

20 February 2013

Mr Daryl Hickey
President
Civil Air Operations Officers Association of Australia
PO Box 394
PORT MELBOURNE VIC 3207



Dear Mr Hickey,

Re: Lodgement of Financial Statements and Accounts – Civil Air Operations Officers Association of Australia – for year ending 30 June 2012 (FR2012/237)

I refer to the abovementioned financial statements and accounts which were received by Fair Work Australia (now known as the Fair Work Commission) on 14 December 2012. The Auditor's Statement in relation to the Concise Report was received on 18 February 2013.

The documents have been filed. However I wish to clarify the following area in which future reports will facilitate the reading of information required to be presented and comply with the *Fair Work (Registered Organisations) Act 2009*.

Operating Report - Employees as full-time equivalent

Regulation 159(b) requires that where both full-time and part-time employees are included Operating Reports must disclose the number of employees expressed as a full-time equivalent.

The Operating Report stated that "the number of employees at 30 June 2012 was 6. It was not clear whether this total included both full-time and part-time employees.

For the avoidance of doubt, even where the number of employees only includes one category - full-time or part-time - of employee, the number of employees should be explicitly expressed as a full-time equivalent.

Clerical or Typographical Error

I identified what appears to be a clerical or typographical error at Note 19 of the full report. The comparative figures for auditor's remuneration appeared under columns headed "2010" and "2009" instead of "2012" and "2011". As far as I can ascertain, the actual balances appear to be correct.

There is no further action required in respect of this return. If you wish to discuss the financial reporting requirements, please do not hesitate to contact me at any time on (02) 6723 7237.

Yours sincerely,



Stephen Kellett
Senior Adviser, Regulatory Compliance Branch



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14 December 2012

Industrial Registrar
Fair Work Australia
GPO Box 1994S
MELBOURNE VIC 3001



Dear Sir,

RE: ASSOCIATION FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

In accordance with Section 268 of the *Fair Work (Registered Organisations) Act 2009*, please find attached a copy of the Association's Financial Statements for the financial year ended 30th June 2012.

I trust these Statements meet your requirements.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Daryl Hickey".

Daryl Hickey
President



**ASSOCIATION FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2012**

STATEMENT

I, Daryl James Hickey, 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 9 November 2012 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 6 December 2012; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed:



Daryl Hickey
President

14 December 2012

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012**



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

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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

**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 2012.

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	(resigned 1 August 2012)
President	Mr Daryl Hickey	(appointed 1 August 2012)
Vice President Technical	Mr Duncan Auld	
Vice President Professional	Mr Jamie Roberts	
Vice President Finance	Mr Stuart Brades	
Vice President Communication	Mr Daryl Hickey	(resigned 1 August 2012)
Acting Vice President Communication	Mr Timothy Kerr	(appointed 9 August 2012)
Vice President Administrative	Mr James Walsh	(resigned 1 May 2012)
Vice President Administrative	Ms Cheryl Lund	(appointed 1 May 2012)

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 group for the financial year amounted to \$ 409,098 (2011: \$ 767,632). Of this \$ 160,088 (2011: \$ 432,975) 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 2012 was 6 (2011:5)

The number of members at 30 June 2012 was 1,026 (2011: 954).

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

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 noticewhichever 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 2012, 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:



Daryl Hickey - President

Dated: 2nd November 2012

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

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	Consolidated		Parent entity	
		2012 \$	2011 \$	2012 \$	2011 \$
Revenue from continuing operations	4	2,244,113	2,119,258	2,157,904	2,064,476
Expenses					
Affiliation fees		(26,256)	(9,694)	(26,256)	(9,694)
Bank charges		(5,949)	(5,715)	(5,949)	(5,715)
Meeting and conferences		(1,421)	(982)	(1,421)	(982)
Depreciation		(71,479)	(68,430)	(23,941)	(17,679)
Donations and gifts		(951)	(2,708)	(951)	(2,708)
Insurances		(21,929)	(21,795)	(21,929)	(21,795)
Legal and professional		(108,137)	(89,511)	(105,851)	(86,624)
Meals		(24,852)	(16,092)	(24,852)	(16,092)
Member expenses		(12,075)	(11,454)	(12,075)	(11,454)
Office expenses		(38,583)	(41,143)	(38,583)	(41,143)
Property expenses		(88,478)	(53,236)	-	-
Rent and occupancy		(11,603)	(14,450)	(63,696)	(66,542)
Computer expenses		(22,204)	(16,428)	(22,204)	(16,428)
NCF and death benefits paid	6	(611,915)	(303,045)	(611,915)	(303,045)
Salaries and related expenses	7	(622,597)	(583,304)	(622,597)	(583,304)
Telephone and internet		(14,091)	(15,875)	(14,091)	(15,875)
Accommodation		(31,317)	(23,285)	(31,317)	(23,285)
Travel and parking		(121,178)	(84,479)	(121,178)	(84,479)
	5	(1,835,015)	(1,351,626)	(1,748,806)	(1,296,844)
Surplus for the year		409,098	767,632	409,098	767,632
Surplus attributable to members		409,098	767,632	409,098	767,632
Other comprehensive income					
Changes in the Necessitous fund	15	(160,088)	(432,975)	(160,088)	(432,975)
Total comprehensive income for the year attributable to members from ongoing operations		249,010	334,657	249,010	334,657

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 2012**

	Note	Consolidated		Parent entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	8	5,717,011	5,272,975	3,413,359	3,067,572
Trade and other receivables	9	39,982	29,727	27,110	13,985
Total current assets		5,756,993	5,302,702	3,440,469	3,081,557
Non-current assets					
Receivables	10	-	-	3,729,446	3,682,708
Property, plant and equipment	11	1,153,630	1,165,755	96,829	89,939
Investment properties	12	1,585,201	1,613,724	-	-
Total non-current assets		2,738,831	2,779,479	3,826,275	3,772,647
Total assets		8,495,824	8,082,181	7,266,744	6,854,204
LIABILITIES					
Current liabilities					
Trade and other payables	13	180,275	201,796	169,860	192,484
Provisions	14	252,226	226,160	252,226	226,160
Total current liabilities		432,501	427,956	422,086	418,644
Total liabilities		432,501	427,956	422,086	418,644
Net assets		8,063,323	7,654,225	6,844,658	6,435,560
MEMBERS FUNDS					
Reserves	15	3,929,702	3,769,614	2,711,037	2,550,949
Accumulated surplus	16	4,133,621	3,884,611	4,133,621	3,884,611
Total members funds		8,063,323	7,654,225	6,844,658	6,435,560

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 2012**

	Reserves \$	Accumulated surplus \$	Total \$
Consolidated			
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	<u>3,769,614</u>	<u>3,884,611</u>	<u>7,654,225</u>
Balance at 1 July 2011	3,769,614	3,884,611	7,654,225
Total comprehensive income for the year	-	409,098	409,098
Transfers to and from reserve	160,088	(160,088)	-
Balance at 30 June 2012	<u>3,929,702</u>	<u>4,133,621</u>	<u>8,063,323</u>
Parent Entity			
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	<u>2,550,949</u>	<u>3,884,611</u>	<u>6,435,560</u>
Balance at 1 July 2011	2,550,949	3,884,611	6,435,560
Total comprehensive income for the year	-	409,098	409,098
Transfers to and from reserve	160,088	(160,088)	-
Balance at 30 June 2012	<u>2,711,037</u>	<u>4,133,621</u>	<u>6,844,658</u>

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 2012**

	Note	Consolidated		Parent Entity	
		2012 \$	2011 \$	2012 \$	2011 \$
Cash flows from operating activities					
Membership fees received (inclusive of GST)		2,062,876	2,027,279	2,062,876	2,027,279
Receipts from tenants (inclusive of GST)		69,418	65,295	-	-
Distributions received		-	-	100,716	119,795
Payments to suppliers and employees (inclusive of GST)		(1,943,604)	(1,470,173)	(1,896,187)	(1,448,994)
Interest received		286,175	239,885	155,951	119,932
Net cash inflow from operating activities	21	474,865	862,286	423,356	818,012
Cash flows from investing activities					
Proceed from sales of property, plant and equipment		-	17,532	-	17,532
Payment for property, plant and equipment		(30,831)	(122,325)	(30,831)	(71,258)
Net cash (outflow) from investing activities		(30,831)	(104,793)	(30,831)	(53,726)
Cash flows from financing activities					
Loan repayments received		-	-	53,978	57,303
Loans made to related party		-	-	(100,716)	(121,518)
Net cash (outflow) from financing activities		-	-	(46,738)	(64,215)
Net increase in cash and cash equivalents		444,035	757,493	345,787	700,071
Cash and cash equivalents at beginning of financial year		5,272,975	4,515,482	3,067,572	2,367,501
Cash and cash equivalents at end of financial year	8	5,717,011	5,272,975	3,413,359	3,067,572

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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. The Civil Air Officers Association of Australia is a not-for-profit entity for the purpose of preparing financial statements.

New and amended standards adopted by the Federation

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2011 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, the adoption of the revised AASB 124 *Related Party Disclosures* resulted in the disclosure of additional related party transactions and required the restatement of some comparative information in note 14, and the adoption of AASB 1054 *Australian Additional Disclosures* and AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* enabled the removal of certain disclosures in relation to commitments and the franking of dividends

Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2011.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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 2012 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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 is necessary 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1: Summary of significant accounting policies (Continued)

(h) 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.

(i) 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1: Summary of significant accounting policies (Continued)

(i) 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.

(j) 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.

**CIVIL AIR OPERATIONS OFFICERS ASSOCIATION OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
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1: Summary of significant accounting policies (Continued)

(k) 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.

(l) 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

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1: Summary of significant accounting policies (Continued)

(m) 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.

(n) 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

(o) 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.

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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:

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

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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	
	2012	2011	2012	2011
	\$	\$	\$	\$
From continuing operations				
<i>Service revenue</i>				
membership fees	1,809,912	1,817,808	1,809,912	1,817,808
rent	56,702	53,942	-	-
	<u>1,866,614</u>	<u>1,871,750</u>	<u>1,809,912</u>	<u>1,817,808</u>
<i>Other revenue</i>				
interest	286,174	239,885	155,951	119,932
distributions received	-	-	100,716	119,795
recoveries from fraud	76,770	-	76,770	-
other revenue	14,555	7,623	14,555	6,941
	<u>2,244,113</u>	<u>2,119,258</u>	<u>2,157,904</u>	<u>2,064,476</u>

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5: Expenses

	Consolidated		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
The surplus for the year includes the following specific expenses:				
<i>Depreciation of non-current assets</i>				
Investment property	28,523	30,450	-	-
Buildings	12,500	12,500	-	-
Building improvements	6,515	7,801	-	-
Furniture and fixtures	5,744	5,482	5,744	5,482
Motor vehicles	5,866	5,940	5,866	5,940
Computers	12,331	6,257	12,331	6,257
Total depreciation	<u>71,479</u>	<u>68,430</u>	<u>23,941</u>	<u>17,679</u>
<i>Defined contribution superannuation expense</i>	72,865	49,275	72,865	49,275
<i>Rental expenses relating to operating leases</i>				
Minimum lease payments	-	-	52,093	52,093
<i>Legal Fees</i>	75,979	53,364	75,979	53,364

6: Necessitous circumstances fund and death benefit payments

	Consolidated		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
NCF payments	591,798	293,045	591,798	293,045
Death benefits paid	20,117	10,000	20,117	10,000
	<u>611,915</u>	<u>303,045</u>	<u>611,915</u>	<u>303,045</u>

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

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7: Salaries and related expenses

	Consolidated		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Holders of an office				
Allowances	<u>7,269</u>	<u>7,810</u>	<u>7,269</u>	<u>7,810</u>
	<u>7,269</u>	<u>7,810</u>	<u>7,269</u>	<u>7,810</u>
Other employees				
NCF allowances	5,590	3,000	5,590	3,000
Salaries	478,296	468,522	478,296	468,522
Superannuation	72,865	49,783	72,865	49,783
Movement in employee benefit provisions	26,067	25,052	26,067	25,052
Other employee related expenses	<u>32,510</u>	<u>29,137</u>	<u>32,510</u>	<u>29,137</u>
	<u>615,328</u>	<u>575,494</u>	<u>7,269</u>	<u>7,810</u>
	<u>622,597</u>	<u>583,304</u>	<u>622,597</u>	<u>583,304</u>

8: Current assets - Cash and cash equivalents

	Consolidated		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Cash in hand	100	100	100	100
Cash at bank	935,952	753,220	722,338	516,522
Cash at bank – NCF account	616,262	2,550,949	616,262	2,550,949
Term deposit	2,090,038	1,968,706	-	-
Term deposit – NCF account	<u>2,074,659</u>	-	<u>2,074,659</u>	-
	<u>5,717,011</u>	<u>5,272,975</u>	<u>3,413,359</u>	<u>3,067,572</u>

(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	5,717,011	5,272,975	3,413,359	3,067,572
Bank overdrafts	-	-	-	-
Balances per statements of cash flows	<u>5,717,011</u>	<u>5,272,975</u>	<u>3,413,359</u>	<u>3,067,572</u>

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9: Current assets - Trade and other receivables

	Consolidated		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Prepayments	7,953	16,147	26,410	13,285
Other receivables	<u>32,029</u>	<u>13,580</u>	<u>700</u>	<u>700</u>
	<u>39,982</u>	<u>29,727</u>	<u>27,110</u>	<u>13,985</u>

(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	
	2012	2011	2012	2011
	\$	\$	\$	\$
Loans to related parties	-	-	<u>3,729,446</u>	<u>3,682,708</u>
	-	-	<u>3,729,446</u>	<u>3,682,708</u>

(a) Impaired trade receivables

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

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

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Land and buildings				
Land and buildings				
At cost or fair value	1,162,000	1,162,000	-	-
Less accumulated depreciation	(160,068)	(147,568)	-	-
	<u>1,001,932</u>	<u>1,014,432</u>	<u>-</u>	<u>-</u>
Building improvements				
At cost	106,134	106,134	-	-
Less accumulated depreciation	(51,265)	(44,750)	-	-
	<u>54,869</u>	<u>61,384</u>	<u>-</u>	<u>-</u>
Total property	<u>1,056,801</u>	<u>1,075,816</u>	<u>-</u>	<u>-</u>
Computers and equipment				
At cost	86,019	61,787	86,019	61,787
Less accumulated depreciation	(60,338)	(48,007)	(60,338)	(48,007)
	<u>25,681</u>	<u>13,780</u>	<u>25,681</u>	<u>13,780</u>
Motor vehicles				
At cost	67,776	67,776	67,776	67,776
Less accumulated depreciation	(8,438)	(2,694)	(8,438)	(2,694)
	<u>59,338</u>	<u>65,082</u>	<u>59,338</u>	<u>65,082</u>
Furniture and fittings				
At cost	68,007	61,408	68,007	61,408
Less accumulated depreciation	(56,197)	(50,331)	(56,197)	(50,331)
	<u>11,810</u>	<u>11,077</u>	<u>11,810</u>	<u>11,077</u>
Total plant and equipment	<u>96,829</u>	<u>89,939</u>	<u>96,829</u>	<u>89,939</u>
Total property plant and equipment	<u>1,153,630</u>	<u>1,165,755</u>	<u>96,829</u>	<u>89,939</u>

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

Movements - Group	Land and buildings	Building improvements	Computers and equipment	Motor vehicles	Furniture and fittings	Total
			\$	\$	\$	\$
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
Disposals	-	-	-	(17,532)	-	(17,532)
Depreciation charge	(12,500)	(7,801)	(6,257)	(5,940)	(5,482)	(37,980)
Closing net book amount	<u>1,014,432</u>	<u>61,384</u>	<u>13,780</u>	<u>65,082</u>	<u>11,077</u>	<u>1,165,755</u>
Year ended 30 June 2012						
Opening net book amount	1,014,432	61,384	13,780	65,082	11,077	1,165,755
Additions – acquisitions			24,232	-	6,599	30,831
Depreciation charge	(12,500)	(6,515)	(12,331)	(5,744)	(5,866)	(42,956)
Closing net book amount	<u>1,001,932</u>	<u>54,869</u>	<u>25,681</u>	<u>59,338</u>	<u>11,810</u>	<u>1,153,630</u>

Movements - Parent	Computers and equipment	Motor vehicles	Furniture and fittings	Total
	\$	\$	\$	\$
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	<u>13,780</u>	<u>65,082</u>	<u>11,077</u>	<u>89,939</u>
Year ended 30 June 2012				
Opening net book amount	13,780	65,082	11,077	89,939
Additions – acquisitions	24,232	-	6,599	30,831
Disposal	-	-	-	-
Depreciation charge	(12,331)	(5,744)	(5,866)	(23,941)
Closing net book amount	<u>25,681</u>	<u>59,338</u>	<u>11,810</u>	<u>96,829</u>

(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.

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12: Non-current assets – Investment property

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
At cost or fair value	1,902,200	1,902,200	-	-
Less accumulated depreciation	(316,999)	(288,476)	-	-
	<u>1,585,201</u>	<u>1,613,724</u>	<u>-</u>	<u>-</u>

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

Rental income	56,702	53,942	-	-
Direct operating expenses from property that generated rental income.	(88,478)	(53,236)	-	-
Direct operating expenses from property that did not generate rental income	-	-	-	-
	<u>(31,776)</u>	<u>706</u>	<u>-</u>	<u>-</u>

(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	92,387	127,935	-	-
Later than one year but not later than five years	108,206	200,593	-	-
Later than five years	-	-	-	-
	<u>200,593</u>	<u>328,528</u>	<u>-</u>	<u>-</u>

Movements

Opening net book amount	1,613,724	1,613,534	-	-
Additions – acquisitions	-	30,640	-	-
Depreciation charge	(28,523)	(30,450)	-	-
Closing net book amount	<u>1,585,201</u>	<u>1,613,724</u>	<u>-</u>	<u>-</u>

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13: Current liabilities - Trade and other payables

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Trade payables	27,376	33,897	27,376	33,897
Trade payables – legal	-	7,625	-	7,625
Other payables	64,136	61,544	53,721	52,232
Membership fees in advance	88,763	98,730	88,763	98,730
	<u>180,275</u>	<u>201,796</u>	<u>169,860</u>	<u>192,484</u>

14: Current liabilities - Provisions

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Employee benefits – holders of office	-	-	-	-
Employee benefits - other	252,226	226,160	252,226	226,160
	<u>252,226</u>	<u>226,160</u>	<u>252,226</u>	<u>226,160</u>

(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	
	2012	2011	2012	2011
	\$	\$	\$	\$
Long service leave obligation expected to be settled after 12 months	<u>192,815</u>	<u>174,129</u>	<u>192,815</u>	<u>174,129</u>

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15: Reserves

		Consolidated		Parent entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
Asset revaluation reserve	(i)	1,218,665	1,218,665	-	-
Necessitous fund reserve	(ii)	2,711,037	2,550,949	2,711,037	2,550,949
		<u>3,929,702</u>	<u>3,769,614</u>	<u>2,711,037</u>	<u>2,550,949</u>
(a) Movement in reserves:					
<i>(i) Asset revaluation reserve</i>					
Balance at beginning of year		1,218,665	1,218,665	-	-
Transfers to/from reserves		-	-	-	-
Balance at end of year		<u>1,218,665</u>	<u>1,218,665</u>	<u>-</u>	<u>-</u>
<i>(ii) Necessitous fund reserve</i>					
Balance at beginning of year		2,550,949	2,117,974	2,550,949	2,117,974
<i>Net transfer for the year</i>					
Contributions for year		626,565	639,031	626,565	639,031
Interest earned for year		132,253	103,444	132,253	103,444
Expenses paid during year		(6,932)	(6,455)	(6,932)	(6,455)
Benefits paid during year		(591,798)	(303,045)	(591,798)	(303,045)
Net transfer from accumulated surplus		<u>160,088</u>	<u>432,975</u>	<u>160,088</u>	<u>432,975</u>
Balance at end of year		<u>2,711,037</u>	<u>2,550,949</u>	<u>2,711,037</u>	<u>2,550,949</u>

(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.

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16: Accumulated surplus

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
<i>Movements in accumulated surplus were as follows:</i>				
Balance 1 July	3,884,611	3,549,954	3,884,611	3,549,954
Net surplus for the year	409,098	767,632	409,098	767,632
Transfer to necessitous fund reserve	(160,088)	(432,975)	(160,088)	(432,975)
Balance 30 June	<u>4,133,621</u>	<u>3,884,611</u>	<u>4,133,621</u>	<u>3,884,611</u>

17: Commitments

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$	\$	\$	\$

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	-	-	54,697	54,264
Later than one year and not later than five years	-	-	63,814	118,511
Later than five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>118,511</u>	<u>172,775</u>

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18: Contingencies

There are no other known contingent assets or liabilities at 30 June 2012 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 entities:

(a) Audit and other assurance services

Audit or review of the financial report	6,000	5,000	4,800	4,000
Other audit services	-	-	-	-
	<u>6,000</u>	<u>5,000</u>	<u>4,800</u>	<u>4,000</u>

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 property trust

(c) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
<i>Purchases of goods and services</i>				
Rent	-	-	52,093	52,093
<i>Receipt of income</i>				
Distribution received	-	-	100,716	119,795

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012**

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	
	2012	2011	2012	2011
	\$	\$	\$	\$
<i>Loans to controlled entity</i>				
Beginning of the year	-	-	3,682,708	3,618,493
Loans advanced	-	-	100,716	121,518
Loan repayments received	-	-	(53,978)	(57,303)
End of year	-	-	3,729,446	3,682,708

(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	
	2012	2011	2012	2011
	\$	\$	\$	\$
The aggregate compensation made to key management personnel of the group is as follows:				
Short-term benefits	189,028	187,373	189,028	187,373

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012**

21: Cash flow information

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Reconciliation of cash flow from operations with surplus for the year				
Surplus for the year	409,098	767,632	409,098	767,632
<i>Non-cash flows in profit</i>				
Depreciation	71,478	68,430	23,941	17,679
<i>Changes in assets and liabilities</i>				
(Increase)/decrease in receivables	(10,255)	(7,056)	(13,125)	202
Increase(decrease) in payables	(21,522)	8,229	(22,624)	7,448
Increase/(decrease) in provisions	26,066	25,051	26,066	25,051
Net cash flows from operating activities	474,865	862,286	423,356	818,012

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 2nd of November 2012 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 2012:

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 2012:
 - 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. 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
 - e. 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:

2nd November 2012



D. PENMAN & CO.

CHARTERED ACCOUNTANT

LEVEL 10, 420 ST KILDA ROAD
MELBOURNE VICTORIA 3004
TELEPHONE (03) 9866 5003
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EMAIL DAVID_STANFORD@UNITE.COM.AU

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 2012 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 2012 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 2012

**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 2012**



**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 2012. 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 2012 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 2012. The financial statements and specific disclosures in the concise financial report have been derived from the 2012 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 2012 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 \$ 409,098 which is a 53% decrease from last year's surplus of \$767,632. Of this surplus, \$ 249,010 (2011: \$ 334,657) was due to ongoing operations with the balance of the surplus of \$ 160,088 (2011: \$ 432,975) relating to the net change in the necessitous fund.

This reduction in the surplus occurred despite an increase in revenue of 6% to \$ 2,244,113 from \$ 2,119,258 last year. The increase in revenue was mainly due to the payment from the National Australia Bank for compensation for the cheque based fraud of \$ 76,770 and interest earned on deposited funds up \$ 46,289 on 2011. The actual income derived from membership fees is \$ 7,896 lower than in 2011 despite the total number of members increasing by 76 from 2011.

~~Expenses increased more than the revenue by 36 % from \$ 1,315,626 last year to \$ 1,835,015 this year. The increase in expenses was primarily due to an increase in the payout for NCF and death benefits of \$ 308,870 compared with last year. Expenses excluding the NCF increased by \$ 143,092 for the financial year~~

During the financial year many office items were at end of life and required replacing including the replacement of all desktop computers for the staff, office server, network switch, wireless access points and uninterruptable power supply. The office photocopiers were disposed of and a new one leased as well as backup printers purchased. Additional office items purchased include an ID card printing machine, an office building defibrillator, a small form PC and webcam for the small conference room and a wall mounted TV, small form PC and webcam for the downstairs conference room. Additional computer related expenses were incurred in migrating all systems to new operating systems and program updates, in particular our iMIS membership database that had never been updated.

Affiliation fees are significantly higher in 2012 as we processed last financial year's and this financial year's fees in the one year, so despite this looking high, the average is correct over the two years. This added \$ 16,562 in expenses to this year's result. Legal and professional fees have increased 22% over 2011's result adding \$ 19,227. Staff salaries and COMNE allowances increased through the year as well as adding one part-time staff member towards the end of financial year. This equated to an increase of 6.7% on 2011 (\$ 39,293)

Meal expenses were up 54% on 2011 increasing by \$ 8,760. Accommodation expenses were up 34.5% increasing by \$ 8,032. Travel and parking expenses were also up 43% increasing by \$ 36,699 This can be attributed to additional travel of COM members, IFATCA, NZALPHA and NE conference functions. Further meal expenses were incurred from EA negotiations and IRC travel requirements. An additional COM meeting was held towards the end of the financial year as well as a COM meeting being held in Perth, nearly all ATC facilities were visited by at least one COM member during the financial year.

Despite the higher expenses this financial year as outlined above the Committee of Management has provided a very modest return on the membership fees collected and funds invested.

**CIVIL AIR OPERATIONS OFFICERS ASSOCIATION OF AUSTRALIA
ABN 86 220 435 463
AND CONTROLLED ENTITY
DISCUSSION AND ANALYSIS OF THE FINANCIAL REPORTS**

Balance Sheet

Total assets increased by 5% or \$413,634 from \$8,082,181 in 2011 to \$8,495,824 this year mainly due to an increase in cash on hand at the year end. Total liabilities increased slightly from \$ 427,956 to \$ 432,501 in 2012. The net result was an overall increase in members' funds of \$409,098. This is attributable to an increase in the NCF and interest on invested funds.

Cash Flows

Net cash flows from operations reduced dramatically compared to last year falling from \$862,286 in 2011 to \$ 474,856. This was primarily due to the increased NCF and death benefit payments.

Overall cash balances increased by \$ 444,035 (2011: \$757,493) from last year, with cash on hand and at banks at 30 June 2012 being \$5,717,011(2011: \$5,272,975).

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



~~Daryl Hickey - President~~

Dated: 2nd November 2012

**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 2012.

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	(resigned 1 August 2012)
President	Mr Daryl Hickey	(appointed 1 August 2012)
Vice President Technical	Mr Duncan Auld	
Vice President Professional	Mr Jamie Roberts	
Vice President Finance	Mr Stuart Brades	
Vice President Communication	Mr Daryl Hickey	(resigned 1 August 2012)
Acting Vice President Communication	Mr Timothy Kerr	(appointed 9 August 2012)
Vice President Administrative	Mr James Walsh	(resigned 1 May 2012)
Vice President Administrative	Ms Cheryl Lund	(appointed 1 May 2012)

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 \$ 409,098 (2011: \$ 767,632). Of this \$ 160,088 (2011: \$ 432,975) 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 2012 was 6 (2011:5)

The number of members at 30 June 2012 was 1,026 (2011: 954).

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

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 noticewhichever 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 2012, 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:



Daryl Hickey - President

Dated: 2nd November 2012

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

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	Consolidated		Parent entity	
		2012 \$	2011 \$	2012 \$	2011 \$
Revenue from continuing operations	3	2,244,113	2,119,258	2,157,904	2,064,476
Expenses					
Affiliation fees		(26,256)	(9,694)	(26,256)	(9,694)
Bank charges		(5,949)	(5,715)	(5,949)	(5,715)
Meeting and conferences		(1,421)	(982)	(1,421)	(982)
Depreciation		(71,479)	(68,430)	(23,941)	(17,679)
Donations and gifts		(951)	(2,708)	(951)	(2,708)
Insurances		(21,929)	(21,795)	(21,929)	(21,795)
Legal and professional		(108,137)	(89,511)	(105,851)	(86,624)
Meals		(24,852)	(16,092)	(24,852)	(16,092)
Member expenses		(12,075)	(11,454)	(12,075)	(11,454)
Office expenses		(38,583)	(41,143)	(38,583)	(41,143)
Property expenses		(88,478)	(53,236)	-	-
Rent and occupancy		(11,603)	(14,450)	(63,696)	(66,542)
Computer expenses		(22,204)	(16,428)	(22,204)	(16,428)
NCF and death benefits paid		(611,915)	(303,045)	(611,915)	(303,045)
Salaries and related expenses		(622,597)	(583,304)	(622,597)	(583,304)
Telephone and internet		(14,091)	(15,875)	(14,091)	(15,875)
Accommodation		(31,317)	(23,285)	(31,317)	(23,285)
Travel and parking		(121,178)	(84,479)	(121,178)	(84,479)
		<u>(1,835,015)</u>	<u>(1,351,626)</u>	<u>(1,748,806)</u>	<u>(1,296,844)</u>
Surplus for the year		409,098	767,632	409,098	767,632
Surplus attributable to members		409,098	767,632	409,098	767,632
Other comprehensive income					
Changes in the Necessitous fund		(160,088)	(432,975)	(160,088)	(432,975)
Total comprehensive income for the year attributable to members from ongoing operations		249,010	334,657	249,010	334,657

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 2012**

	Consolidated		Parent entity	
	2012 \$	2011 \$	2012 \$	2011 \$
ASSETS				
Current assets				
Cash and cash equivalents	5,717,011	5,272,975	3,413,359	3,067,572
Trade and other receivables	39,982	29,727	27,110	13,985
Total current assets	5,756,993	5,302,702	3,440,469	3,081,557
Non-current assets				
Receivables	-	-	3,729,446	3,682,708
Property, plant and equipment	1,153,630	1,165,755	96,829	89,939
Investment properties	1,585,201	1,613,724	-	-
Total non-current assets	2,738,831	2,779,479	3,826,275	3,772,647
Total assets	8,495,824	8,082,181	7,266,744	6,854,204
LIABILITIES				
Current liabilities				
Trade and other payables	180,275	201,796	169,860	192,484
Provisions	252,226	226,160	252,226	226,160
Total current liabilities	432,501	427,956	422,086	418,644
Total liabilities	432,501	427,956	422,086	418,644
Net assets	8,063,323	7,654,225	6,844,658	6,435,560
MEMBERS FUNDS				
Reserves	3,929,702	3,769,614	2,711,037	2,550,949
Accumulated surplus	4,133,621	3,884,611	4,133,621	3,884,611
Total members funds	8,063,323	7,654,225	6,844,658	6,435,560

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 2012**

	Reserves \$	Accumulated surplus \$	Total \$
Consolidated			
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	<u>432,975</u>	<u>(432,975)</u>	<u>-</u>
Balance at 30 June 2011	<u>3,769,614</u>	<u>3,884,611</u>	<u>7,654,225</u>
Balance at 1 July 2011	3,769,614	3,884,611	7,654,225
Total comprehensive income for the year	-	409,098	409,098
Transfers to and from reserve	<u>160,088</u>	<u>(160,088)</u>	<u>-</u>
Balance at 30 June 2012	<u>3,929,702</u>	<u>4,133,621</u>	<u>8,063,323</u>
Parent Entity			
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	<u>432,975</u>	<u>(432,975)</u>	<u>-</u>
Balance at 30 June 2011	<u>2,550,949</u>	<u>3,884,611</u>	<u>6,435,560</u>
Balance at 1 July 2011	2,550,949	3,884,611	6,435,560
Total comprehensive income for the year	-	409,098	409,098
Transfers to and from reserve	<u>160,088</u>	<u>(160,088)</u>	<u>-</u>
Balance at 30 June 2012	<u>2,711,037</u>	<u>4,133,621</u>	<u>6,844,658</u>

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 2012**

	Consolidated		Parent Entity	
	2012 \$	2011 \$	2012 \$	2011 \$
Cash flows from operating activities				
Membership fees received (inclusive of GST)	2,062,876	2,027,279	2,062,876	2,027,279
Receipts from tenants (inclusive of GST)	69,418	65,295	-	-
Distributions received	-	-	100,716	119,795
Payments to suppliers and employees (inclusive of GST)	(1,943,604)	(1,470,173)	(1,896,187)	(1,448,994)
Interest received	286,175	239,885	155,951	119,932
Net cash inflow from operating activities	474,865	862,286	423,356	818,012
Cash flows from investing activities				
Proceed from sales of property, plant and equipment	-	17,532	-	17,532
Payment for property, plant and equipment	(30,831)	(122,325)	(30,831)	(71,258)
Net cash (outflow) from investing activities	(30,831)	(104,793)	(30,831)	(53,726)
Cash flows from financing activities				
Loan repayments received	-	-	53,978	57,303
Loans made to related party	-	-	(100,716)	(121,518)
Net cash (outflow) from financing activities	-	-	(46,738)	(64,215)
Net increase in cash and cash equivalents	444,035	757,493	345,787	700,071
Cash and cash equivalents at beginning of financial year	5,272,975	4,515,482	3,067,572	2,367,501
Cash and cash equivalents at end of financial year	5,717,011	5,272,975	3,413,359	3,067,572

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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 Standards AASB 1039 "Concise Financial Report".

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 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).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

3: Revenue

	Consolidated		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
From continuing operations				
<i>Service revenue</i>				
membership fees	1,809,912	1,817,808	1,809,912	1,817,808
rent	56,702	53,942	-	-
	<u>1,866,614</u>	<u>1,871,750</u>	<u>1,809,912</u>	<u>1,817,808</u>
<i>Other revenue</i>				
interest	286,174	239,885	155,951	119,932
distributions received	-	-	100,716	119,795
recoveries from fraud	76,770	-	76,770	-
other revenue	14,555	7,623	14,555	6,941
	<u>2,244,113</u>	<u>2,119,258</u>	<u>2,157,904</u>	<u>2,064,476</u>

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	
	2012	2011	2012	2011
	\$	\$	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	-	-	54,697	54,264
Later than one year and not later than five years	-	-	63,814	118,511
Later than five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>118,511</u>	<u>172,775</u>

5: Contingencies

There are no other known contingent assets or liabilities at 30 June 2012 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 2nd of November 2012 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 2012:

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 10 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 4 to 10 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 2012:
 - 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. 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
 - e. 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:

2nd November 2012



D. PENMAN & CO.

CHARTERED ACCOUNTANT

LEVEL 10, 420 ST KILDA ROAD
MELBOURNE VICTORIA 3004
TELEPHONE (03) 9866 5003
FACSIMILE (03) 9867 7226
EMAIL DAVID_STANFORD@UNITE.COM.AU

INDEPENDENT AUDITOR'S REPORT

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

Report on the Concise 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 2012 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. 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's Responsibility for the Concise Financial Report

The committee of the association is responsible for the preparation and fair presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039 Concise Financial Reports and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee 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 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 Civil Air Operations Officers Association and Controlled Entity for the year ended 30 June 2012. I expressed an unmodified audit opinion on that financial report in my report dated 10 November 2012. 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 financial report. The procedures selected depend on the auditor's judgement, 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 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. 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, discussion and analysis 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 and whether the discussion and analysis complies with the requirements of AASB 1039.

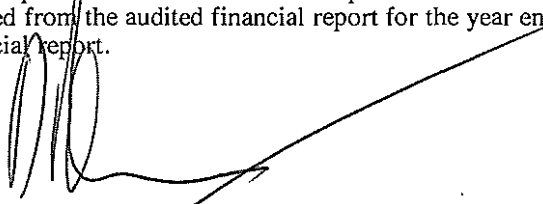
I believe that the audit evidence I have obtained is sufficient to provide a basis for my audit opinion.

Independence

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

Auditor's Opinion

In my opinion the concise financial report of Civil Air Operations Officers Association of Australia and Controlled Entity derived from the audited financial report for the year ended 30 June 2012 is consistent in all material respects with that financial report.


David Penman
D. Penman & Co.
Chartered Accountant 26812
Registered Company Auditor 15485
Melbourne
10 November 2012

PRINCIPAL DAVID PENMAN B.ACC CA CMA

LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION



FAIR WORK
AUSTRALIA

6 August 2012

Mr Robert P. Mason
President
Civil Air Operations Officers Association of Australia

civilair@civilair.asn.au

Dear Mr Mason,

**Lodgement of Financial Documents for year ended 30 June 2012 [FR2012/237]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Civil Air Operations Officers' Association of Australia, The (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

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

Failure to comply with these obligations is subject to a civil penalty provision - see s305 of the RO Act.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. The information can be viewed at www.fwa.gov.au – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial Reporting Guidelines.

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

Please do not hesitate to contact me on (03) 8661 7787 or by email at Andrea.O'HALLORAN@fwa.gov.au if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Andrea O'Halloran
Organisations, Research & Advice
Fair Work Australia

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone: (03) 8661 7777
Email : orgs@fwa.gov.au
Internet : www.fwa.gov.au

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.

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

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement*

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

(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,
or
(b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.*

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

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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Within 14 days of meeting

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

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

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