



2 November 2015

Mr Michael Mijatov
Divisional Secretary
Flight Attendants' Association of Australia, International Division
20 Ewan Street
Mascot NSW 2020

via e-mail: michaelm@faaa.net

Dear Mr Mijatov

**Flight Attendants' Association of Australia, International Division
Financial Report for the year ended 30 June 2015 - FR2015/241**

I acknowledge receipt of the financial report for the year ended 30 June 2015 for the Flight Attendants' Association of Australia, International Division (FAAA). The financial report was lodged with the Fair Work Commission (FWC) on 26 October 2015.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

DESIGNATED OFFICER'S CERTIFICATE

I, Michael Mijatov, being the secretary of the Flight Attendants' Association of Australia International Division certify:

1. that the documents lodged herewith are copies of the full report for the Flight Attendants' Association of Australia International Division for the year ended 30 June 2015 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
2. that the full report was provided to members on *6 October* 2015; and
3. that the full report was presented to a meeting of the Committee of Management of the Flight Attendants Association of Australia International Division meeting on *26 October 2015*. 2015 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.


.....
MICHAEL MIJATOV
Secretary

Dated this *26th* day of *October* 2015

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION**

**FLIGHT ATTENDANTS ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION
ABN: 57 138 257 906**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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OPERATING REPORT

Your Divisional Executive present their report on the Flight Attendants' Association of Australia - International Division for the financial year ended 30 June 2015.

Members of the committee

The names of the members of the Divisional Executive in office during the financial year unless indicated otherwise were:

- Michael Mijatov (Secretary)
- Scott Underwood (Assistant Secretary)
- Lee Lam (President)
- Stephen Brownlie (Vice President)
- Zara Campbell (Vice President)

The names of the members of the Divisional Council in office during the financial year unless indicated otherwise were:

- Michael Mijatov (Secretary)
- Scott Underwood (Assistant Secretary)
- Lee Lam (President)
- Stephen Brownlie (Vice President)
- Zara Campbell (Vice President)
- Sonia Fabbro
- David Horsfall
- Nicholas Kenny (resigned 18 December 2014)
- Leo Close
- Peter Papagiannopoulos
- Chloe Chur
- Murray Smith
- Sam Mead
- Leonardo Gasparre (appointed 13 January 2015)

The Division has no information to disclose relating to officers or employees membership of other boards.

Significant changes in the state of financial affairs

There were no significant changes in the state of financial affairs of the entity.

Principal activities

The Principal activities of the Division during the reporting period were to provide industrial and organising services to the members consistent with the objects of the Division and particularly the object of protecting and improving the interests of the members.

The Division's principal activities resulted in maintaining and improving the wages and conditions of Flight Attendants. Enterprise Agreement negotiations are continuing with Virgin Australia International. Members were assisted at disciplinary hearings together with the normal large volume of members' queries.

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

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION**

Union Details

The number of employees of the Division on a full time equivalent basis at 30 June 2015 was 4.8.
The number of persons who were, at 30 June 2015, recorded on the Register of Members of the Division was 2,473.

Rights of members to resign


Members may resign from the Division in accordance with Rules 36 and 37, which read as follows:

“36 - RESIGNATION

- (a) A member may resign from membership of the Association by written notice addressed and delivered to the Divisional Secretary.
- (b) A notice of resignation from membership of the Association takes effect:
 - (1) Where a member ceases to be eligible to become a member of the Association:
 - (i) on the day on which the notice is received by the Divisional Secretary;
or
 - (ii) 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 latter; or
 - (2) in any other case:
 - (i) at the end of 2 weeks after the notice is received by the Divisional Secretary; or
 - (ii) on the day specified in the notice;
whichever is the latter.
- (c) Any membership fees payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
- (d) A notice delivered to the person mentioned in Sub-Rule (a) 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 of the Association 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”.

37 - LIABILITY OF FORMER MEMBERS

- (a) Any member who ceases to be a member shall remain liable to the Association for all money owing by that member to the Association at the time of ceasing to be a member unless Divisional Executive releases the member in whole or part from such obligation.
- (b) All membership fees, levies or other monies owing by any member of the Association under the Rules may at any time be sued for and recovered in the name of the Association by the Divisional Secretary.


.....
MICHAEL MIJATOV
DIVISIONAL SECRETARY

Dated this 16th day of September 2015

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
INCOME			
Advertising		4,400	5,400
Interest received		186,508	179,654
Membership subscriptions		1,390,545	1,602,419
Compulsory levies raised		-	-
Capitation fees		-	-
Total revenue		<u>1,581,453</u>	<u>1,787,473</u>
Other income			
American Express rewards points		-	13,025
Donations and grants		-	-
Workcover Grant		-	-
Total other income		<u>-</u>	<u>13,025</u>
Total income		<u><u>1,581,453</u></u>	<u><u>1,800,498</u></u>
EXPENSES			
Employee expenses	3	709,562	709,577
Capitation fees		-	-
Affiliation fees	4	36,223	36,418
Administration expenses	5	273,230	228,370
Grants or donations	6	5,000	5,000
Depreciation and amortisation	7	35,654	40,638
Legal costs	8	87,961	24,791
Audit fees	9	14,025	11,550
TOTAL EXPENSES		<u>1,161,655</u>	<u>1,056,344</u>
SURPLUS (DEFICIENCY) FOR THE YEAR		<u>419,798</u>	<u>744,154</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>419,798</u></u>	<u><u>744,154</u></u>
Total comprehensive income attributable to members of the union		<u><u>419,798</u></u>	<u><u>744,154</u></u>

The above statement should be read in conjunction with the accompanying notes

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	10	5,411,842	4,968,729
Receivables from other reporting unit(s)		-	-
Total Current Assets		5,411,842	4,968,729
Non-Current Assets			
Land and Building at Valuation		938,442	938,442
Building improvements, plant and equipment	11	723,023	747,880
Total Non-Current Assets		1,661,465	1,686,322
Total Assets		7,073,307	6,655,051
LIABILITIES			
Current Liabilities			
Trade and other payables		114,330	127,219
Accounts payable in respect of legal costs and other expenses related to litigation or other legal matters		-	-
Payables to other reporting unit(s)		-	-
Payables to employers as consideration for making payroll deduction for Members subs		-	-
Provisions	12	65,370	54,023
Total Current Liabilities		179,700	181,242
Non-Current Liabilities			
Total Non-Current Liabilities		-	-
Total Liabilities		179,700	181,242
NET ASSETS		6,893,607	6,473,809
MEMBERS' FUND			
Retained Earnings	17	6,753,166	6,333,368
Reserves	18	140,441	140,441
Total Members' Funds		6,893,607	6,473,809

The above statement should be read in conjunction with the accompanying notes

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Retained Earnings	General Reserve	Revaluation Surplus	Total
	\$	\$	\$	\$
Balance at 1 July 2013	5,589,214	-	140,441	5,729,655
Surplus Attributable to the entity	744,154	-	-	744,154
Total Other Comprehensive Income	-	-	-	-
Balance at 30 June 2014	6,333,368	-	140,441	6,473,809
Surplus (Deficiency) Attributable to the entity	419,798	-	-	419,798
Total Other Comprehensive Income	-	-	-	-
Balance at 30 June 2015	6,753,166	-	140,441	6,893,607

The above statement should be read in conjunction with the accompanying notes

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Cash Received			
Membership fees		1,519,352	1,794,958
Interest received		186,508	179,654
Sundry Income		4,400	18,425
Cash Used		<u>1,710,260</u>	<u>1,993,037</u>
Payments to suppliers and employees		(1,255,761)	(1,171,271)
Net cash from (used by) operating activities	13	<u>454,499</u>	<u>821,766</u>
Cash flows from investing activities			
Cash used			
Payments for buildings, plant and equipment		(11,386)	(611)
Net cash from (used by) investing activities		<u>(11,385)</u>	<u>(611)</u>
Net increase/(decrease) in cash held		443,113	821,155
Add: Cash and cash equivalents at beginning of financial year		4,968,729	4,147,574
Cash and cash equivalents at end of financial year	10	<u>5,411,842</u>	<u>4,968,729</u>

The above statement should be read in conjunction with the accompanying notes

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Flight Attendants' Association of Australia International Division is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost except for certain assets and liabilities measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair values of consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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

(a) Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year

(b) Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. The directors have determined that Land and Buildings be shown as a single class of non-current assets and carried at valuation. The directors have also determined that the carrying value of Land and Buildings does not differ materially from its fair value at reporting date. Building Improvements are shown as a separate class of non-current assets and are carried at cost less accumulated depreciation.

(c) Plant and Equipment

Plant and equipment acquired on restructuring at 31 March 2000 has been accounted for at an independent expert valuation. Additions since then, have been brought to account at cost. Depreciation is calculated on the straight-line basis in order to write the assets off over their estimated useful lives to the Association.

Depreciation rates applying to each class of depreciable asset are

Buildings	2.5%
Computers	25.0%
Furniture & Fittings	10.0%
Office Equipment	10.0%

(d) Employee Entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave, which will be settled after one year, have been measured at their nominal amount. The Long Service Leave entitlements have been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting future cash flows. Contributions are made by the Division to employee superannuation funds and the expense is charged when incurred. Further, there is no Recovery of wages activity for this financial year ending 30 June 2015.

(e) Cash and cash equivalents

Cash is recognised at its nominal value. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(f) Land and Buildings

It is not practicable to ascertain the separate values of the land and the building. Land and Buildings are thus shown as a separate class of non-current assets.

Land and Buildings were independently valued by Christopher Haddad of AAPI of Egan National Valuers (NSW), Suite 604, 5-13 Rosebery Avenue, Rosebery, NSW on 3 September 2012. A revaluation is made whenever the carrying amount differs materially from fair value at reporting date. The valuation was based on the following assumptions:

- the property is free of encumbrances, restrictions or other impediments of an onerous nature;
- the property has been valued on the basis of capitalisation of estimated net rental income;
- the values assume that the Association would enter into lease arrangements for the areas it occupies in the building;
- increased rental value has been factored in the value of the property for lease renewals; and
- outgoings for the property have been estimated and on the assumption it is owned by an independent investor.

There was no movement in the carrying amount of Land and Buildings during the financial year. The carrying amount was the same at the beginning and end of the financial year.

The carrying amount of Land and Buildings that would have been recognised had the assets been carried under the cost model is \$768,950 (2014: \$768,950). There was no change to the revaluation surplus for the period and the revaluation surplus cannot be distributed to members.

(g) Fair Value Measurement

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset, or, absent such a principal market, in the most advantageous market for the asset. The principal or most advantageous market must be accessible by the Association. The fair value of an asset is measured using the assumptions that market participants would use when pricing the asset, assuming that the market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of Land and Buildings was determined using Level 2 inputs, using direct price comparisons and capitalisation of imputed income. There have been no transfers between categories of fair value measurement.

(h) Income Tax Expense

In accordance with Section 50 - 15 of the Income Tax Assessment Act, the Division is exempt from income tax.

(i) Revenue

Revenue is measured at fair value of the consideration received or receivable.

Revenue from Membership Fees are accounted for on an accrual basis and are recorded as revenue in the year to which it relates.

Donation income is recognised when received

Interest revenue is recognised on an accrual basis using the effective interest method

(j) Financial Support – Other Reporting Units

There has been no financial support given to or received from other reporting units during the financial year.

(k) Amalgamations and Restructures

No assets or liabilities have been acquired during the financial year due to an amalgamation, restructure or a determination by or revocation by the General Manager of the FWC.

(l) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses. There have been no business combinations affecting the Division during the financial year.

(m) New Accounting Standards and Interpretations

i. Changes in accounting standards and interpretations

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of previous years. The adoption of these standards or interpretations has had no impact on the financial statements or performance of the Association

ii. Accounting Standards Issued but not effective

New standards, amendments to standards or interpretations have recently been issued or amended but are not yet effective and have not been early adopted by the Association for the annual reporting period ended 30 June 2015. The Association expects to adopt these standards where applicable for the annual reporting periods beginning on or after the application dates. The Association does not expect there to be any significant measurement adjustments upon application of the standards below.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)

NOTE 2: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of the members is drawn to the provisions of Section 272, which read as follows:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be 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).

	2015	2014
	\$	\$
NOTE 3: EMPLOYEE EXPENSES		
Holders of office		
Salaries	86,252	93,698
Superannuation	7,409	7,937
Union Leave Days Expenses	100,677	106,369
Long Service Leave	-	-
Annual Leave	-	-
Separation & Redundancies	-	-
Conference & Meeting Fees	-	-
	<u>194,338</u>	<u>208,004</u>
Non Holders of Office		
Salaries	459,067	450,459
Superannuation	43,087	41,218
Long Service Leave	9,656	11,518
Annual Leave	1,691	(3,234)
Staff Training & Welfare	1,723	1,612
Separation & Redundancies	-	-
Conference & Meeting Fees	-	-
	<u>515,224</u>	<u>501,573</u>
Total Employee expenses	<u>709,562</u>	<u>709,577</u>

NOTE 4: AFFILIATION FEES

ACTU	10,033	10,336
ACTU Growth	5,882	5,932
Unions NSW	10,133	10,128
ITWF	8,875	8,537
Union Shopper	1,300	1,485
Total Affiliation fees	<u>36,223</u>	<u>36,418</u>

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)

	2015	2014
	\$	\$
NOTE 5: ADMINISTRATION EXPENSES		
Bank charges and merchant fees	18,143	20,674
Cleaning and recycling	11,347	10,139
Compulsory levies	-	-
Consideration to employers for payroll deductions	-	-
Consultant fees	-	-
Courier	99	260
Electricity	12,121	14,744
Fees/allowances – meetings and conferences	-	-
General expenses	22,700	10,832
Information communications technology	86,813	70,561
Insurance	6,876	6,973
Loss on disposal of fixed assets	589	-
Meeting and conference expenses	21,890	6,993
Penalties under the RO Act	-	-
Postage printing & stationery	18,707	16,384
Property expenses	18,336	29,332
Subscriptions	9,591	8,442
Telephone	21,661	22,700
Travel & accommodation	19,082	4,933
Workcover expenses	5,275	5,403
Total Administration expenses	<u>273,230</u>	<u>228,370</u>

NOTE 6: GRANTS OR DONATIONS

Grants

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-

Donations

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	5,000	5,000

Total grants or donations	<u>5,000</u>	<u>5,000</u>
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FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)

NOTE 7: DEPRECIATION

	2015	2014
	\$	\$
Building Improvements	22,333	22,333
Computers	5,067	9,981
Equipment	5,856	5,940
Furniture and Fittings	<u>2,398</u>	<u>2,384</u>
Total Depreciation	<u>35,654</u>	<u>40,638</u>

NOTE 8: LEGAL COSTS

Legal expenses – litigation	38,909	7,318
Legal expenses – other	<u>49,052</u>	<u>17,473</u>
Total Legal costs	<u>87,961</u>	<u>24,791</u>

NOTE 9: AUDIT FEES

Audit Services	14,025	11,550
Other Services	<u>-</u>	<u>-</u>
Total Audit fees	<u>14,025</u>	<u>11,550</u>

NOTE 10: CASH AND CASH EQUIVALENTS

Cash on hand	1,500	1,500
Cash at bank	5,984	5,378
Cash at QSCU	2,699	2,678
Business Online Saver	93,025	230,238
QSCU Term Deposit	<u>5,308,634</u>	<u>4,728,935</u>
Total Cash and cash equivalents	<u>5,411,842</u>	<u>4,968,729</u>

NOTE 11: NON CURRENT ASSETS - BUILDING IMPROVEMENTS, PLANT AND EQUIPMENT

Building Improvements

At Cost	893,301	893,301
Less Accumulated Depreciation	<u>(209,105)</u>	<u>(186,773)</u>
	<u>684,196</u>	<u>706,528</u>

Computers

At Cost	54,274	53,400
Less Accumulated Depreciation	<u>(47,336)</u>	<u>(47,050)</u>
	<u>6,938</u>	<u>6,350</u>

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)

	2015 \$	2014 \$
Furniture & Fittings		
At Cost	18,160	27,526
Less Accumulated Depreciation	<u>(11,629)</u>	<u>(21,644)</u>
	<u>6,531</u>	<u>5,882</u>
Office Equipment		
At Cost	57,436	56,064
Less Accumulated Depreciation	<u>(32,078)</u>	<u>(26,945)</u>
	<u>25,358</u>	<u>29,119</u>
Total Building improvements, plant and equipment	<u>723,023</u>	<u>747,880</u>

(a) Non-current assets pledged as security

None of the non-current assets are pledged as security

(b) Movements in carrying amounts

Movement in the carrying amounts for each class of building improvements, plant and equipment between the beginning and the end of the year:

	Building Improvements	Computers	Furniture & Fittings	Office Equipment
	\$	\$	\$	\$
2014				
As at 1 July 2013	728,861	16,234	8,201	34,610
Additions	-	97	64	450
Disposals @ Cost	-	-	-	(56,427)
Acc. Depreciation W/Back	-	-	-	(56,427)
Depreciation	<u>(22,333)</u>	<u>(9,981)</u>	<u>(2,383)</u>	<u>(5,941)</u>
As at 30 June 2014	706,528	6,350	5,882	29,119
2015				
As at 1 July 2014	706,528	6,350	5,882	29,119
Additions	-	5,655	3,636	2,094
Disposals@ Cost	-	(4,781)	(13,002)	(723)
Acc. Depreciation W/Back	-	4,781	12,413	723
Depreciation	<u>(22,332)</u>	<u>(5,067)</u>	<u>(2,398)</u>	<u>(5,856)</u>
As at 30 June 2015	<u>684,196</u>	<u>6,938</u>	<u>6,531</u>	<u>25,358</u>

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION**

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)**

	2015	2014
	\$	\$
NOTE 12: PROVISIONS		
Annual leave - employees	19,012	17,321
Annual leave – Office Holders	-	-
Long service leave – employees	46,358	36,702
Long service leave – Office Holders	-	-
Separation & Redundancies – Employees	-	-
Separation & Redundancies – Office Holders	-	-
Total Provisions	<u>65,370</u>	<u>54,023</u>

Leave and other entitlements for Office Holders are provided by the respective airline employer of the Office Holder. Access to leave and other entitlements is from the respective airline employer of the Office Holder and not the FAAA.

**NOTE 13: RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH
SURPLUS (DEFICIENCY)**

Surplus (Deficiency)	419,798	744,154
Non Cash Flows in Operating Surplus		
Depreciation	35,654	40,638
Provision for Employee Entitlements	11,347	8,284
Loss on disposal of fixed assets	589	-
Changes in Assets and Liabilities		
Increase (Decrease) in Payables	(12,889)	28,650
(Increase) Decrease in Other Debtors	-	-
Net Cash provided by operating activities	<u>454,499</u>	<u>821,766</u>
Cash flow information by reporting unit		
Cash Inflows		
FAAA – International Division	<u>1,710,260</u>	<u>1,993,037</u>
Total cash inflows	<u>1,710,260</u>	<u>1,993,037</u>
Cash out flows		
FAAA – International Division	<u>1,267,147</u>	<u>1,171,882</u>
Total cash outflows	<u>1,267,147</u>	<u>1,171,882</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)

NOTE 14: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Association's exposure to interest rate risk is nil, but financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and liabilities is as follows:

AS AT 30 JUNE 2014

	Weighted Average Interest Rate	Non- Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate maturing Within 1 Year \$	Fixed Interest Rate Maturing 1 – 5 Years \$	Total \$
Cash	4.25%	9,556	4,959,173	-	-	4,968,729
Receivables	0%	-	-	-	-	-
Total Financial Assets		9,556	4,959,173	-	-	4,968,729
Payables	0%	127,219	-	-	-	127,219
Total Financial Liabilities		127,219	-	-	-	127,219

AS AT 30 JUNE 2015

	Weighted Average Interest Rate	Non- Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate maturing Within 1 Year \$	Fixed Interest Rate Maturing 1 – 5 Years \$	Total \$
Cash	3.59%	10,183	5,401,659	-	-	5,411,842
Receivables	0%	-	-	-	-	-
Total Financial Assets		10,183	5,401,659	-	-	5,411,842
Payables	0%	114,330	-	-	-	114,330
Total Financial Liabilities		114,330	-	-	-	114,330

(b) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)

NOTE 15: FAIR VALUE MANAGEMENT

(a) Financial Assets and Liabilities

Management of the Association assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The Association has no other financial assets or liabilities.

(b) Fair Value Hierarchy

The following tables provide an analysis of non financial assets

Fair Value Hierarchy 30 June 2015

	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets Measured at Fair Value				
Land & Buildings	3 Sep 2012	na	938,442	na
Building Improvements, Plant & Equipment	na	na	723,023	na

Fair Value Hierarchy 30 June 2014

	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets Measured at Fair Value				
Land & Buildings	3 Sep 2012	na	938,442	na
Building Improvements, Plant & Equipment	na	na	747,880	na

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)

	2015	2014
	\$	\$
NOTE 16: UNION LEAVE DAYS EXPENSES		
All Association office holders are full time employees of Qantas Airways Ltd (QAL), QF Cabin Crew Australia Pty Ltd (QFCCA) or Virgin Australia Ltd. The association reimburses Qantas Airways Ltd and QF Cabin Crew Australia Ltd for salary costs for days spent by QAL and QFCCA officials on Association matters whilst on union leave days.	100,677	106,369
Total Union leave day expenses	<u>100,677</u>	<u>106,369</u>

NOTE 17: RETAINED EARNINGS

Movements in retained earnings are as follows:

Balance 1 July	6,333,368	5,589,214
Net Surplus (deficiency) for the year	<u>419,798</u>	<u>744,154</u>
Balance 30 June	<u>6,753,166</u>	<u>6,333,368</u>

NOTE 18: RESERVES

Movements in reserves are as follows:

Balance 1 July	140,441	140,441
Additions	-	-
Reductions	-	-
Balance 30 June	<u>140,441</u>	<u>140,441</u>

NOTE 19: CONTINGENCIES

There are no known contingent assets or liabilities at 30 June 2015

NOTE 20: EVENTS OCCURRING AFTER THE REPORTING PERIOD

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 Division, the results of those activities or the state of affairs of the Division in the ensuing or any subsequent financial year.

NOTE 21: WAGE RECOVERY ACTIVITY

All wage recovery activity has resulted in payments being made directly to members by employers. The Division has not derived any revenue in respect of these activities.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)

NOTE 20: RELATED PARTY TRANSACTIONS

- (a) The names of the members of the Divisional Executive in office at any time during or since the end of the financial year are:

Michael Mijatov (Secretary)
Scott Underwood (Assistant Secretary)
Lee Lam (President)
Stephen Brownlie (Vice President)
Zara Campbell (Vice President)

The names of the members of the Divisional Council in office at any time during or since the end of the financial year are:

Michael Mijatov (Secretary)
Scott Underwood (Assistant Secretary)
Lee Lam (President)
Stephen Brownlie (Vice President)
Zara Campbell (Vice President)
Sonia Fabbro
David Horsfall
Nicholas Kenny (resigned 18 December 2014)
Leo Close
Peter Papagiannopoulos
Chloe Chur
Murray Smith
Sam Mead
Leo Gasparre (appointed 13 January 2015)

- (b) Transactions with officer holders

Union Leave Days

QAL/QFCCA provides union leave days for the release of elected officials for FAAA purposes. The FAAA pays QAL/QFCCA for the value of union leave days. Apart from disclosed in this note there were no transactions between the officers of the Division other than those relating to their membership of the Division in respect of salaries and expenses incurred by them in the performance of their duties.

		2015	2014
		\$	\$
(i) Holders of Office Union Leave Days	15		
Michael Mijatov		65,907	77,234
Scott Underwood		8,890	5,240
Scott Underwood (Sconic Consulting)		2,786	-
Lee Lam		16,765	16,245
Stephen Brownlee		3,279	3,766
Zara Campbell		496	1,303
Sonia Fabbro		824	808
Leo Close		1,088	783
Peter Papagiannopoulos		335	495
Chloe Chur		170	495
Leo Gasparre		137	-
		100,677	106,369

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)

	2015	2014
	\$	\$
(ii) Holders of Office – FAAA Salaries inc. Super	15	
Michael Mijatov	66,923	78,499
Scott Underwood	5,816	1,804
Lee Lam	11,240	11,910
Stephen Brownlee	3,946	3,213
Zara Campbell	1,110	1,804
Sonia Fabbro	740	586
Davis Horsfall	555	150
Leo Close	370	586
Peter Papagiannopoulos	740	586
Chloe Chur	185	586
Murray Smith	555	736
Sam Mead	740	586
Leo Gasparre	555	-
Nicholas Kenny	185	586
	<u>93,660</u>	<u>101,632</u>
 (iii) Sconic Consulting Pty Limited		
Scott Underwood the Assistant Secretary of the International Division has disclosed a material personal interest to the International Division, arising from his company Sconic Consulting Pty Ltd providing IT services to the International Division		
Expenses for computer, network maintenance and related expenses paid to Sconic Consulting Pty Limited, a company controlled by Scott Underwood who was elected as Assistant Secretary on 4 December 2012.	32,469	30,879
	<u>32,469</u>	<u>30,879</u>
 (c) Key management personnel		
Short-term employee benefits		
Salary	61,117	71,854
Annual Leave Accrued	-	-
Total short-term employment benefits	<u>61,117</u>	<u>71,854</u>
Post-employment benefits		
Superannuation	5,806	6,647
Total post-employment benefits	<u>5,806</u>	<u>6,647</u>

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION**

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)**

(d) Remuneration of officer holders

	2015	2014
	\$	\$
The 2 highest paid office holders of the International Division were:		
Michael Mijatov		
- Salary	61,117	71,854
- Union Leave Days	65,907	72,234
- Superannuation	5,806	6,646
Lee Lam		
- Salary	10,295	10,902
- Union Leave Days	16,765	16,245
- Superannuation	945	1,008
The 2 highest paid office holders of the National Division were:		
Jo Ann Davidson		
- Salary	55,498	59,875
- Union Leave Days	50,398	48,434
- Superannuation	5,140	5,423
Shane Scanlon		
- Salary	24,377	15,495
- Union Leave Days	18,302	8,143
- Superannuation	1,455	1,433
The 5 highest paid office holders of the Union were:		
Michael Mijatov (Int Div.)		
- Salary	61,117	71,854
- Union Leave Days	65,907	77,234
- Superannuation	5,806	6,646
Jo Anne Davidson (Nat. Div.)		
- Salary	55,498	59,875
- Union Leave Days	50,398	48,434
- Superannuation	5,140	5,423
Shane Scanlon (Nat. Div.)		
- Salary	24,377	15,495
- Union Leave Days	18,302	8,143
- Superannuation	1,455	1,433
Wayne Middleton (Nat. Div.)		
- Salary	20,336	14,394
- Union Leave Days	14,399	12,218
- Superannuation	1,455	1,126
Lee Lam (Int. Div.)		
- Salary	10,295	10,902
- Union Leave Days	16,765	16,245
- Superannuation	945	1,008

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2015 (Cont'd)**

NOTE 21 – OTHER INFORMATION

(i) Going Concern

The Division's ability to continue as a going concern is not reliant on financial support from another reporting unit.

(ii) Financial Support

No financial support has been provided to another reporting entity to ensure that it continues as a going concern.

(iii) Acquisition of assets and liability under specific sections

The Division did not acquire any assets or a liability during the financial year as a result of:

- an amalgamation under part 2 of Chapter3, of the RO Act;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act.

(iv) Acquisition of assets and liabilities as part of a business combination

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA
INTERNATIONAL DIVISION**
COMMITTEE OF MANAGEMENT STATEMENT

At a meeting held on 15 September 2015, the Divisional Executive of the Flight Attendants' Association of Australia International Division passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30 June 2015:

The Divisional Executive of the Flight Attendants' Association of Australia International Division declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Division for the financial year ended 30 June 2015.
- (d) there are reasonable grounds to believe that the Division will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the Division; and
 - (ii) the financial affairs of the Division have been managed in accordance with the rules of the Division; and
 - (iii) the financial records of the Division have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the Division or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) during the year to which the GPFR relates there has been no recovery of wages activity

This declaration is made in accordance with a resolution of the Divisional Executive.


.....
MICHAEL MIJATOV
DIVISIONAL SECRETARY

Dated this 16th day of September 2015

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE FLIGHT ATTENDANTS' ASSOCIATION OF
AUSTRALIA INTERNATIONAL DIVISION**

Report of the Financial Report

We have audited the accompanying financial report of the Flight Attendants' Association of Australia International Division, which comprises the balance sheet as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by committee of management.

Committee's Responsibility for the Financial Report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

We meet the definition of approved auditor in Regulation 4 of the Fair Work (Registered Organisations) Regulation 2009.

As part of the audit of the financial statements we have concluded that the management's use of the going concern basis of accounting in the preparation of the Division's financial statements is appropriate.

Independence

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

Auditor's Opinion

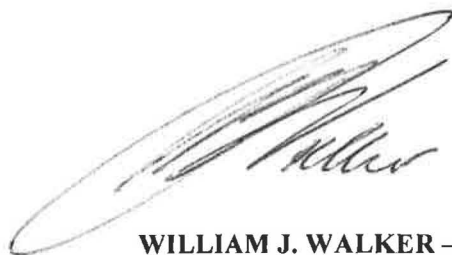
In our opinion:

- i. The general purpose financial report of Flight Attendants' Association of Australia International Division presents fairly, in all material respects, the financial position of Flight Attendants' Association of Australia International Division as at 30 June 2015 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity
 - i. The Australian Accounting Standards
 - ii. any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009
- ii. The Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate

PEER WEALTH

Certified Practising Accountants

Suite 202B, 39 East Esplanade, Manly, NSW



WILLIAM J. WALKER – Chartered Accountant and holder of current Public Practice Certificate

Dated this *22nd* day of *September* 2015