------------|
| 122,476 | Net Surplus for the Year | 138,934 |
| 23,578 | Depreciation | 28,996 |
| - | Profit on Disposal of Assets | (100) |
| 55 | Decrease (Increase) in Withholding Tax Refundable | - |
| 1,000 | Decrease (Increase) in Sundry Debtors | - |
| 7,574 | Increase (Decrease) in Convention Funds Held | 229 |
| (561) | Increase (Decrease) in GST Liabilities | 15,844 |
| - | Increase (Decrease) in FBT Instalment Liability | 1,430 |
| (992) | Increase (Decrease) in PAYG Tax Liability | 562 |
| (1,520) | Increase (Decrease) in Provisions | 10,301 |
| (60,109) | Decrease (Increase) in Inter-Entity Loan | (77,696) |
| <u>91,501</u> | | <u>118,500</u> |

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

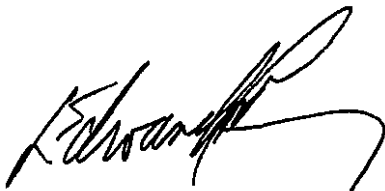
STATEMENT OF THE COMMITTEE OF MANAGEMENT

In accordance with a resolution of the Committee of Management, we state that in the opinion of the Committee:

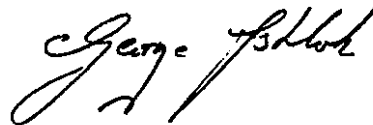
- (a) the accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of the Association as at 30th June, 2003;
- (b) the accompanying Association Income and Expenditure Statement is drawn up so as to give a true and fair view of the results of the Association for the year ended 30th June, 2003;
- (c) meetings of the Committee, convened during the year ended 30th June, 2003, were held in accordance with the Rules of the Association;
- (d) to the knowledge and belief of all the members of the Committee, there have not been, during the financial year ended 30th June, 2003, instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under subsection 272(2) of the Act), or copies of those records or other documents, or copies of the Rules of the Association, have not been furnished, or made available, to members of the Association in accordance with the Act, these Regulations or the rules of the Association, as the case may be;
- (e) the Association has, in relation to the Auditor's Report on the accounts and statements in respect of the immediately preceding year, complied with the provisions of Section 265 of the *Workplace Relations Act 1996*;
- (f) 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.

Signed on behalf of the Committee of Management,

at Port Melbourne this 8th day of October 2003.



**EDWARD LANG
PRESIDENT**



**GEORGE FISHLOCK
VICE PRESIDENT FINANCE**

**CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

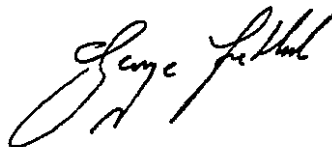
STATEMENT BY THE ACCOUNTING OFFICER

I, George J Fishlock, being the Officer responsible for keeping the accounting records of Civil Air Operations Officers' Association of Australia, certify that as at 30th June, 2003, the number of members of the Association was approximately 1,044.

In my opinion,

- (a) the attached accounts show a true and fair view of the financial affairs of the Association as at 30th June, 2003;
- (b) a record has been kept of all monies paid by or collected from members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the Rules of the Association;
- (c) before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Association;
- (d) with regard to funds of the Association raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (e) no loans or other financial benefits, other than remuneration in respect of their full-time employment with the Association, were made to persons holding office in the Association;
- (f) the Register of Members of the Association was maintained in accordance with the Act;
- (g) the attached accounts have been prepared in accordance with applicable Australian Accounting Standards.

Signed at Port Melbourne this 8th day of October 2003.



**GEORGE FISHLOCK
ACCOUNTING OFFICER**

**AUDITOR'S REPORT TO MEMBERS OF
CIVIL AIR OPERATIONS OFFICERS'
ASSOCIATION OF AUSTRALIA**

Scope

We have audited the Financial Statements of Civil Air Operations Officers' Association of Australia for the year ended 30th June 2003 as set out on pages 1 to 15. The management of the Association is responsible for the preparation and presentation of the Financial Statements and the information contained therein. We have conducted an independent audit of the Financial Statements in order to express an opinion on it to the members of the Association. No opinion is expressed as to whether the accounting policies used, and described in the Notes to the Accounts, is appropriate to meet the needs of the Members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the Financial Statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the Financial Statements are presented fairly in accordance with Australian Accounting Standards and the Workplace Relations Act 1996 so as to present a view of the Association which is consistent with our understanding of its financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

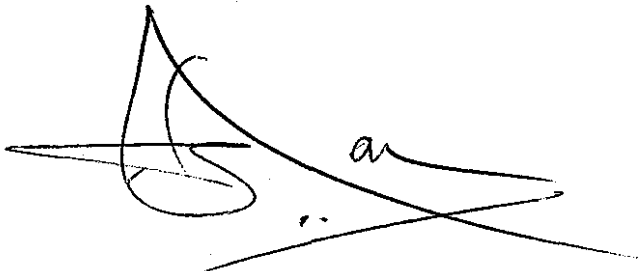
In our opinion:

- a) satisfactory accounting records have been kept by the Association so far as appears from our examination of these books, including:
 - i) records of the sources and nature of the income of the Association (including income from members); and
 - ii) records of the nature and purposes of the expenditure of the Association; and

- b) the accounts and statements prepared under Section 253 of the Workplace Relations Act 1996 have been properly drawn up so as to give a true and fair view of:
 - i) the financial affairs of the Association as at 30th June 2003 and
 - ii) the income and expenditure and any surplus or deficit of the Association for the year; and
- c) the Financial Statements have been prepared on a cash basis and in accordance with applicable Australian Accounting Standards where necessary.

Where necessary we have obtained all the information and explanations from the officers and employees of the Association which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Dated at Essendon this 16th day of October 2003.

A handwritten signature in black ink, appearing to read 'Donald W Cox', with a large, sweeping flourish extending to the right.

DONALD W COX CPA

COX PARTNERS ACCOUNTANTS PTY LTD
75-81 Rose Street
Essendon Victoria 3040
REGISTERED COMPANY AUDITOR

AIR OFFICERS PTY LTD
A.C.N. 005 633 616
TRUSTEE FOR
“AIR OFFICERS TRUST”

Financial Statements for the
Financial Year ended
30th June, 2003

Statement by the Trustee

Auditor's Report

**AIR OFFICERS PTY LTD A.C.N. 005 633 616
TRUSTEE FOR "AIR OFFICERS TRUST"**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2003**

| 2002 | <u>INCOME</u> | NOTE | 2003 |
|----------------------|---|------|----------------------|
| 118,483 | Rental Income | | 103,550 |
| <u>57,825</u> | Interest Income | | <u>80,624</u> |
| 176,308 | TOTAL INCOME | | 184,173 |
| | <u>EXPENDITURE</u> | | |
| 1,386 | Accounting Fees | | 1,589 |
| 3,326 | Audit Fees | | 3,340 |
| 122 | Bank Charges | | 46 |
| 39,246 | Depreciation | 2(c) | 38,644 |
| - | Insurance | 2(d) | 5,515 |
| 4,600 | Lease Consultancy Fees | | - |
| 2,266 | Rates & Taxes | | 2,085 |
| 15,320 | Repairs and Maintenance | | 4,367 |
| 200 | Registrations and Subscriptions | | 200 |
| 360 | Security | | 634 |
| <u>1,230</u> | Water & Sewerage Rates | | <u>1,277</u> |
| 68,056 | TOTAL EXPENDITURE | | 57,698 |
| <hr/> 108,252 | OPERATING PROFIT | | <hr/> 126,475 |
| | <u>NON-OPERATING INCOME & EXPENDITURE</u> | | |
| | <u>NON-OPERATING INCOME</u> | | |
| 765 | Prior Period Adjustment | | - |
| <u>109,018</u> | | | <hr/> 126,475 |
| | <u>NON-OPERATING EXPENDITURE</u> | | |
| 773 | Prior Period Adjustment | | - |
| <hr/> <u>108,245</u> | NET PROFIT | | <hr/> <u>126,475</u> |

**AIR OFFICERS PTY LTD A.C.N. 005 633 616
TRUSTEE FOR "AIR OFFICERS TRUST"**

**TRUST FUNDS
FOR THE YEAR ENDED 30TH JUNE 2003**

| 2002 | EQUITY | NOTE | 2003 |
|-----------------------|--|------|-----------------------|
| 20 | Trust Settlement | 2(f) | 20 |
| 498,665 | Asset Revaluation Reserve | | 498,665 |
| <u>498,685</u> | | | <u>498,685</u> |
| | ACCUMULATED INCOME/(LOSSES) | | |
| 108,245 | Net Profit | | 126,475 |
| <u>606,930</u> | | | <u>625,161</u> |
| | INCOME DISTRIBUTED TO CAOAAA | | |
| 108,245 | Less Income Distributed to Beneficiaries | 3 | 126,475 |
| <u><u>498,685</u></u> | TOTAL TRUST FUNDS | | <u><u>498,685</u></u> |

**AIR OFFICERS PTY LTD A.C.N. 005 633 616
TRUSTEE FOR "AIR OFFICERS TRUST"**

**BALANCE SHEET
FOR THE YEAR ENDED 30TH JUNE 2003**

| <u>2002</u> | | NOTE | <u>2003</u> |
|------------------|---------------------------------------|------|------------------|
| 498,685 | TRUST FUNDS | | 498,685 |
| | Represented By: | | |
| | <u>FIXED ASSETS</u> | | |
| 2,185,000 | Land and Buildings at Valuation 2002 | 2(b) | 2,185,000 |
| 87,669 | Less Accumulated Depreciation | | 118,919 |
| <u>2,097,331</u> | | | <u>2,066,081</u> |
| 96,317 | Building Improvements | 2(b) | 97,567 |
| 16,009 | Less Accumulated Depreciation | | 23,404 |
| <u>80,307</u> | | | <u>74,163</u> |
| <u>2,177,638</u> | TOTAL FIXED ASSETS | | <u>2,140,244</u> |
| | <u>CURRENT ASSETS</u> | | |
| 20 | Trust Settlement | | 20 |
| 97,735 | Cash at Bank | | 136,966 |
| 118,154 | Term Deposit 1 | | 124,139 |
| 1,295,047 | Term Deposit 2 | | 1,365,108 |
| <u>1,510,957</u> | TOTAL CURRENT ASSETS | | <u>1,626,233</u> |
| <u>3,688,595</u> | TOTAL ASSETS | | <u>3,766,477</u> |
| | <u>CURRENT LIABILITIES</u> | | |
| 1,782 | GST Collected | | 1,188 |
| (945) | GST Paid | | (165) |
| <u>837</u> | TOTAL CURRENT LIABILITIES | | <u>1,023</u> |
| | <u>NON-CURRENT LIABILITIES</u> | | |
| 3,189,072 | Unsecured Loan - CAOAAA | | 3,266,768 |
| <u>498,685</u> | NET ASSETS | | <u>498,685</u> |

AIR OFFICERS PTY LTD A.C.N. 005 633 616
TRUSTEE FOR "AIR OFFICERS TRUST"

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2003

1. The principal activities of the Trust in the course of the financial year were rental property owners and investors.
2. Statement of Accounting Policies.
 - (a) This is not a general purpose financial report. It is a special purpose report prepared in order to satisfy the requirements of the Trust Deed to prepare a financial report and to assist in the preparation of the Trust's income tax return.

The Trustees have determined that the Trust is not a reporting entity and hence, there is no requirement to apply Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) in the preparation and presentation of these statements.

The statements have, however, been prepared in accordance with the requirements of applicable Accounting Standards and other mandatory professional reporting requirements.

These statements are prepared on a cash basis.

These statements are based on historical costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these statements.

- (b) Property and Building Improvements.

Property, building improvements and capital improvements are included at cost, or at independent, or at directors' valuation as follows:

- (i) Property is now valued at \$2,185,000.00, based upon the written valuation report by Craig Cunningham of Cunningham Property Consultants, dated 15th February, 2002. This valuation does not take into consideration the building improvements.

**AIR OFFICERS PTY LTD A.C.N. 005 633 616
TRUSTEE FOR "AIR OFFICERS TRUST"**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2003**

(c) Depreciation.

Depreciation is provided on all fixed assets, including freehold buildings, so as to write-off the assets progressively over their estimated economic life.

Additions are depreciated from the date of acquisition. All building improvements are depreciated using the diminishing value method.

The freehold building at 214 Graham Street, Port Melbourne has been depreciated at the rate of 2.5% of its value using the prime cost method.

(d) Insurance

By adopting the cash basis for accounting, no insurance expense was reported last year. It is noted that an amount of \$5,515 was paid this year.

(e) Income Tax.

Income tax is provided for to the extent that accumulated income is assessable to the Trustee in accordance with Sec. 99A of the *Income Tax Assessment Act 1936*, as amended, only where there is no presently entitled beneficiary.

(f) Settlement.

The Air Officers Trust was settled on 11 March 1980, by Robert John Garlick.

3. Income Distribution.

Income of \$126,427 was distributed by the Trust for the year ended 30th June, 2003, to the Civil Air Operations Officers' Association of Australia, pursuant to the provisions of the Trust Deed.

**AIR OFFICERS PTY LTD A.C.N. 005 633 616
TRUSTEE FOR "AIR OFFICERS TRUST"**

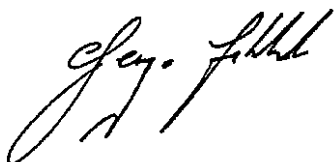
STATEMENT BY THE TRUSTEE

In my opinion:-

- (a) The accompanying Profit and Loss Account is drawn up so as to present fairly the result of the Trust for the year ended 30th June, 2003;
- (b) The accompanying account of Trust Funds presents a fair view of the movements of those funds for the year ended 30th June, 2003;
- (c) The accompanying Balance Sheet is drawn up so as to present fairly the state of affairs of the Trust as at 30th June, 2003;
- (d) The accounts of the Trust have been properly prepared in accordance with the Trust Deed; and
- (e) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Trustee,

Dated at Melbourne this 8th day of October 2003.



**GEORGE J FISHLOCK
DIRECTOR
AIR OFFICERS PTY LTD
TRUSTEE**

**AUDITOR'S REPORT TO TRUSTEES OF
AIR OFFICERS TRUST**

Scope

We have audited the Special Purpose Financial Report of the Air Officers Trust for the year ended 30th June 2003, as set out on pages 1 to 6. The Trustees of the Trust are responsible for the preparation and presentation of the Financial Report and the information contained therein. We have conducted an independent audit of the Financial Report in order to express an opinion on it to the Trustees of Air Officers Trust. No opinion is expressed as to whether the accounting policies used, and described in the Notes to the Accounts, is appropriate to meet the needs of the Trustee.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the Financial Report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the Financial Report is presented fairly in accordance with the accounting policies described in the Notes to the Accounts, and the requirements of the Trust Deed so as to present a view which is consistent with our understanding of the Trust's financial position and the results of its operations.

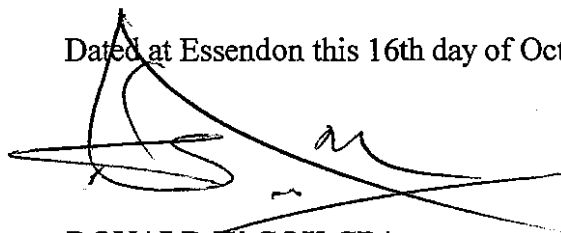
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

- a) the Financial Report presents fairly in accordance with the accounting policies described in the Notes to the Accounts, is in accordance with the provisions of the Trust Deed, and the financial position of the Air Officers Trust as at 30th June 2003, and the results of its operations for the year then ended.
- b) the accounting records and other records required to be kept by the Trust have been properly kept in accordance with the provisions of the Trust Deed.

Dated at Essendon this 16th day of October, 2003.



**DONALD W COX CPA
COX PARTNERS ACCOUNTANTS PTY LTD
75-81 Rose Street
Essendon Victoria 3040
REGISTERED COMPANY AUDITOR**