

**FLIGHT ATTENDANT' ASSOCIATION OF AUSTRALIA
FEDERAL OFFICE**

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2005**

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
FEDERAL OFFICE**

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2005
TOGETHER WITH THE REPORT OF AUDITORS**

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**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
FEDERAL OFFICE**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2005**

	Note	2005 \$	2004 \$
INCOME			
Capitation	4	-	-
Workcover grant		<u>24,015</u>	<u>-</u>
TOTAL INCOME		<u>24,015</u>	<u>-</u>
LESS: EXPENSES			
Audit		500	500
Workcover grant expended		<u>24,015</u>	<u>-</u>
TOTAL EXPENSES		<u>24,515</u>	<u>500</u>
DEFICIT FOR THE YEAR		<u>500</u>	<u>500</u>

The accompanying notes form part of these financial statements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
FEDERAL OFFICE**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2005**

	2005	2004
	\$	\$
CURRENT ASSETS		
Cash at Bank	<u>31,778</u>	<u>28,443</u>
TOTAL CURRENT ASSETS	<u>31,778</u>	<u>28,443</u>
TOTAL ASSETS	<u>31,778</u>	<u>28,443</u>
CURRENT LIABILITIES		
Accrued expenses	850	500
Workcover grant available	<u>3,485</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>4,335</u>	<u>500</u>
TOTAL LIABILITIES	<u>4,335</u>	<u>500</u>
NET ASSETS	<u>27,443</u>	<u>27,943</u>
MEMBERS FUNDS		
Accumulated Surplus	27,943	28,443
Deficit for the year	<u>500</u>	<u>500</u>
MEMBERS FUNDS AT END OF YEAR	<u>27,443</u>	<u>27,943</u>

The accompanying notes form part of these financial statements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
FEDERAL OFFICE**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2005**

	Note	2005	2004
		\$	\$
Cash Flow from Operating Activities			
Workcover grant received		24,015	0
Payments to suppliers		(20,680)	(500)
Net cash from operating activities	3	3,335	(500)
Net increase/(decrease) in cash		3,335	(500)
Add: Cash at beginning of Year		28,443	28,943
Cash at end of Year		<u>31,778</u>	<u>28,443</u>

The accompanying notes form part of these financial statements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
FEDERAL OFFICE**

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The financial report has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Workplace Relations Act 1996. The financial report has also been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the entity in the preparation of the financial report.

(a) Fixed Assets

The Federal Office has no fixed assets.

(b) Employee Entitlements

The Federal Office has no employees.

(c) Income Tax Expense

No provision for income tax is necessary as Industrial Trade Unions are exempt from income tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of subsections (1), (2) and (3) of Section 274, which read as follows:

- (1) A member of an organisation, or Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application under subsection (1) by a member of the organisation, or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
(continued)**

	2005	2004
	\$	\$
NOTE 3: RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING DEFICIT		
Operating Deficit	(500)	(500)
Changes in Assets and Liabilities		
Increase in Sundry Creditors	<u>3,835</u>	<u>-</u>
Net Cash from (used in) operating activities	<u>3,335</u>	<u>(500)</u>

NOTE 4: CAPITATION FEES

Following discussions between the Divisions it was decided that each Division would pay its own proportion of total affiliation fees. Accordingly, no Capitation fees were levied on the Divisions during the year ended 31 March 2005.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
FEDERAL OFFICE**

OPERATING REPORT

Principal activities

The Federal Office exists as a co-ordinating structure between the Domestic and International Divisions of the Association. Items of mutual interest to the divisions can be processed through the Federal Office.

The Federal Office's principal activities resulted in educating the divisions' members on Workcover matters.

There were no significant changes in the nature of the Federal Office's principal activities during the reporting period.

Number of members

The Association's members are members of the divisions and not the Federal Office.

Number of employees

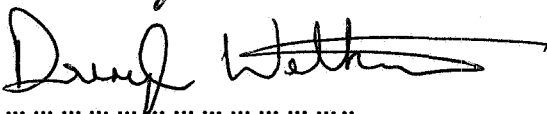
The number of persons who were, at 31 March 2005, employees of the Federal Office was 0.

Members of the Federal Office

The persons who held office during the year ended 31 March 2005 are:

- Michael Mijatov (Divisional Secretary)
- Daryl Watkins (Divisional Secretary)


.....
MICHAEL MIJATOV


.....
DARYL WATKINS
29 June 2006

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
FEDERAL OFFICE**

EXECUTIVES' STATEMENT

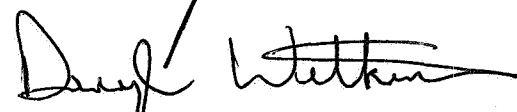
As a result of a postal ballot which was counted on 14 July 2006, the Federal Councillors of the Flight Attendants' Association of Australia passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 31 March 2005.

The Executive of the Flight Attendants' Association of Australia Federal Office declares in relation to the GPFR that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Federal Office for the financial year ended 31 March 2005.
- d) there are reasonable grounds to believe that the Federal Office will be able to pay its debts as and when they become due and payable:
- e) during the financial year to which the GPFR relates and since the end of that year:
 - I. meetings of the Federal Office were held in accordance with the rules of the Federal Office; and
 - II. the financial affairs of the Federal Office have been managed in accordance with the rules of the Federal Office
 - III. the financial affairs of the Federal Office have been kept and maintained in accordance with the RAO schedule and the RAO Regulations; and
 - IV. there have been no instances where records of the Federal Office or other documents [not being documents containing information made available to a member of the Federal Office under Sub-Section 274 [2] of the Workplace Relations Act, 1996], or copies of these records or documents, or copies of the rules of the Federal Office, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act, 1996, the Regulations thereto, or the rules of the Federal Office; and
 - V. no orders have been made by the Commission under section 273 of the RAO Schedule for inspection of the Federal Office's financial records.

For the Executive of the Flight Attendants' Association of Australia Federal Office.


.....
MICHAEL MIJATOV


.....
DARYL WATKINS
1 November 2006

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
FEDERAL OFFICE**

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA FEDERAL
OFFICE**

SCOPE

We have audited the financial report of the Flight Attendants' Association of Australia, Federal Office, for the year ended 31 March 2005 as set out on pages 1 to 7. The Federal Office's Committee of Management and Accounting Officer are responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Federal Office.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with applicable accounting standards, other mandatory professional reporting requirements in Australia and other statutory requirements so as to present a view of the Federal Office which is consistent with our understanding of its financial position and the results of its operations and its cash flows.

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

REPORT

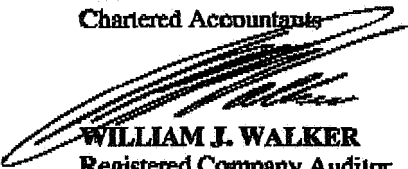
We have received all the information and explanations required for the purposes of our audit.

In our opinion:

- [i] There were kept by the Federal Office in respect of the year under review, satisfactory records detailing the sources and nature of income of the Federal Office [including income from members] and the nature and purposes of expenditure, and
- [ii] The attached financial report including the Certificates of the Committee of Management and the Accounting Officer is prepared in accordance with Section 273 of the Workplace Relations Act, 1996. The financial report has been prepared from the accounting records of the Federal Office and is properly drawn up so as to give a true and fair view of:
 - [a] the financial position of the Federal Office as at 31 March 2005; and
 - [b] the financial performance of the Federal Office for the year ended on that date;

and is in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

CHARTER GROUP
Chartered Accountants

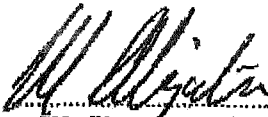


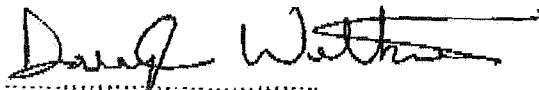
WILLIAM J. WALKER
Registered Company Auditor
Level 8, 225 Clarence Street
SYDNEY NSW 2000
29 June 2006

DESIGNATED OFFICER'S CERTIFICATE

We, Michael Mijatov, being the Secretary of the Flight Attendants' Association of Australia International Division and Daryl Watkins, being the Secretary of the Flight Attendants' Association of Australia Domestic / Regional Division certify:

1. that the documents lodged herewith are copies of the full report referred to in s253, s254 & Reg 159 of the RAO schedule; and
2. that the full report was provided to the Committee of Management by postal vote on the 25 July 2006 and on members website on the 1st November 2006 as per s265(1) - (4) & Reg 161; and
3. that the full report was presented to members at a General Meeting of Members as per s265(5) of the Division on the 22nd November 2006 in accordance with s265 of the RAO schedule;


.....
MICHAEL MIJATOV
27 November 2006


.....
DARYL WATKINS
27 November 2006



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Michael Mijatov and Mr Darryl Watkins
Divisional Secretaries
Flight Attendant's Association of Australia
20 Ewan Street
Mascot NSW 2020

Dear Messrs Mijatov and Watkins

Re: Financial reports for year ended 31 March 2005
Schedule 1B of the Workplace Relations Act 1996

I have received the financial reports of the Federal Division of your Association for year ended 31 March 2005. The documents were lodged in the Australian industrial Registry on 29 November 2006.

The documents have been filed.

Although the documents have been filed, there are a number of matters in relation to them that I need to bring to the attention of both the association and your auditor.

Timeframe for the full report to be provided to members and subsequently to be presented to a general meeting

I understand from discussions you have had with officers of the Registry, you are now aware of the requirement for the Federal Office of the Association to prepare a general purpose financial report and to present it together with the auditor's report and operating report (i.e. the full report) at a general meeting of members with 6 months of the end of each financial year (subject to a Registrar granting an extension of time by up to 1 month upon an application being made). Members must receive copies of the full report at least 21 days prior to the date of the meeting.

The fact that these actions and the subsequent lodgement of the financial documents in the Registry were very late in being done, exceeding the legislative timeframes by in excess of 1 year, is a very serious issue but one which no doubt you will ensure does not reoccur.

Certificate of Secretary or other Authorised Officer

Paragraph 1 confirms that the documents lodged are copies of the full report, and lists two sections of the RAO Schedule and RAO Regulation 159 as the relevant legislative provisions that prescribe the composition of the full report. Section 253 details the requirements of a general purpose financial report whilst section 254 and regulation 159 details the requirements of an operating report. However, a full report also must include an auditor's report [refer to subsection 265(1)].

There is no need to list in this certificate all the legislative provisions that prescribe what constitutes a full report. By referring to it as a full report infers that it complies with subsection 265(1) of the RAO Schedule. Paragraph 1 of your certificate need simply refer to section 268 of the RAO Schedule.

Paragraph 3 refers to subsection 265(5) of the RAO Schedule. This relates to the timeframe within which the full or concise report must be provided to members prior to the general meeting. Section 266 prescribes the timeframe for the conduct of a general meeting and hence is the relevant section that should have been referred to here.

Attached is a "Certificate of Secretary or other Authorised Officer" pro forma document which we suggest you use in the future.

Auditor's report

Subsection 257(5) of the RAO Schedule details what an auditor needs to cover when expressing an opinion on a general purpose financial report. It states.."an auditor must, in his or her report, state whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards;
- (b) any other requirements imposed by this Part."

Paragraph (b) seeks confirmation of compliance with both the provisions of section 253 of the RAO Schedule covering general purpose financial reports as well as the Reporting Guidelines of the Industrial Registrar as provided for in section 255.

It would be better if the opinion expressed by the auditor more positively confirmed compliance with the full range of reporting requirements of the Act.

An alternative form of words that if appropriate to the circumstances we suggest could be used by an auditor in satisfaction of the requirements of subsection 257(5) is:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996".

Operating report

In compliance with paragraph 254(2)(c) of the RAO Schedule, which applies to all registered organisations, you should provide details of the right of members to resign under section 174 of the RAO Schedule, albeit that under your rule 33(a) the written notification of resignation must be delivered to the respective Divisional Secretary.

Paragraph 254(2)(d) prescribes that the Operating Report must.."give details (including details of the position held) of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation,.."

The Operating Report made no reference to this area of superannuation. If no officer or member of the Association holds any such position in relation to a superannuation fund, then we strongly recommend that the operating report confirms this to be the case to avoid any confusion or ambiguity, notwithstanding the specific membership circumstances of the Federal Division as advised in the Operating Report.

RAO Regulation 159(c) requires the operating report to provide "the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position."

Your operating report states that only the two Divisional Secretaries "held office", whereas rule 6(3) of the Association states that Federal Council has 26 members. Irrespective of the operational circumstances of your Federal Council over the course of the year, the names of all

the members must in future be provided and it also must be stated as to whether each member served continuously on Federal Council during the full reporting period or whether for only part of it (and with the period of membership for each member serving less than the full 12 months clearly specified).

References to legislation

In future financial years the following references to legislation should be amended as indicated:

	Existing reference	amend to
Auditor's Report	s273 WR Act	s253 RAO Schedule*
Note 2 to the Accounts	s274 WR Act	s272 RAO Schedule
Committee of Management Statement	s274 WR Act	s272 WR Act

(* There would be no need to make reference to section 253 if the alternative form of words recommended for use as an audit opinion where appropriate is adopted.)

A copy of this report has been forwarded to your auditor, Mr William J. Walker.

Yours sincerely,



Michael Ellis
Deputy Industrial Registrar

13 December 2006

cc Mr William J. Walker
Charter Group

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1 *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and

- that the full report was presented to [a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³ of the reporting unit on [insert date]; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹ RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

² Only applicable where a concise report is provided to members

³ Insert whichever is applicable