FAIR WORK
AUSTRALIA

27 March 2012

Mr Robert Mason
President,
The Civil Air Operations Officers' Association of Australia
PO Box 394
PORT MELBOURNE VIC 3207

Email: civilair@civilair.asn.au

Dear Mr Mason

Re: The Civil Air Operations Officers' Association of Australia
Financial Report for the year ended 30 June 2011 - FR2011/2551

I acknowledge receipt of the financial report and concise report of The Civil Air Operations Officers' Association of Australia for the year ended 30 June 2011. The documents were lodged with Fair Work Australia on 21 December 2011.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Disclosure of employee benefits to office holders and other employees

The Reporting Guidelines require reporting units to disclose in the income statement or in the notes to the financial statements employee benefits to holders of office (item 11(g)) and employee benefits to other employees (item 11(h)).

I note that the Statement of Comprehensive Income and Note 7 do not distinguish between employee benefits for office holders and other employees. Employee benefits for office holders and other employees should be separately disclosed.

The Reporting Guidelines also require either the balance sheet or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 14(c) and 14 (d)). Note 14 discloses these liabilities but does not distinguish between provisions for office holders and other employees. In future years please ensure that provisions for office holders and other employees are disclosed separately.

Committee of Management Statement

As the Civil Air Operations Officers' Association comprises of only one Reporting Unit for the purposes of Part 3 Chapter 8 of the RO Act, declaration 5(d) of the Committee of Management Statement does not need to be made.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001
Telephone: (03) 8661 7822
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Donations, Grants or Loans

I note that a statement of loans, grants and donations exceeding $1000 was lodged with the financial statements in December 2011. Under section 237(1) of the RO Act, a loans, grants and donations statement must be lodged with Fair Work Australia within 90 days of the end of the financial year. In future years please ensure that the statement is lodged within the required timeline. Also please ensure that the name of the officer signing the statement is identified.

I note that the loans, grants and donations statement does not declare any donations or grants in excess of $1000. I assume, therefore, that each of the donations disclosed in the statement of comprehensive income was for less than $1000. If this is not the case, please lodge a further statement disclosing any donations exceeding $1000.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7822 or by email at margaret.williams@fwa.gov.au.

Yours sincerely

MARGARET WILLIAMS
Organisations and Research

ASSOCIATION FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

STATEMENT

I, Robert Paul Mason, being the President of The Civil Air Operations Officers' Association of Australia certify:

- that the documents attached and lodged herewith are copies of the full report and the concise report, referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and

- that the concise report was provided to members on 15 November 2011 and

- that the full report was presented to a meeting of the committee of management of the reporting unit on 14 December 2011; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signed:

Robert Mason
President

19 December 2011

CIVIL AIR OPERATIONS OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

CIVIL AIR OPERATIONS OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

TABLE OF CONTENTS

These financial statements cover both Civil Air Officers Association of Australia as an individual entity (parent entity) and the consolidated financial statements for the consolidated entity consisting of Civil Air Officers Association of Australia and its controlled entity. The financial report is presented in the Australian currency.

Civil Air Officers Association of Australia is the association advocating for the professional, technical and industrial needs of Australian Air Traffic Controllers and Air Traffic Control Support Staff. The association is registered under the Fair Work (Registered Organisations) Act 2009 and is domiciled in Australia.

The principal place of business is:
1st Floor
214 Graham Street
PORT MELBOURNE VIC 3207

The financial report was authorised for issue by the committee of management on 10th of November 2011.

CIVIL AIR OPERATIONS OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY
OPERATING REPORT

Your committee of management present their report on the Civil Air Operations Officers Association of Australia (The Association) and its controlled entity for the financial year ended 30 June 2011.

Committee of management:

The names of the committee of management in office at any time during or since the end of the financial year are:

President	Mr Robert Mason	
Vice President Technical	Mr Duncan Auld	
Vice President Professional	Mr Michael Ireland	(resigned 1 May 2011)
Vice President Professional	Mr Jamie Robert	(appointed 1 May 2011)
Vice President Finance	Mr Stuart Maxwell	(resigned 1 May 2011)
Vice President Finance	Mr Stuart Brades	(appointed 1 May 2011)
Vice President Communication	Mr David Perks	(resigned 1 May 2011)
Vice President Communication	Mr Daryl Hickey	(appointed 1 May 2011)
Vice President Administrative	Mr James Walsh	

The Committee of management have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating results

The consolidated surplus of the consolidated group for the financial year after providing amounted to $ 767,632 (2010: $ 345,641). Of this $ 432,975 (2010: $380,266) belongs to the necessitous fund.

Significant changes in state of affairs

No significant changes in the state of affairs of the consolidated group occurred during the financial year.

Review of principal activities and results of operations

The principal activities of the Association during the financial year were the protection and improvement of employment conditions for its members. No significant change in the nature of these activities occurred during the year.

A review of the operations of the association indicate that it continued to engage in its principal activity of advocating for the professional, technical and industrial needs of Australian Air Traffic Controllers and Air Traffic Control Support Staff. In pursuing these activities the association has sought to protect and enhance the profession of air traffic controllers and support staff through representation of individuals in grievances and disputes and by representing air traffic controllers and support staff in collective bargaining.

After balance date events

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

Union details

The number of employees at 30 June 2011 was 5 (2010: 6)

The number of members at 30 June 2011 was 954 (2010: 994).

OPERATING REPORT (Continued)

Right of members to resign

In accordance with Rule 14 of the Association:

(a) A member may resign from membership by written notice addressed and delivered to the President.
(b) A notice of resignation from membership takes effect:
 (i) where the member ceases to be eligible to become a member of the Association:
  (a) on the day on which the notice is received by the Association; or
  (b) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
 whichever is the later; or
 (ii) in any other case
  (a) at the end of 14 days after the notice is received by the Association; or
  (b) on the day specified in the notice
 whichever is the later
(c) Any dues payable but not paid by a former member in relation to a period before the members resignation 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
(d) A notice delivered to the President shall be taken to have been received by the Association when it was delivered.
(e) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-rule (a).
(f) A resignation from membership is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted."

Superannuation trustees

As far as the committee of management believes or is aware, at 30 June 2011, the following person held positions as a trustee of a superannuation trust by virtue of their office or membership of the union:

George Fishlock is a director of AvSuper Pty Ltd which is the Trustee of AvSuper

Signed in accordance with a resolution of the committee of management:

Robert Mason - President

Dated: 10 November 2011

CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated		Parent entity	
		2011	2010	2011	2010
		$	$	$	$
Revenue from continuing operations	4	**2,119,258**	1,955,147	**2,064,476**	1,884,530
Expenses					
Affiliation fees		**(9,694)**	(28,091)	**(9,694)**	(28,091)
Bank charges		**(5,715)**	(5,627)	**(5,715)**	(5,627)
Meeting and conferences		**(982)**	(1,020)	**(982)**	(1,020)
Depreciation		**(68,430)**	(76,256)	**(17,679)**	(22,849)
Donations and gifts		**(2,708)**	(560)	**(2,708)**	(560)
Insurances		**(21,795)**	(28,431)	**(21,795)**	(28,431)
Legal and professional		**(89,511)**	(57,651)	**(86,624)**	(55,151)
Meals		**(16,092)**	(13,931)	**(16,092)**	(13,931)
Member expenses		**(1,454)**	(3,746)	**(1,454)**	(3,746)
Office expenses		**(41,143)**	(31,653)	**(41,143)**	(31,653)
Property expenses		**(53,236)**	(69,710)	**-**	-
Rent and occupancy		**(14,450)**	(34,976)	**(66,542)**	(89,976)
Computer expenses		**(16,428)**	(7,226)	**(16,428)**	(7,226)
NCF and death benefits paid	6	**(303,045)**	(443,045)	**(303,045)**	(443,045)
Salaries and related expenses	7	**(583,304)**	(669,854)	**(583,304)**	(669,854)
Telephone and internet		**(15,875)**	(29,151)	**(15,875)**	(29,151)
Accommodation		**(23,285)**	(17,158)	**(23,285)**	(17,158)
Travel and parking		**(84,479)**	(91,420)	**(84,479)**	(91,420)
	5	**(1,351,626)**	(1,609,506)	**(1,296,844)**	(1,538,889)
Surplus for the year		**767,632**	345,641	**767,632**	345,641
Surplus attributable to members		**767,632**	345,641	**767,632**	345,641
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year attributable to members		**767,632**	345,641	**767,632**	345,641
Total comprehensive income consists of:					
- Necessitous fund	15	**432,975**	380,266	**432,975**	380,266
- Ongoing operations		**334,657**	(34,625)	**334,657**	(34,625)
		767,632	345,641	**767,632**	345,641

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

BALANCE SHEETS
AS AT 30 JUNE 2011

	Note	Consolidated		Parent entity	
		2011	2010	2011	2010
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	8	**5,272,975**	4,515,482	**3,067,572**	2,367,501
Trade and other receivables	9	**29,727**	22,670	**13,985**	14,186
Total current assets		**5,302,702**	4,538,152	**3,081,557**	2,381,687
Non-current assets					
Receivables	10	-	-	**3,682,708**	3,618,493
Property, plant and equipment	11	**1,165,755**	1,129,581	**89,939**	53,892
Investment properties	12	**1,613,724**	1,613,534	**-**	-
Total non-current assets		**2,779,479**	2,743,115	**3,772,647**	3,672,405
Total assets		**8,082,181**	7,281,267	**6,854,204**	6,054,072
LIABILITIES					
Current liabilities					
Trade and other payables	13	**201,796**	193,566	**192,484**	185,036
Provisions	14	**226,160**	201,108	**226,160**	201,108
Total current liabilities		**427,956**	394,674	**418,644**	386,144
Total liabilities		**427,956**	394,674	**418,644**	386,144
Net assets		**7,654,225**	6,886,593	**6,435,560**	5,667,928
EQUITY					
Reserves	15	**3,769,614**	3,336,639	**2,550,949**	2,117,974
Retained earnings	16	**3,884,611**	3,549,954	**3,884,611**	3,549,954
Total equity		**7,654,225**	6,886,593	**6,435,560**	5,667,928

The above balance sheets should be read in conjunction with the accompanying notes.

CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

Consolidated	Reserves $	Accumulated surplus $	Total $
Balance at 1 July 2009	2,961,373	3,579,579	6,540,952
Total comprehensive income for the year	-	345,641	345,641
Transfers to and from reserve	375,266	(375,266)	-
Balance at 30 June 2010	3,336,639	3,549,954	6,886,593
Balance at 1 July 2010	**3,336,639**	**3,549,954**	**6,886,593**
Total comprehensive income for the year	**-**	**767,632**	**767,632**
Transfers to and from reserve	**432,975**	**(432,975)**	**-**
Balance at 30 June 2011	**3,769,614**	**3,884,611**	**7,654,225**
Parent Entity			
Balance at 1 July 2009	1,742,708	3,579,579	5,322,287
Total comprehensive income for the year	-	345,641	345,641
Transfers to and from reserve	375,266	(375,266)	-
Balance at 30 June 2010	2,117,974	3,549,954	5,667,928
Balance at 1 July 2010	**2,117,974**	**3,549,954**	**5,667,928**
Total comprehensive income for the year	**-**	**767,632**	**767,632**
Transfers to and from reserve	**432,975**	**(432,975)**	**-**
Balance at 30 June 2011	**2,550,949**	**3,884,611**	**6,435,560**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated		Parent Entity	
		2011	2010	2011	2010
		$	$	$	$
Cash flows from operating activities					
Membership fees received		**2,027,279**	1,909,394	**2,027,279**	1,909,394
Receipts from tenants		**65,295**	71,735	**-**	-
Distributions received		**-**	-	**119,795**	73,510
Payments to suppliers and employees		**(1,470,173)**	(1,632,514)	**(1,448,994)**	(1,604,928)
Interest received		**239,885**	169,094	**119,932**	80,725
Net cash inflow from operating activities	21	**862,286**	517,709	**818,012**	458,701
Cash flows from investing activities					
Proceed from sales of property, plant and equipment		**17,532**	-	**17,532**	-
Payment for property, plant and equipment		**(122,325)**	(7,299)	**(71,258)**	(7,299)
Net cash (outflow) from investing activities		**(104,793)**	(7,299)	**(53,726)**	(7,299)
Cash flows from financing activities					
Loan repayments received		-	-	**57,303**	-
Loans made to related party		-	-	**(121,518)**	(4,140)
Net cash (outflow) from financing activities		-	-	**(64,215)**	(4,140)
Net increase in cash and cash equivalents		**757,493**	510,410	**700,071**	447,262
Cash and cash equivalents at beginning of financial year		**4,515,482**	4,005,072	**2,367,501**	1,920,239
Cash and cash equivalents at end of financial year	8	**5,272,975**	4,515,482	**3,067,572**	2,367,501

The above statements of cash flows should be read in conjunction with the accompanying notes.

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes separate financial statements for Civil Air Officers Association of Australia as an individual entity (parent entity) and the consolidated entity consisting of Civil Air Officers Association of Australia and its controlled entity.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the requirements of the Fair Work (Registered Organisations) Act 2009.

Compliance with IFRS

The consolidated financial statements of the Civil Air Officers Association of Australia group and the separate financial statements of Civil Air Officers Association of Australia also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). A statement of compliance with IFRS cannot be made due to the entity applying the not for profit sector requirements contained in AIFRS.

Early adoption of standards
The group has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2010:

- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

This includes applying the revised pronouncement to the comparatives in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors.* None of the items in the financial statements had to be restated as the result of applying this standard. The adoption of AASB 1053 and AASB 2011-2 allowed the entity to remove a number of disclosures. There was no other impact on the current or prior year financial statements

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

1: Summary of significant accounting policies (Continued)

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Civil Air Officers Association of Australia ("company" or "parent entity") as at 30 June 2011 and the results of all subsidiaries for the year then ended. Civil Air Officers Association of Australia and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding or unit holding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Civil Air Officers Association of Australia.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the group and specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities net of the amount of goods and services tax (GST) as follows:

Membership fees
Membership fees are recognised when the right to receive the fee has been established and the receipt of the fee is certain. Membership fees identifiable as being received in advance for next year are recorded as such in the balance sheet.

Interest income
Interest income is recognised on a time proportion basis using the effective interest method.

Other revenue
Other revenue is recognised when the right to receive the revenue has been established.

1: Summary of significant accounting policies (Continued)

(d) Leases

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(e) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

(f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting period.

(g) Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

1: Summary of significant accounting policies (Continued)

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollected are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(j) Investment in other financial assets

Classification
The group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting period.

The group does not hold any investments in the following categories: financial assets at fair value through profit or loss and held-to-maturity investments.

(i) Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities which include shares and unit holdings, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

(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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

1: Summary of significant accounting policies (Continued)

(j) Investment in other financial assets (continued)

Recognition and derecognition

Regular purchases and sales of investments are recognised on trade-date - the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are carried at fair value through profit and loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the group's right to receive payments is established.

Details on how the fair value of financial instruments is determined are disclosed in note 21.

Impairment

The group assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

If there is evidence of impairment for any of the group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

1: Summary of significant accounting policies (Continued)

(l) Property, plant and equipment

Property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Depreciation is calculated to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Class of fixed asset	Depreciation rate/useful lives	Depreciation basis
Land and buildings	2.5%	Diminishing Value
Building improvements	7.5% to 20%	Diminishing Value
Computer equipment	33%	Diminishing Value
Motor vehicles	18.75%	Diminishing Value
Furniture and fittings	33%	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount at the end of the reporting period is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss .When revalued assets are sold it is group policy to transfer the amounts included in the asset revaluation reserve in respect of those assets to retained earnings.

(m) Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the entity. Investment property is carried at deemed cost as is allowed by AASB 140.

Investment property is carried at historical cost or fair value less any accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation is calculated to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Class of fixed asset	Depreciation rate	Depreciation basis
Buildings	2.5%- 20%	Diminishing Value

1: Summary of significant accounting policies (Continued)

(n) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(o) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value

(p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

1: Summary of significant accounting policies (Continued)

(p) Goods and services tax (GST) (continued)

Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow. Commitments and contingencies are disclosed inclusive of GST.

(q) Comparative figures

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

2: Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment
The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for goodwill for the year ended 30 June 2011.

(b) Critical judgments in applying the entity's accounting policies

Employee entitlements
Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:
- future increases in wages and salaries
- future on-cost rates; and
- experience of employee departures and period of service

3: Information to be provided to members or general manager

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsection (1), (2) and (3) of section 272 which read as follows:

(1) a member of a reporting unit, or a the General Manager, 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 made 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).

4: Revenue

	Consolidated		Parent Entity	
	2011	2010	2011	2010
From continuing operations	$	$	$	$
Service revenue				
membership fees	**1,817,808**	1,630,589	**1,817,808**	1,630,589
rent	**53,942**	55,758	**-**	-
	1,871,750	1,686,347	**1,817,808**	1,630,589
Other revenue				
interest	**239,885**	169,094	**119,932**	80,725
distributions received	**-**	-	**119,795**	73,510
legal fee provision reversed	**-**	75,000	**-**	75,000
other revenue	**7,623**	24,706	**6,941**	24,706
	2,119,258	1,955,147	**2,064,476**	1,884,530

5: Expenses

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
The surplus for the year includes the following specific expenses:				
Depreciation of non-current assets				
Investment property	**30,450**	32,045	-	-
Buildings	**12,500**	12,500	-	-
Building improvements	**7,801**	8,863	-	-
Furniture and fixtures	**5,482**	8,818	**5,482**	8,818
Motor vehicles	**5,940**	4,795	**5,940**	4,795
Computers	**6,257**	9,235	**6,257**	9,235
Total depreciation	**68,430**	76,256	**17,679**	22,849
Defined contribution superannuation expense	**49,275**	**60,725**	**49,275**	60,725
Rental expenses relating to operating leases				
Minimum lease payments	-	-	**52,093**	55,000

6: Necessitous circumstances fund and death benefit payments

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NCF payments	**293,045**	443,045	**293,045**	443,045
Death benefits paid	**10,000**	-	**10,000**	-
	303,045	443,045	**303,045**	443,045

The NCF payments represent Loss of Licence Compensation payments made to members during the year.

7: Salaries and related expense

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
Honorariums	**3,000**	18,000	**3,000**	18,000
Salaries - staff	**468,522**	483,140	**468,522**	483,140
Superannuation - staff	**49,783**	60,725	**49,783**	60,725
Allowances	**7,810**	9,151	**7,810**	9,151
Movement in employee benefit provisions - staff	**25,052**	70,491	**25,052**	70,491
Other employee related expenses	**29,137**	28,347	**29,137**	28,347
	583,304	669,854	**583,304**	669,854

8: Current assets - Cash and cash equivalents

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
Cash in hand	**100**	100	**100**	100
Cash at bank	**753,220**	538,245	**516,522**	249,427
Cash at bank – NCF account	**2,550,949**	2,117,974	**2,550,949**	2,117,974
Term deposit	**1,968,706**	1,859,163	**-**	-
	5,272,975	4,515,482	**3,067,572**	2,367,501

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statements cash flows as follows:

Balances as above	**5,272,975**	4,515,482	**3,067,572**	2,367,501
Bank overdrafts	**-**	-	**-**	-
Balances per statements of cash flows	**5,272,975**	4,515,482	**3,067,572**	2,367,501

9: Current assets - Trade and other receivables

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
Prepayments	**16,147**	13,486	**13,285**	13,486
Other receivables	**13,580**	9,184	**700**	700
	29,727	22,670	**13,985**	14,186

(a) Other receivables
These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

10: Non-current assets – Receivables

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
Loans to related parties	**-**	-	**3,682,708**	3,618,493
	-	-	**3,682,708**	3,618,493

(a) Impaired trade receivables

None of the non-current receivables are impaired or past due but not impaired.

11: Non-current assets - Property, plant and equipment

	Consolidated		Parent entity	
	2011	2010	2011	2010
	$	$	$	$
Land and buildings				
Land and buildings				
At cost or fair value	**1,162,000**	1,162,000	-	-
Less accumulated depreciation	**(147,568)**	(135,068)	-	-
	1,014,432	1,026,932	-	-
Building improvements				
At cost	**106,134**	85,706	-	-
Less accumulated depreciation	**(44,750)**	(36,949)	-	-
	61,384	48,757	-	-
Total property	**1,075,816**	1,075,689	-	-
Computers and equipment				
At cost	**61,787**	59,368	**61,787**	59,368
Less accumulated depreciation	**(48,007)**	(41,750)	**(48,007)**	(41,750)
	13,780	17,618	**13,780**	17,618
Motor vehicles				
At cost	**67,776**	48,434	**67,776**	48,434
Less accumulated depreciation	**(2,694)**	(27,656)	**(2,694)**	(27,656)
	65,082	20,778	**65,082**	20,778
Furniture and fittings				
At cost	**61,408**	60,346	**61,408**	60,346
Less accumulated depreciation	**(50,331)**	(44,850)	**(50,331)**	(44,850)
	11,077	15,496	**11,077**	15,496
Total plant and equipment	**89,939**	53,892	**89,939**	53,892
Total property plant and equipment	**1,165,755**	1,129,581	**89,939**	53,892

11: Non-current assets - Property, plant and equipment (Continued)

Movements - Group	Land and buildings	Building improve-ments	Computers and equipment	Motor vehicles	Furniture and fittings	Total
			$	$	$	$
Year ended 30 June 2010						
Opening net book amount	1,039,432	57,620	21,074	25,573	22,794	1,166,493
Additions – acquisitions	-	-	5,362	-	1,937	7,299
Depreciation charge	(12,500)	(8,863)	(8,818)	(4,795)	(9,235)	(44,211)
Closing net book amount	1,026,932	48,757	17,618	20,778	15,496	1,129,581
Year ended 30 June 2011						
Opening net book amount	**1,026,932**	**48,757**	**17,618**	**20,778**	**15,496**	**1,129,581**
Additions – acquisitions		**20,428**	**2,419**	**67,776**	**1,063**	**91,686**
Disposal	**-**	**-**	**-**	**(17,532)**	**-**	**(17,532)**
Depreciation charge	**(12,500)**	**(7,801)**	**(6,257)**	**(5,940)**	**(5,482)**	**(37,980)**
Closing net book amount	**1,014,432**	**61,384**	**13,780**	**65,082**	**11,077**	**1,165,755**

Movements - Parent	Computers and equipment	Motor vehicles	Furniture and fittings	Total
	$	$	$	$
Year ended 30 June 2010				
Opening net book amount	21,074	25,573	22,794	69,441
Additions – acquisitions	5,362	-	1,937	7,299
Depreciation charge	(8,818)	(4,795)	(9,235)	(22,848)
Closing net book amount	17,618	20,778	15,496	53,892
Year ended 30 June 2011				
Opening net book amount	**17,618**	**20,778**	**15,496**	**53,892**
Additions – acquisitions	**2,419**	**67,776**	**1,063**	**71,258**
Disposal	**-**	**(17,532)**	**-**	**(17,532)**
Depreciation charge	**(6,257)**	**(5,940)**	**(5,482)**	**(17,679)**
Closing net book amount	**13,780**	**65,082**	**11,077**	**89,939**

(a) Land and buildings at valuation

The valuation basis of land and buildings is the fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The property was valued on 15th November 2010 by Craig Cunningham Property Consultants. The valuation does not take account of subsequent improvements which are recorded at cost. Based on this valuation the committee of management is satisfied that there has been no permanent diminution in the value of the land and buildings.

12: Non-current assets – Investment property

	Consolidated		Parent entity	
	2011	2010	2011	2010
	$	$	$	$
At cost or fair value	**1,902,200**	1,871,560	-	-
Less accumulated depreciation	**(288,476)**	(258,026)	-	
	1,613,724	1,613,534	-	-
(a) Amounts recognised in profit and loss for investment properties				
Rental income	**53,942**	60,578	-	-
Direct operating expenses from property that generated rental income.	**(53,236)**	(75,370)	-	-
Direct operating expenses from property that did not generate rental income		-	-	-
	706	(14,792)	-	-
(b) Leasing arrangements				
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:			-	-
Within one year	**127,935**	123,618	-	-
Later than one year but not later than five years	**200,593**	198,844	-	
Later than five years	**-**	20,287	-	-
	328,528	342,749	-	-
Movements				
Opening net book amount	**1,613,534**	1,645,579	-	-
Additions – acquisitions	**30,640**	-	-	-
Depreciation charge	**(30,450)**	(32,045)	-	
Closing net book amount	**1,613,724**	1,613,534	-	-

13: Current liabilities - Trade and other payables

	Consolidated		Parent entity	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Trade payables	**33,897**	25,542	**33,897**	25,542
Trade payables – legal	**7,625**	-	**7,625**	-
Other payables	**61,544**	87,526	**52,232**	78,996
Membership fees in advance	**98,730**	80,498	**98,730**	80,498
	201,796	193,566	**192,484**	185,036

14: Current liabiliɩᴜᴄɜ - Provisions

	Consolidated		Parent entity	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Employee benefits - staff	**226,160**	201,108	**226,160**	201,108
	226,160	201,108	**226,160**	201,108

(a) Employee benefits - long service leave

A provision has been recognised for future employee benefits relating to 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 on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits have been included in Note 1.

(i) Amounts not expected to be settled within the next 12 months.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to prorate payments in certain circumstances. The entire obligation is presented as current, since the group does not have an unconditional right to defer settlement. However, based on past experience, the group does not expect all employees to take the full amount of accrued long service leave within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated		Parent entity	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Long service leave obligation expected to be settled after 12 months	**174,129**	133,04	**174,129**	133,048

15: Reserves

		Consolidated		Parent entity	
		2011	2010	2011	2010
		$	$	$	$
Asset revaluation reserve	(i)	**1,218,665**	1,218,665	**-**	-
Necessitous fund reserve	(ii)	**2,550,949**	2,117,974	**2,550,949**	2,117,974
Emergency fund	(iii)	**-**	-	**-**	-
		3,769,614	3,336,639	**2,550,949**	2,117,974

(a) Movement in reserves:

(i) Asset revaluation reserve				
Balance at beginning of year	**1,218,665**	1,218,665	**-**	-
Transfers to/from reserves	**-**	-	**-**	-
Balance at end of year	**1,218,665**	1,218,665	**-**	-
(ii) Necessitous fund reserve				
Balance at beginning of year	**2,117,974**	1,737,708	**2,117,974**	1,737,708
Net transfer for the year				
Contributions for year	**639,031**	768,452	**639,031**	768,452
Interest earned for year	**103,444**	73,522	**103,444**	73,522
Expenses paid during year	**(16,455)**	(18,663)	**(16,455)**	(18,663)
Benefits paid during year	**(293,045)**	(443,045)	**(293,045)**	(443,045)
Net transfer from accumulated surplus	**432,975**	380,266	**432,975**	380,266
Balance at end of year	**2,550,949**	2,117,974	**2,550,949**	2,117,974
(iii) Emergency fund reserve				
Balance at beginning of year	**-**	5,000	**-**	5,000
Transfers to/from reserves	**-**	(5,000)	**-**	(5,000)
Balance at end of year	**-**	-	**-**	-

(b) Nature and purpose of the reserves:

(i) Asset revaluation reserve

The Asset revaluation reserve is used to record increments on the revaluation of non-current assets, as described in note 1.

ii) Necessitous fund reserve

The necessitous fund reserve is a separate fund established by the rules of the Association. The sole purpose of the fund is to provide benefits to individual members upon cancellation of the members licence as a direct result of an inability to satisfy the medical requirements of the licence.

15: Reserves (Continued)

(b) Nature and purpose of the reserves (continued):

(iii) Emergency fund reserve

The emergency fund reserve was established to cover any emergency payments required. The balance at the beginning of the year has been transferred back to the accumulated surplus.

16: Accumulated surplus

	Consolidated		Parent entity	
	2011	2010	2011	2010
	$	$	$	$
Movements in accumulated surplus were as follows:				
Balance 1 July	**3,549,954**	3,579,579	**3,549,954**	3,579,579
Net surplus for the year	**767,632**	345,641	**767,632**	345,641
Transfer from emergency fund reserve	-	5,000	-	5,000
Transfer to necessitous fund reserve	**(432,975)**	(380,266)	**(432,975)**	(380,266)
Balance 30 June	**3.884,611**	3,549,954	**3,884,611**	3,549,954

17: Commitments

	Consolidated		Parent entity	
	2011	2010	2011	2010
	$	$	$	$
Non-cancellable operating leases The parent entity leases office space under a non-cancellable operating lease with its controlled entity. The agreement commenced on 3 September 2009 for a period of 3 years with a further 3 terms of 3 years each. It is expected that on renewal, the terms of the leases will be renegotiated.				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	-	-	**54,264**	52,093
Later than one year and not later than five years	-	-	**63,814**	8,682
Later than five years	-	-	-	-
	-	-	**118,078**	60,775

18: Contingencies

There are no other known contingent assets or liabilities at 30 June 2011 other than discussed elsewhere in this report.

19: Auditor's remuneration

	Consolidated		Parent entity	
	2010	2009	2010	2009
	$	$	$	$
During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:				
(a) Audit and other assurance services				
Audit or review of the financial report	**5,000**	9,500	**4,000**	7,000
Other audit services	**-**	-	**-**	-
	5,000	9,500	**4,000**	7,000

20: Related party transactions

(a) Parent entity
The parent entity within the group is Civil Air Officers Association of Australia.

(b) Controlled entity
The consolidated financial statements incorporate the assets, liabilities and results of the following entity in accordance with the accounting policy described in note 1:

Name of entity	Country	
Air Officers Trust	Australia	Discretionary service trust

(c) Transactions with related parties
The following transactions occurred with related parties:

	Consolidated		Parent entity	
	2011	2010	2011	2010
	$	$	$	$
Purchases of goods and services				
Rent	**-**	-	**52,093**	55,000
Receipt of income				
Distribution received	**-**	-	**119,795**	73,510

20: Related party transactions (Continued)

(d) Loans to controlled entity

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated		Parent entity	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Loans to controlled entity				
Beginning of the year	-	-	**3,618,493**	3,614,353
Loans advanced	-	-	**121,518**	4,140
Loan repayments received	-	-	**(57,303)**	-
End of year	-	-	**3,682,708**	3,618,493

(i) This loan is interest free

(ii) No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(e) Key management personnel compensation

	Consolidated		Parent entity	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
The aggregate compensation made to key management personnel of the group is as follows:				
Short -term benefits	**187,373**	164,941	**187,373**	164,941

21: Cash flow information

	Consolidated		Parent entity	
	2011	2010	2011	2010
	$	$	$	$
Reconciliation of cash flow from operations with surplus for the year				
Surplus for the year	**767,632**	345,641	**767,632**	345,641
Non-cash flows in profit				
Depreciation	**68,430**	76,256	**17,679**	22,849
Changes in assets and liabilities				
(Increase)/decrease in receivables	**(7,056)**	(14,186)	**202**	(14,186)
Increase(decrease) in payables	**8,229**	117,416	**7,448**	108,905
Increase/(decrease) in other assets	**-**	(2,910)	**-**	-
Increase/(decrease) in provisions	**25,051**	(4,508)	**25,051**	(4,508)
Net cash flows from operating activities	**862,286**	517,709	**818,012**	458,701

22: Events occurring after the reporting date

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the group, the results of those activities or the state of affairs of the group in the ensuing or any subsequent financial year.

CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

COMMITTEE OF MANAGEMENT' STATEMENT

On 10th of November 2011 the Committee of Management of the Civil Air Officers Association of Australia (the Association) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2011:

The Committee of Management declares in relation to the GPFR that in its opinion;

1. the financial statements and notes, as set out on pages 3 to 27 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 3 to 27 comply with the reporting guidelines of the General Manager of FWA;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year to which they relate;
4. there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and:
5. during the financial year to which the GPFR relates and since the end of 30 June 2011:
   a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
   b. the financial affairs of the Association have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
   c. the financial records of the Association have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
   d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
   e. the information sought in any request of a member of the Association or a General Manager of Fair Work Australia (FWA) duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the members or the General Manager of FWA: and
   f. No orders have been made by the Commission under section 273 of the RAO Schedule during the period.
6. There has been no recovery of wage activity undertaken by the reporting unit

For the Committee of Management

Designated Officer ______________________

Stuart Brades – Vice President Finance

Dated this 10th day of November 2011.

D. PENMAN & CO.
CHARTERED ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CIVIL AIR OPERATIONS OFFICERS ASSOCIATION OF AUSTRALIA AND CONTROLLED ENTITY

Report on the Financial Report

I have audited the accompanying financial report of Civil Air Operations Officers Association of Australia and Controlled Entity for the year ended 30 June 2011 comprising the statements of comprehensive income, the balance sheets, the statements of changes in equity, the statements of cash flows, the statement by committee of management and the notes to the financial statements.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. My audit has been conducted in accordance with Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance that 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 judgement, 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 presentation of the financial report in order to design audit procedures that are appropriate in the circumstances but not for 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 as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient to provide a basis for my audit opinion.

Independence

In conducting my audit I have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In my opinion the financial report of Civil Air Operations Officers Association of Australia and Controlled Entity:

(a) presents fairly the association's and consolidated entity's financial position as at 30 June 2011 and of their financial performance for the year ended on that date; and

(b) complies with Australian Accounting Standards and the requirements imposed by Part 3 Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

David Penman
D.Penman & Co.
Chartered Accountant 26812
Registered Company Auditor 15485
Melbourne
10 November 2011

AIR OFFICERS TRUST
ABN 16 950 829 154

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

AIR OFFICERS TRUST
ABN 16 950 829 154

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This financial report covers Air Officers Trust as an individual entity. The financial report is presented in the Australian currency.

Air Officers Trust is a discretionary Trust, domiciled in Australia.

The principal place of business is:
1st Floor
214 Graham Street
PORT MELBOURNE VIC 3207

The financial report was authorised for issue by the Directors of the Trustee on the 10th of November 2011. The Directors of the Trustee have the power to amend and reissue the financial report.

AIR OFFICERS TRUST
ABN 16 950 829 154

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Revenue from continuing operations	3	**226,668**	199,127
Audit fees		**(1,000)**	(2,500)
Depreciation		**(50,752)**	(53,407)
Repairs and maintenance		**(34,147)**	(32,827)
Other property expenses		**(19,089)**	(36,883)
Legal & Professional		**(1,885)**	-
		(106,873)	(125,617)
Profit attributable to owners	4	**119,795**	73,510
Other comprehensive income		**-**	-
Total comprehensive income for the year attributable to owners		**119,795**	73,510

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

AIR OFFICERS TRUST
ABN 16 950 829 154

BALANCE SHEET
AS AT 30 JUNE 2011

	Note	2011 $	2010 $
ASSETS			
Current assets			
Cash and cash equivalents	5	**2,205,404**	2,147,981
Receivables	6	**15,742**	8,484
Total current assets		**2,221,146**	2,156,465
Non-current assets			
Investment Property	7	**2,689,539**	2,689,224
Total non-current assets		**2,689,539**	2,689,224
Total assets		**4,910,685**	4,845,689
Current liabilities			
Trade and other payables	8	**9,292**	8,511
Total current liabilities		**9,292**	8,511
Non-current liabilities			
Borrowings	9	**3,682,708**	3,618,493
Total non-current liabilities		**3,682,708**	3,618,493
Total liabilities		**3,692,000**	3,627,004
Net assets		**1,218,685**	1,218,685
EQUITY			
Settled sum	10	**20**	20
Reserves	11	**1,218,665**	1,218,665
Total equity		**1,218,685**	1,218,685

The above balance sheet should be read in conjunction with the accompanying notes.

AIR OFFICERS TRUST
ABN 16 950 829 154

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Settled sum	Retained profits	Reserves	Total
	$	$	$	$
Balance at 1 July 2009	20	-	1,218,665	1,218,685
Total comprehensive income for the year	-	73,510	-	73,510
Distributions paid or provided for	-	(73,510)	-	(73,510)
Balance at 30 June 2010	20	-	1,218,665	1,218,685
Balance at 1 July 2010	**20**	**-**	**1,218,665**	**1,218,685**
Total comprehensive income for the year	**-**	**119,795**	**-**	**119,795**
Distributions paid or provided for	**-**	**(119,795)**	**-**	**(119,795)**
Balance at 30 June 2011	**20**	**-**	**1,218,665**	**1,218,685**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

AIR OFFICERS TRUST
ABN 16 950 829 154

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
		$	$
Cash flows from operating activities			
Receipts from tenants		**117,386**	126,735
Interest received		**119,954**	88,369
Payments to suppliers and employees		**(73,270)**	(82,586)
Net cash inflow/(outflows) from operating activities	**15**	**164,070**	132,518
Cash flows from investing activities			
Payment for property, plant and equipment		**(51,067)**	-
Net cash (outflow) from investing activities		**(51,067)**	-
Cash flows from financing activities			
Distributions made		**(119,795)**	(73,510)
Repayment of loans to related parties		**(57,303)**	-
Loans received from related parties		**121,518**	4,140
Net cash (outflow) from financing activities		**(55,580)**	(69,370)
Net increase/(decrease) in cash and cash equivalents		**57,423**	63,148
Cash and cash equivalents at beginning of financial year		**2,147,981**	2,084,833
Cash and cash equivalents at end of financial year	**5**	**2,205,404**	2,147,981

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

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the company comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

Early adoption of standards
The company has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2010:

- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*

This includes applying the revised pronouncement to the comparatives in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors.* None of the items in the financial statements had to be restated as the result of applying this standard. The adoption of AASB 1053 and AASB 2011-2 allowed the company to remove a number of disclosures. There was no other impact on the current or prior year financial statements.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

1: Summary of significant accounting policies (Continued)

(a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Trust's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Trust bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

Rent

Rent revenue is recognised when the right to receive the rent has been established.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

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

(b) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(c) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

1: Summary of significant accounting policies (Continued)

(d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed inclusive of GST.

(e) Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the entity. Investment property is carried at cost as is allowed by AASB 140.

Investment property is carried at historical cost or fair value less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation is calculated to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Class of fixed asset	Depreciation rate	Depreciation basis
Buildings	2.5%- 20%	Diminishing Value

(f) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance costs .

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1: Summary of significant accounting policies (Continued)

(g) Comparative figures

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

2: Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Trust and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment
The Trust assesses impairment at each reporting date by evaluating conditions specific to the Trust that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for the year ended 30 June 2011.

(b) Critical judgments in applying the trust's accounting policies

There are no critical judgements made in applying the Trust's accounting policies.

3: Revenue

	2011	2010
	$	$
From continuing operations		
- rent received	**106,033**	106,549
- other tenant income	**-**	4,209
	106,033	110,758
Other revenue		
interest	**119,954**	88,369
Insurance claim	**681**	-
	226,668	199,127

4: Expenses

	2011	2010
	$	$
The profit for the year includes the following specific expenses:		
Depreciation of non-current assets		
- Buildings	**31,250**	31,250
- Improvements	**19,502**	22,157
	50,752	53,407

5: Current assets - Cash and cash equivalents

	2011	2010
	$	$
Cash at bank	**236,698**	288,818
Term deposit	**1,968,706**	1,859,163
	2,205,404	2,147,981

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balances as above	**2,205,404**	2,147,981
Balances per cash flow statement	**2,205,404**	2,147,981

6: Current assets – Receivables

	2011	2010
	$	$
Other receivables	**15,742**	8,484

7: Investment property

	2011 $	2010 $
Land and buildings		
At cost or fair value	**2,905,000**	2,905,000
Less accumulated depreciation	**(368,919)**	(337,669)
	2,536,081	2,567,331
Building improvements		
At cost	**265,333**	214,266
Less accumulated depreciation	**(111,875)**	(92,373)
	153,458	121,893
Balance at end of year	**2,689,539**	2,689,224

(a) Movement in the carrying amounts between the beginning and the end of the year:

2011	Land and buildings $	Building improvements $	Total $
Opening net book amount	**2,567,331**	**121,893**	**2,689,224**
Additions	**-**	**51,067**	**51,067**
Depreciation	**(31,250)**	**(19,502)**	**(50,752)**
Closing net book amount	**2,536,081**	**153,458**	**2,689,539**

2010	Freehold land $	Freehold buildings $	Total $
Opening net book amount	2,598,581	144,050	2,742,631
Depreciation	(31,250)	(22,157)	(53,407)
Closing net book amount	2,567,331	121,893	2,689,224

(b) Land and buildings at valuation

The valuation basis of land and buildings is the fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The property was valued on 15th November 2010 by Craig Cunningham Property Consultants. The valuation does not take account of subsequent improvements which are recorded at cost. Based on this valuation the committee of management is satisfied that there has been no permanent diminution in the value of the land and buildings.

7: Investment property (continued)

(c) Amounts recognised in profit and loss for investment properties

Rental and other tenant income	**106,716**	110,758
Direct operating expenses from property that generated rental income.	**(106,872)**	(125,617)
Direct operating expenses from property that did not generated rental income	**-**	-
	(156)	(14,859)

(d) Leasing arrangements

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

Within one year	**127,935**	123,618
Later than one year but not later than five years	**200,593**	198,844
Later than five years	**-**	20,287
	328,528	342,749

8: Current assets - Trade and other payables

	2011 $	2010 $
Unsecured		
Other payables	**4,836**	4,055
Income in advance	**4,456**	4,456
	9,292	8,511

9: Non- Current assets - Borrowings

	2011 $	2010 $
Unsecured		
Related parties	**3,682,708**	3,618,493

10: Settled sum

	2011 $	2010 $
Settled sum – R J Garlick	**20**	20

11: Reserves

	2011 $	2010 $
Asset revaluation reserve	**1,218,685**	1,218,685

(a) Movements in reserves:

(i) Asset revaluation reserve		
Beginning of the year	**1,218,685**	1,218,685
Transfer to/from reserve	**-**	-
End of year	**1,218,685**	1,218,685

(b) Nature and purpose of reserves:

(i) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

12: Distributions

	2011 $	2010 $
Total comprehensive income for the year	**119,795**	73,510
Distributions paid or provided for	**(119,795)**	(73,510)
	-	-

13: Contingencies

There are no known contingent assets or liabilities at 30 June 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

14: Related party transactions

	2011 $	2010 $
Sales of goods and services		
Rent received from a related party	**52,093**	55,000
Loans from related parties		
Beginning of the year	**3,618,493**	3,614,353
Additional advance	**121,518**	4,140
Loan repayments received	**(57,303)**	-
End of year	**3,682,708**	3,618,493

(i) This loan is interest free

(a) Key management personnel compensation

The trust did not pay any compensation to the key management personnel during the year.

(b) Trustee

The trustee of the trust is Air Officers Pty Ltd – ACN 005 633 616

15: Cash flow information

	2011 $	2010 $
Reconciliation of cash flow from operations with profit/(loss) after income tax		
Profit for the year	**119,795**	73,510
Non-cash flows in profit		
Depreciation	**50,752**	53,407
Changes in assets and liabilities		
Increase in payables	**781**	8,511
(Increase) in other assets	**(7,258)**	(2,910)
Net cash flows from operating activities	**164,070**	132,518

16: Events subsequent to reporting date

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Trust, the results of those activities or the state of affairs of the Trust in the ensuing or any subsequent financial year.

AIR OFFICERS TRUST
ABN 16 950 829 154

DIRECTORS OF THE TRUSTEE' DECLARATION

In the Directors of the Trustee opinion:

(a) the financial statements and notes, as set out on pages 4 to 13 present fairly the trust's financial position at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards. :

(b) there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors of the Trustee.

Director ______________________

ROBERT MASON (PRESIDENT)

Director ______________________

STUART BRADES (VICE PRESIDENT FINANCE)

Dated: 10 November 2011
Melbourne

D. PENMAN & CO.
CHARTERED ACCOUNTANT

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MELBOURNE VICTORIA 3004
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EMAIL DAVID_STANFORD@UNITE.COM.AU

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF AIR OFFICERS TRUST

Report on the Financial Report

I have audited the accompanying financial report of Air Officers Trust for the year ended 30 June 2011 comprising the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows, the notes to the financial statements and the directors of the trustee company's declaration.

Trustees' Responsibility for the Financial Report

The trustees of the trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the trust deed. This responsibility includes establishing 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. My audit has been conducted in accordance with Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance that 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 judgement, 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 presentation of the financial report in order to design audit procedures that are appropriate in the circumstances but not for 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 directors as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient to provide a basis for my audit opinion.

Independence

In conducting my audit I have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In my opinion the financial report of Air Officers Trust presents fairly in all material respects the financial position of the trust as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including Australian Accounting Interpretations).

David Penman
D.Penman & Co.
Chartered Accountant 26812
Registered Company Auditor 15485
Melbourne
10 November 2011

14 NOV 2011

CIVIL AIR OPERATIONS OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

ANNUAL CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

CIVIL AIR
AIR TRAFFIC CONTROL
AUSTRALIA

CIVIL AIR OPERATIONS OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

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Relationship of the concise financial report to the full financial reports

The financial report is an extract from the full financial report for the year ended 30 June 2011. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report. These concise financial statements cover both Civil Air Officers Association of Australia as an individual entity (parent entity) and the consolidated financial statements for the consolidated entity consisting of Civil Air Officers Association of Australia and its controlled entity.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Civil Air Operations Officers Association of Australia as an individual entity and the controlled entities as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. Please contact Civil Air Operations Officers Association of Australia and a copy will be forwarded to you.

The committee of management has resolved on 10th of November 2011 that this concise report be provided in accordance with s265 (2) of the Fair Work (Registered Organisations) Act 2009.

CIVIL AIR OPERATIONS OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

DISCUSSION AND ANALYSIS OF THE FINANCIAL REPORTS

Information on of Civil Air Operations Officers Association of Australia Concise Financial Report

The concise financial report is an extract of the full financial report for the year ended 30 June 2011. The financial statements and specific disclosures in the concise financial report have been derived from the 2011 financial report of the Civil Air Operations Officers Association of Australia. A copy of the full financial report and the auditor's report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on the Civil Air Operations Officers Association of Australia's consolidated financial statements and the information contained in the concise financial report has been derived from the full 2011 financial report of the Civil Air Operations Officers Association of Australia and its controlled entities.

Statement of Comprehensive Income

The consolidated surplus attributable to members for the year was $767,632 which is a 122% increase from last year surplus of $345,641. Of thus surplus, $ 334,657 (2010: deficit of $ 34,625) was due to ongoing operations with the balance of the surplus of $ 432,975 (2010: surplus $ 380,266) relating to the necessitous fund.

This increase in the surplus occurred due to a combination of a growth in revenue of 8% from $1,955,147 in 2010 to $2,119,258 in 2011 together with expenses which decreased by 16% from $1,609,506 in 2010 to $1,351,628 this year.

Balance Sheet

Total assets increased by 11% or $800,914 from $7,281,267 in 2010 to $8,082,181 this year mainly due to an increase in cash on hand at the year end. Total liabilities increased by $33,282 or 8% from $394,674 in 2010 to $427,956 in 2011. The net result was an overall increase in members' funds of $767,632.

Cash Flows

Net cash flows from operations improved by $ 344,577 from $517,709 in 2010 to $862,286 in 2011. The result was a combination of an increase in funds received from operations combined with a reduction of payments to suppliers and employees.

Overall cash balances increased by $757,493 from last year, with cash on hand and at banks at 30 June 2011 being $5,272,975 (2010: $4,515,482).

Signed in accordance with a resolution of the Committee of Management

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Designated Officer – Stuart Brades Vice President Finance

Dated this 10th day of November 2011

CIVIL AIR OPERATIONS OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

OPERATING REPORT

Your committee of management present their report on the Civil Air Operations Officers Association of Australia (The Association) and its controlled entity for the financial year ended 30 June 2011.

Committee of management:

The names of the committee of management in office at any time during or since the end of the financial year are:

President	Mr Robert Mason	
Vice President Technical	Mr Duncan Auld	
Vice President Professional	Mr Michael Ireland	(resigned 1 May 2011)
Vice President Professional	Mr Jamie Robert	(appointed 1 May 2011)
Vice President Finance	Mr Stuart Maxwell	(resigned 1 May 2011)
Vice President Finance	Mr Stuart Brades	(appointed 1 May 2011)
Vice President Communication	Mr David Perks	(resigned 1 May 2011)
Vice President Communication	Mr Daryl Hickey	(appointed 1 May 2011)
Vice President Administrative	Mr James Walsh	

The Committee of management have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating results

The consolidated surplus of the consolidated group for the financial year after providing amounted to $ 767,632 (2010: $ 345,641). Of this $ 432,975 (2010: $380,266) belongs to the necessitous fund.

Significant changes in state of affairs

No significant changes in the state of affairs of the consolidated group occurred during the financial year.

Review of principal activities and results of operations

The principal activities of the Association during the financial year were the protection and improvement of employment conditions for its members. No significant change in the nature of these activities occurred during the year.

A review of the operations of the association indicate that it continued to engage in its principal activity of advocating for the professional, technical and industrial needs of Australian Air Traffic Controllers and Air Traffic Control Support Staff. In pursuing these activities the association has sought to protect and enhance the profession of air traffic controllers and support staff through representation of individuals in grievances and disputes and by representing air traffic controllers and support staff in collective bargaining.

After balance date events

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

Union details

The number of employees at 30 June 2011 was 5 (2010: 6)

The number of members at 30 June 2011 was 954 (2010: 994).

OPERATING REPORT (Continued)

Right of members to resign

In accordance with Rule 14 of the Association:

(a) A member may resign from membership by written notice addressed and delivered to the President.

(b) A notice of resignation from membership takes effect:

(i) where the member ceases to be eligible to become a member of the Association:

(a) on the day on which the notice is received by the Association; or

(b) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is the later; or

(ii) in any other case

(a) at the end of 14 days after the notice is received by the Association; or

(b) on the day specified in the notice

whichever is the later

(c) Any dues payable but not paid by a former member in relation to a period before the members resignation 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

(d) A notice delivered to the President shall be taken to have been received by the Association when it was delivered.

(e) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-rule (a).

(f) A resignation from membership is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted."

Superannuation trustees

As far as the committee of management believes or is aware, at 30 June 2011, the following person held positions as a trustee of a superannuation trust by virtue of their office or membership of the union:

George Fishlock is a director of AvSuper Pty Ltd which is the Trustee of AvSuper

Signed in accordance with a resolution of the committee of management:

Robert Mason - President

Dated: 10 November 2011

CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated		Parent entity	
		2011	2010	2011	2010
		$	$	$	$
Revenue from continuing operations	3	**2,119,258**	1,955,147	**2,064,476**	1,884,530
Expenses					
Affiliation fees		**(9,694)**	(28,091)	**(9,694)**	(28,091)
Bank charges		**(5,715)**	(5,627)	**(5,715)**	(5,627)
Meeting and conferences		**(982)**	(1,020)	**(982)**	(1,020)
Depreciation		**(68,430)**	(76,256)	**(17,679)**	(22,849)
Donations and gifts		**(2,708)**	(560)	**(2,708)**	(560)
Insurances		**(21,795)**	(28,431)	**(21,795)**	(28,431)
Legal and professional		**(89,511)**	(57,651)	**(86,624)**	(55,151)
Meals		**(16,092)**	(13,931)	**(16,092)**	(13,931)
Member expenses		**(1,454)**	(3,746)	**(1,454)**	(3,746)
Office expenses		**(41,143)**	(31,653)	**(41,143)**	(31,653)
Property expenses		**(53,236)**	(69,710)	**-**	-
Rent and occupancy		**(14,450)**	(34,976)	**(66,542)**	(89,976)
Computer expenses		**(16,428)**	(7,226)	**(16,428)**	(7,226)
NCF and death benefits paid		**(303,045)**	(443,045)	**(303,045)**	(443,045)
Salaries and related expenses		**(583,304)**	(669,854)	**(583,304)**	(669,854)
Telephone and internet		**(15,875)**	(29,151)	**(15,875)**	(29,151)
Accommodation		**(23,285)**	(17,158)	**(23,285)**	(17,158)
Travel and parking		**(84,479)**	(91,420)	**(84,479)**	(91,420)
		(1,351,626)	(1,609,506)	**(1,296,844)**	(1,538,889)
Surplus for the year		**767,632**	345,641	**767,632**	345,641
Surplus attributable to members		**767,632**	345,641	**767,632**	345,641
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year attributable to members		**767,632**	345,641	**767,632**	345,641
Total comprehensive income consists of:					
- Necessitous fund		**432,975**	380,266	**432,975**	380,266
- Ongoing operations		**334,657**	(34,625)	**334,657**	(34,625)
		767,632	345,641	**767,632**	345,641

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

BALANCE SHEETS
AS AT 30 JUNE 2011

	Consolidated		Parent entity	
	2011	2010	2011	2010
	$	$	$	$
ASSETS				
Current assets				
Cash and cash equivalents	**5,272,975**	4,515,482	**3,067,572**	2,367,501
Trade and other receivables	**29,727**	22,670	**13,985**	14,186
Total current assets	**5,302,702**	4,538,152	**3,081,557**	2,381,687
Non-current assets				
Receivables	-	-	**3,682,708**	3,618,493
Property, plant and equipment	**1,165,755**	1,129,581	**89,939**	53,892
Investment properties	**1,613,724**	1,613,534	**-**	-
Total non-current assets	**2,779,479**	2,743,115	**3,772,647**	3,672,405
Total assets	**8,082,181**	7,281,267	**6,854,204**	6,054,072
LIABILITIES				
Current liabilities				
Trade and other payables	**201,796**	193,566	**192,484**	185,036
Provisions	**226,160**	201,108	**226,160**	201,108
Total current liabilities	**427,956**	394,674	**418,644**	386,144
Total liabilities	**427,956**	394,674	**418,644**	386,144
Net assets	**7,654,225**	6,886,593	**6,435,560**	5,667,928
EQUITY				
Reserves	**3,769,614**	3,336,639	**2,550,949**	2,117,974
Retained earnings	**3,884,611**	3,549,954	**3,884,611**	3,549,954
Total equity	**7,654,225**	6,886,593	**6,435,560**	5,667,928

The above balance sheets should be read in conjunction with the accompanying notes.

CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

Consolidated	Reserves $	Accumulated surplus $	Total $
Balance at 1 July 2009	2,961,373	3,579,579	6,540,952
Total comprehensive income for the year	-	345,641	345,641
Transfers to and from reserve	375,266	(375,266)	-
Balance at 30 June 2010	3,336,639	3,549,954	6,886,593
Balance at 1 July 2010	**3,336,639**	**3,549,954**	**6,886,593**
Total comprehensive income for the year	**-**	**767,632**	**767,632**
Transfers to and from reserve	**432,975**	**(432,975)**	**-**
Balance at 30 June 2011	**3,769,614**	**3,884,611**	**7,654,225**
Parent Entity			
Balance at 1 July 2009	1,742,708	3,579,579	5,322,287
Total comprehensive income for the year	-	345,641	345,641
Transfers to and from reserve	375,266	(375,266)	-
Balance at 30 June 2010	2,117,974	3,549,954	5,667,928
Balance at 1 July 2010	**2,117,974**	**3,549,954**	**5,667,928**
Total comprehensive income for the year	**-**	**767,632**	**767,632**
Transfers to and from reserve	**432,975**	**(432,975)**	**-**
Balance at 30 June 2011	**2,550,949**	**3,884,611**	**6,435,560**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
Cash flows from operating activities				
Membership fees received	**2,027,279**	1,909,394	**2,027,279**	1,909,394
Receipts from tenants	**65,295**	71,735	**-**	-
Distributions received	**-**	-	**119,795**	73,510
Payments to suppliers and employees	**(1,470,173)**	(1,632,514)	**(1,448,994)**	(1,604,928)
Interest received	**239,885**	169,094	**119,932**	80,725
Net cash inflow from operating activities	**862,286**	517,709	**818,012**	458,701
Cash flows from investing activities				
Proceed from sales of property, plant and equipment	**17,532**	-	**17,532**	-
Payment for property, plant and equipment	**(122,325)**	(7,299)	**(71,258)**	(7,299)
Net cash (outflow) from investing activities	**(104,793)**	(7,299)	**(53,726)**	(7,299)
Cash flows from financing activities				
Loan repayments received	-	-	**57,303**	-
Loans made to related party	-	-	**(121,518)**	(4,140)
Net cash (outflow) from financing activities	-	-	**(64,215)**	(4,140)
Net increase in cash and cash equivalents	**757,493**	510,410	**700,071**	447,262
Cash and cash equivalents at beginning of financial year	**4,515,482**	4,005,072	**2,367,501**	1,920,239
Cash and cash equivalents at end of financial year	**5,272,975**	4,515,482	**3,067,572**	2,367,501

The above statements of cash flows should be read in conjunction with the accompanying notes.

1: Summary of significant accounting policies

(a) Basis of preparation

The concise financial reports have been prepared in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 and Accounting Standard AASB 1039 "Concise Financial Reports".

A full general purpose financial report has been prepared for the Civil Air Operations Officers Association of Australia as an individual entity and the controlled entity. The financial statements and specific disclosures included in the concise financial report have been derived from the general purpose financial report of Civil Air Operations Officers Association of Australia as an individual entity and the controlled entity. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the general purpose financial report of the Civil Air Operations Officers Association of Australia as an individual entity and the controlled entity.

(b) Basis of accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

(c) Presentation currency

The presentation currency used in this concise financial report is Australian dollars.

2: Information to be provided to members or general manager

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsection (1), (2) and (3) of section 272 which read as follows:

(1) a member of a reporting unit, or the General Manager, 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 made 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).

3: Revenue

	Consolidated		Parent Entity	
	2011	2010	2011	2010
From continuing operations	$	$	$	$
Service revenue				
membership fees	**1,817,808**	1,630,589	**1,817,808**	1,630,589
rent	**53,942**	55,758	**-**	-
	1,871,750	1,686,347	**1,817,808**	1,630,589
Other revenue				
interest	**239,885**	169,094	**119,932**	80,725
distributions received	**-**	-	**119,795**	73,510
legal fee provision reversed	**-**	75,000	**-**	75,000
other revenue	**7,623**	24,706	**6,941**	24,706
	2,119,258	1,955,147	**2,064,476**	1,884,530

4: Commitments

Non-cancellable operating leases

The parent entity leases office space under a non-cancellable operating lease with its controlled entity. The agreement commenced on 3 September 2009 for a period of 3 years with a further 3 terms of 3 years each. It is expected that on renewal, the terms of the leases will be renegotiated.

	Consolidated		Parent entity	
	2011	2010	2011	2010
	$	$	$	$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	**-**	-	**54,264**	52,093
Later than one year and not later than five years	**-**	-	**63,814**	8,682
Later than five years	**-**	-	**-**	-
	-	-	**118,078**	60,775

5: Contingencies

There are no other known contingent assets or liabilities at 30 June 2011 other than discussed elsewhere in this report.

6: Events occurring after the reporting date

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the group, the results of those activities or the state of affairs of the group in the ensuing or any subsequent financial year.

CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY

COMMITTEE OF MANAGEMENT' STATEMENT

On 10th of November 2011 the Committee of Management of the Civil Air Officers Association of Australia (the Association) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2011:

The Committee of Management declares in relation to the GPFR that in its opinion;

1. the financial statements and notes, as set out on pages 4 to 9 comply with Australian Accounting Standards and other mandatory professional reporting requirements

2. the financial statements and notes, as set out on pages 4 to 9 comply with the reporting guidelines of the General Manager of FWA;

3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year to which they relate;

4. there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and:

5. during the financial year to which the GPFR relates and since the end of 30 June 2011:

   a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the branch concerned; and

   b. the financial affairs of the Association have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

   c. the financial records of the Association have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and

   d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and

   e. the information sought in any request of a member of the Association or a General Manager of Fair Work Australia (FWA) duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the members or the General Manager of FWA: and

   f. No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

6. There has been no recovery of wage activity undertaken by the reporting unit

For the Committee of Management

Designated Officer ______________________________

Stuart Brades – Vice President Finance

Dated this 10th day of November 2011.

D. PENMAN & CO.
CHARTERED ACCOUNTANT

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MELBOURNE VICTORIA 3004
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA

Report on the concise financial report

I have audited the accompanying concise financial report of the Civil Air Officers Association of Australia and controlled entity, which comprises the balance sheet as at 30 June 2011, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and related notes, derived from the audited financial report of Civil Air Officers Association of Australia and controlled entity for the year ended 30 June 2011. The concise financial report does not contain all the disclosures required by Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Committee of Management 's responsibility for the concise financial report

The Committee of Management is responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Committee of Management determines is necessary to enable the preparation of the concise financial report.

Auditor's responsibility

My responsibility is to express an opinion on the concise financial report based on my audit procedures which were conducted in accordance with Auditing Standard ASA 810: Engagements to Report on Summary Financial Statements. I have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the Civil Air Officers Association of Australia and controlled entity for the year ended 30 June 2011 and expressed an unmodified audit opinion on that financial report in my report dated 10 November 2011. The Australian Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise 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. My procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion on whether, in all material respects, the concise financial report complies with AASB 1039: *Concise Financial Reports*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIVIL AIR OFFICERS ASSOCIATION OF AUSTRALIA (Continued)

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

Opinion

In my opinion, the concise financial report of the Civil Air Officers Association of Australia and controlled entity for the year ended 30 June 2011 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports and* the Fair Work (Registered Organisations) Act 2009.

David Penman
Chartered Accountant 26812
Melbourne
10 November 2011