



28 November 2019

Mr Gareth Uren
Secretary
Flight Attendants' Association of Australia - National Division

By e-mail: info@faaa.org.au

Dear Mr Uren

**Flight Attendants' Association of Australia - National Division
Financial Report for the year ended 30 June 2019 - FR2019/229**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the Flight Attendants' Association of Australia - National Division (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 22 November 2019.

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

Whilst the 2019 report has been filed the following should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report (GPFR)

Future Australian Accounting Standards

Australian Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 30 requires that the entity disclose Australian Accounting Standards issued but not yet effective with an assessment of the future impact on the entity.

Note 1.4 to the GPFR lists AASB 16 *Leases* (for reporting periods beginning on or after 1 January 2019) and the future impact of this standard on the reporting unit. However, other significant Australian Accounting Standards including AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* (for reporting periods beginning on or after 1 January 2019) are not listed.

Please ensure that AASB 15 and AASB 1058 are addressed in the preparation of the reporting unit's financial report for the year ending 30 June 2020.

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) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA NATIONAL DIVISION

s.268 Fair Work (Registered Organisations) Act 2009

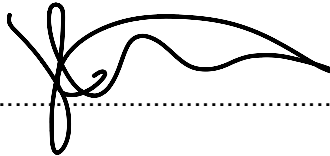
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER¹

Certificate for the period ended 30 June 2019

I, GARETH UREN, being the Secretary of the Flight Attendants' Association of Australia National Division certify:

- that the documents lodged herewith are copies of the full report for the Flight Attendants' Association of Australia National Division (reporting unit) for the period ended 30 June 2019 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 19 November 2019; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 22 November 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: GARETH UREN

Title of prescribed designated officer: Secretary

Dated: 22 November 2019

¹ Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) 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.

Flight Attendants Association of Australia - National Division

ABN 72 742 734 217

Financial Statements
For the Year Ended 30 June 2019

**Flight Attendants Association of Australia – National Division
Operating Report
For the Year Ended 30 June 2019**

The Committee of Management (Divisional Executive) presents its operating report on the Reporting Unit for the year ended 30 June 2019.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the Division during the financial year were the protection and improvement of employment conditions for its members.

A review of the operations of the Division indicate that it continued to engage in its principal activity of representing flight attendants in industrial and operational matters. In pursuing these activities, the Division has sought to protect the members through representation of individuals in grievances and disputes. In pursuing such, the Division has initiated and activated legal and industrial action when appropriate.

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

Significant changes in financial affairs

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

Right of members to resign

Members may resign from the Division in accordance with Rules 33 and 34, which read as follows:

"33 –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).

**Flight Attendants Association of Australia – National Division
Operating Report
For the Year Ended 30 June 2019**

- (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".

34 ~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.

Number of members

2019	2018
2,101 members	2,086 members

Number of employees

2019	2018
5 employees	7 employees

Names of Committee of Management members and period positions held during the financial year

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

Member	Position	Appointment/Resignation
Ryan Henry	President	
Adam Tierney	Former Vice-President	Resigned 19 September 2018
Michael Gerber	Vice-President	Commenced 19 September 2018
Eamon Quinn	Vice-President	Commenced 18 June 2019
Shane Scanlon	Former Secretary	Resigned 14 March 2019
Gareth Uren	Secretary	Commenced 18 June 2019
	Former Assistant Secretary	Until 18 June 2019
Angela McManus	Assistant Secretary	Commenced 18 June 2019
	Former Vice-President	From 19 September 2018 to 18 June 2019

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

- Ryan Henry (President)
- Adam Tierney (Former Vice-President), resigned 17 January 2019
- Eamon Quinn (Vice-President)
- Michael Gerber (Vice-President), commenced 19 September 2018
- Shane Scanlon (Former Secretary), resigned 14 March 2019
- Gareth Uren (Secretary)
- Angela McManus (Assistant Secretary)
- Michelle Bray, resigned 5 December 2018
- Christopher Worthy

**Flight Attendants Association of Australia – National Division
Operating Report
For the Year Ended 30 June 2019**

- Sandy Axam
- David Brady
- Janette Phillips
- Neil Rao, resigned 18 June 2019
- Toni Lockyer, commenced 5 December 2018
- Johanna Brem, commenced 18 June 2019

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

To the best of our knowledge and belief, no officers or members of the Division are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position.

Signature of designated officer:

Name and title of designated officer:  GARETH ULAN, SECRETARY.

Dated: 15 NOVEMBER 2019

**Flight Attendants Association of Australia – National Division
Committee of Management Statement
For the Year Ended 30 June 2019**

On 15 November 2019, the Divisional Executive of the Flight Attendants Association of Australia – National Division passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The Divisional Executive declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; 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 organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit 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 reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; 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.

This declaration is made in accordance with a resolution of the Committee of Management (Divisional Executive).

Signature of designated officer:

Name and title of designated officer: GARETH UREN, SECRETARY

Dated: 15 NOVEMBER 2019

**Flight Attendants Association of Australia – National Division
 Report Required Under Subsection 255(2A)
 For the Financial Year Ended 30 June 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	564,338	708,981
Advertising	-	-
Operating costs	403,540	481,650
Donations to political parties	-	-
Legal costs	13,933	130,290

Signature of designated officer:



Name and title of designated officer:

GARETH OWEN, SECRETARY

Dated:

15 NOVEMBER 2019,

**Flight Attendants Association of Australia – National Division
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 30 June 2019**

	Notes	2019 \$	2018 \$
Revenue			
Membership subscription		950,319	1,007,128
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Interest revenue	3C	33,466	28,590
Other revenue		9,244	4,674
Total revenue		993,029	1,040,392
Other income			
Grants and/or donations	3D	-	-
Net gains from sale of assets	3E	-	-
Revenue from recovery of wages activity	3F	-	-
Total other income		-	-
Total income		993,029	1,040,392
Expenses			
Employee expenses	4A	(703,812)	(926,826)
Capitation fees and other expense to another reporting unit	4B	-	-
Affiliation fees	4C	(21,868)	(19,822)
Administration expenses	4D	(209,475)	(213,283)
Grants and/or donations	4E	-	-
Depreciation and amortisation	4F	(19,823)	(18,275)
Finance costs	4G	-	-
Legal costs	4H	(13,933)	(130,290)
Audit fees	14	(12,900)	(12,425)
Share of net loss from associate		-	-
Write-down and impairment of assets		-	-
Net losses from sale of assets		-	-
Other expenses	4I	-	-
Total expenses		(981,811)	(1,320,921)
Profit/(loss) for the year		11,218	(280,529)
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss		-	-
- Net gain on available for sale investments		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
- Gain on revaluation of land and buildings		-	-
Total comprehensive income/(loss) for the year		11,218	(280,529)

The accompanying notes form part of these financial statements.

Flight Attendants Association of Australia – National Division
Statement of Financial Position
As at 30 June 2019

	Notes	2019 \$	2018 \$
Assets			
Current			
Cash and cash equivalents	5A	1,352,915	1,401,337
Trade and other receivables	5B	28,238	34,845
Other current assets	5C	4,319	6,098
Current assets		1,385,472	1,442,280
Non-current			
Land and buildings		-	-
Plant and equipment	6A	2,108	21,931
Investment property		-	-
Intangibles		-	-
Investment in associates		-	-
Other investments		-	-
Other non-current assets		-	-
Non-current assets		2,108	21,931
Total assets		1,387,580	1,464,211
Liabilities			
Current			
Trade payables	7A	38,446	111,763
Other payables	7B	44,455	32,033
Employee provisions	8A	36,851	80,816
Current liabilities		119,752	224,612
Non-current			
Employee provisions	8A	19,994	2,983
Other non-current liabilities		-	-
Non-current liabilities		19,994	2,983
Total liabilities		139,746	227,595
Net assets		1,247,834	1,236,616
Equity			
Reserves	9A	491,852	491,852
Retained earnings		755,982	744,764
Total equity		1,247,834	1,236,616

The accompanying notes form part of these financial statements.

Flight Attendants Association of Australia – National Division
Statement of Changes in Equity
For the Financial Year Ended 30 June 2019

	Retained Earnings	Employee Entitlements Reserve	Total Equity
	\$	\$	\$
Balance at 1 July 2017	1,025,293	491,852	1,517,145
Loss for the year	(280,529)	-	(280,529)
Other comprehensive income	-	-	-
Total comprehensive loss	(280,529)	-	(280,529)
Balance at 30 June 2018	744,764	491,852	1,236,616
Balance at 1 July 2018	744,764	491,852	1,236,616
Profit for the year	11,218	-	11,218
Other comprehensive income	-	-	-
Total comprehensive income	11,218	-	11,218
Balance at 30 June 2019	755,982	491,852	1,247,834

The accompanying notes form part of these financial statements.

Flight Attendants Association of Australia – National Division
Statement of Cash Flows
For the Financial Year Ended 30 June 2019

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Membership fees received		1,051,958	998,844
Interest received		33,466	28,590
Other		7,568	4,674
Receipts from other reporting units/controlled entities	10B	2,364	-
Cash used			
Payments to suppliers and employees		(1,071,502)	(1,387,110)
Payments to other reporting units/controlled entities	10B	(72,276)	(39,600)
Interest paid		-	-
Net cash used in operating activities	10A	<u>(48,422)</u>	<u>(394,602)</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment	6A	-	(1,290)
Net cash used in investing activities		<u>-</u>	<u>(1,290)</u>
FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net change in cash and cash equivalents		(48,422)	(395,892)
Cash and cash equivalents at beginning of financial year		1,401,337	1,797,229
Cash and cash equivalents at end of financial year	5A	<u>1,352,915</u>	<u>1,401,337</u>

The accompanying notes form part of these financial statements.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Year Ended 30 June 2019

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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 Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Flight Attendants Association of Australia – National Division is a not-for-profit entity.

The financial statements, other than the Statement of Cash Flows, 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 the 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.

1.2 Comparative amounts

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

1.3 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:

- Employee provisions – refer to note 1.6

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

Any new and revised standards that became effective for the first time in the current financial year have been adopted. The adoption of these amendments has not had a material impact on the entity. No accounting standard has been adopted earlier than the application date stated in the standard.

Impact on adoption of AASB 9

(a) Initial application

AASB 9 *Financial Instruments (AASB 9)* replaces AASB139 *Financial Instruments: Recognition and Measurement (AASB 139)* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Year Ended 30 June 2019

The reporting unit has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The reporting unit has not restated the comparative information, which continues to be reported under AASB 139. The adoption of AASB 9 did not have significant impact on the reporting unit and there have been no changes in classification and measurement of financial assets and liabilities for the year ended 30 June 2019.

Future Australian Accounting Standards Requirements

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The committee of management is currently assessing the impact such standards will have on the entity.

AASB 16 Leases (AASB 16)

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The reporting unit plans to adopt AASB 16 on the required effective date 1 July 2019 of using modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

During the financial year ended 30 June 2019, the reporting unit performed a preliminary assessment of AASB 16. Management is currently assessing the impact such standards will have on the reporting unit.

1.5 Revenue

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

Revenue from membership subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Year Ended 30 June 2019

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Donation income is recognised when it is received.

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

1.6 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.7 Cash

Cash is recognised at its nominal amount. 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 and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.8 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Year Ended 30 June 2019

1.9 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (**OCI**), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the reporting unit's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the reporting unit initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The reporting unit's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the reporting unit commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The reporting unit measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
- Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The reporting unit's financial assets at amortised cost includes trade receivables and loans to related parties.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Year Ended 30 June 2019

Financial assets at fair value through other comprehensive income

The reporting unit measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The reporting unit's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the reporting unit can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the reporting unit benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The reporting unit elected to classify irrevocably its listed and non-listed equity investments under this category.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Year Ended 30 June 2019

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The reporting unit has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the reporting unit has transferred substantially all the risks and rewards of the asset, or
 - b) the reporting unit has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the reporting unit has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the reporting unit continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the reporting unit applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the reporting unit does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The reporting unit has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the reporting unit recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

Flight Attendants Association of Australia – National Division
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- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The reporting unit considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the reporting unit may also consider a financial asset to be in default when internal or external information indicates that the reporting unit is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.10 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The reporting unit financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Year Ended 30 June 2019

1.11 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.12 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2019	2018
Plant and equipment	5 to 10 years	5 to 10 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.13 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Year Ended 30 June 2019

1.14 Taxation

The entity is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.15 Fair value measurement

The entity measures financial instruments, such as, financial asset as at fair value through the profit and loss and available for sale financial assets at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 13A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability 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 liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the entity. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that 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 entity 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.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Year Ended 30 June 2019

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the entity determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets where appropriate. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.16 Acquisition of assets and or liabilities that do not constitute a business combination

The entity did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

Note 2 Going concern

The entity is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The entity has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

	2019	2018
	\$	\$
Note 3 Income		
3A. Capitation fees and other revenue from another reporting unit		
Capitation fees	-	-
Other revenue from another reporting unit	-	-
Total capitation fees and other revenue from other reporting unit	-	-
3B. Levies		
Compulsory or voluntary levies or appeals	-	-
	-	-
3C. Interest		
Deposits	33,466	28,590
Loans	-	-
	33,466	28,590
3D. Grants or donations		
Grants		
Donations	-	-
	-	-
3E. Net gains from sale of assets		
Land and buildings	-	-
	-	-
3F. Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
	-	-
Note 4 Expenses		
4A. Employee expenses		
Holders of office		
Holders of office - wages and salaries	65,666	161,180
Holders of office - superannuation	7,887	10,415
Holders of office - leave and other entitlements	-	(3,537)
Holders of office - leave bank days	65,921	49,788
Holders of office - other expenses	-	-
Subtotal employee expenses holders of office	139,474	217,845

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

	2019	2018
	\$	\$
4A. Employee expenses (continued)		
Employees other than office holders		
Employees - wages and salaries	503,531	698,712
Employees - superannuation	48,823	76,788
Employees - leave and other entitlements	(26,954)	(103,949)
Employees - leave bank days	-	4,294
Employees - other expenses	38,938	33,136
Subtotal employee expenses employees other than office holders	564,338	708,981
Total employee expenses	703,812	926,826
4B. Capitation fees and other expense to another reporting unit		
Capitation fees	-	-
Other expenses from another reporting unit	-	-
	-	-
4C. Affiliation fees		
Australian Council of Trade Unions	5,992	-
International Transport Workers Federation	4,713	6,180
Union Shopper	880	1,395
Unions NSW	2,035	5,506
Unions WA	2,352	2,094
Victorian Trades Hall Council	5,896	4,647
	21,868	19,822
4D. Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	28,263	54,053
Contractors/consultants	41,050	46,453
Property expenses	46,481	36,000
Office expenses	34,441	34,350
Information communications technology	8,859	14,855
Other administration expenses	50,381	27,572
	209,475	213,283

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

	2019	2018
	\$	\$
4E. Grants and/or donations		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
4F. Depreciation and amortisation		
Depreciation on property, plant and equipment:		
- Computers	3,940	2,646
- Furniture and fittings	15,085	15,339
- Office equipment	798	290
	<u>19,823</u>	<u>18,275</u>
	<u>19,823</u>	<u>18,275</u>
4G. Finance costs		
Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
4H. Legal costs		
Litigation	7,933	130,290
Other legal costs	6,000	-
	<u>13,933</u>	<u>130,290</u>
	<u>13,933</u>	<u>130,290</u>
4I. Other expenses		
Penalties - via RO Act or the Fair Work Act 2009	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Note 5 Current Assets		
5A. Cash and cash equivalents		
Cash at bank	137,628	253,171
Cash on hand	2,000	2,000
Short term deposits	1,213,287	1,146,166
	<u>1,352,915</u>	<u>1,401,337</u>
	<u>1,352,915</u>	<u>1,401,337</u>

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

	2019	2018
	\$	\$
5B. Trade and other receivables		
Current		
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Receivable from other reporting units	<u>-</u>	<u>-</u>
Other receivables		
Interest receivable	-	-
Other trade receivables	28,238	34,845
Total other receivables	<u>28,238</u>	<u>34,845</u>
Total trade and other receivables (net)	<u><u>28,238</u></u>	<u><u>34,845</u></u>
5C. Other current assets		
Prepayments	4,319	6,098
	<u>4,319</u>	<u>6,098</u>

Note 6 Non-current Assets

6A. Plant and equipment

Computer equipment at cost	125,954	125,954
Computer equipment accumulated depreciation	(125,954)	(122,014)
Furniture and fittings at cost	97,532	97,532
Furniture and fittings accumulated depreciation	(97,532)	(82,447)
Office equipment at cost	9,759	9,759
Office equipment accumulated depreciation	(7,651)	(6,853)
	<u>2,108</u>	<u>21,931</u>

	Computer	Furniture and Fittings	Office Equipment	Total Plant and Equipment
Net carrying amount 1 July 2017	6,586	30,424	1,906	38,916
Additions	-	-	1,290	1,290
Disposals	-	-	-	-
Depreciation	(2,646)	(15,339)	(290)	(18,275)
Net carrying amount 30 June 2018	<u>3,940</u>	<u>15,085</u>	<u>2,906</u>	<u>21,931</u>

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

6A. Plant and equipment (continued)

	Computer	Furniture and Fittings	Office Equipment	Total Plant and Equipment
Net carrying amount 1 July 2018	3,940	15,085	2,906	21,931
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	(3,940)	(15,085)	(798)	(19,823)
Net carrying amount 30 June 2019	-	-	2,108	2,108

2019	2018
\$	\$

Note 7 Current Liabilities

7A. Trade payables

Trade creditors and accruals	38,446	111,763
Payables to other reporting units	-	-
	38,446	111,763

Settlement is usually made within 30 days.

7B. Other payables

Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	-	-
GST payable	14,872	9,928
Other payables	29,583	22,105
	44,455	32,033

Note 8 Provisions

8A. Employee provisions

Office Holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	-	-

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

	2019	2018
	\$	\$
8A. Employee provisions (continued)		
Employees other than office holders:		
Annual leave	19,128	25,282
Long service leave	37,717	58,517
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	56,845	83,799
Current employee provisions	36,851	80,816
Non current employee provisions	19,994	2,983
	56,845	83,799
Note 9 Equity		
Employee Entitlement Reserve		
Balance as at start of year	491,852	491,852
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	491,852	491,852
Total Reserves	491,852	491,852
9B. Equity - other specific disclosures - funds		
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other funds required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

	2019	2018
	\$	\$
Note 10 Cash Flow		
10A. Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	1,352,915	1,401,337
Balance sheet	1,352,915	1,401,337
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	11,218	(280,529)
Adjustments for non-cash/operating items		
Depreciation/amortisation	19,823	18,275
Changes in assets/liabilities		
(Increase)/decrease in net receivables	6,607	(8,284)
(Increase)/decrease in prepayments	1,779	1,070
Increase/(decrease) in supplier payables	(73,317)	10,006
Increase/(decrease) in other payables	12,422	(27,655)
Increase/(decrease) in employee provisions	(26,954)	(107,485)
Net cash used in operating activities	<u>(48,422)</u>	<u>(394,602)</u>
10B. Cash flow information		
Receipts from/payments to other reporting units/controlled entities		
Cash inflows:		
Flight Attendants Association - International Division	2,364	-
Total cash inflows	<u>2,364</u>	<u>-</u>
Cash outflows:		
Flight Attendants Association - International Division	(72,276)	(39,600)
Total cash outflows	<u>(72,276)</u>	<u>(39,600)</u>

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

	2019	2018
	\$	\$

Note 11 Related Party Disclosures

11A. Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Amounts received from Flight Attendants Association - International Division includes the following:

- Administration fee	2,364	-
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Expenses paid to Flight Attendants Association - International Division include the following:

- Reimbursements for outgoings and other services supplied	(72,276)	(39,600)
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Amounts owed by related parties include the following:	-	-
--	---	---

Amounts owed to related parties include the following:	-	-
--	---	---

Loans from/to related parties include the following:	-	-
--	---	---

Assets transferred from/to related parties include the following:	-	-
---	---	---

Terms and conditions of transactions with related parties

The reimbursement of outgoings and other services paid to related parties (Flight Attendants Association - International Division) primarily relate to the use of ground floor of 20 Ewan Street, Mascot NSW 2020. These transactions are made on terms equivalent to those that prevail in arm's length transactions. Any outstanding balances at year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the entity has not recorded any receivable relating to amounts owed by related parties and declared person or body (2018: \$Nil). Hence, no impairment of receivables have been recorded either (2018: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

11B. Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	62,163	126,699
Annual leave accrued	-	(3,538)
Leave bank days*	45,797	33,983
Performance bonus	-	-
Total short-term employee benefits	107,960	157,144

Post-employment benefits:

Superannuation	5,846	8,674
Total post-employment benefits	5,846	8,674

Other long-term benefits:

Long-service leave	-	-
Total other long-term benefits	-	-

Termination benefits

	-	-
Total	113,806	165,818

* Leave bank days. QANTAS Airways provides leave bank days for the release of elected officials from FAAA purposes. The FAAA pays QANTAS Airways for the value of the leave bank days.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

	2019	2018
	\$	\$
Note 12 Financial Instruments		
12A. Categories of Financial Instruments		
Financial Assets		
Cash and bank balances:		
Cash at bank	137,628	253,171
Cash on hand	2,000	2,000
	<u>139,628</u>	<u>255,171</u>
Fair value through profit or loss	<u>-</u>	<u>-</u>
Held-to-maturity investments:		
Short term deposits	<u>1,213,287</u>	<u>1,146,166</u>
	<u>1,213,287</u>	<u>1,146,166</u>
Available-for-sale assets	<u>-</u>	<u>-</u>
Loans and receivables:		
Trade receivables - reporting units	-	-
Trade receivables - other	28,238	34,845
Interest receivable	-	-
Pledges receivable	-	-
	<u>28,238</u>	<u>34,845</u>
<i>Carrying amount of financial assets</i>	<u>1,381,153</u>	<u>1,436,182</u>

**Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019**

	2019	2018
	\$	\$
12A. Categories of Financial Instruments (continued)		
Financial Liabilities		
Fair value through profit or loss:	-	-
	-	-
Other financial liabilities:		
Trade creditors and accruals	38,446	111,763
GST payable	14,872	9,928
Other payables	29,583	22,105
Employee provisions	56,845	83,799
Total	139,746	227,595
<i>Carrying amount of financial liabilities</i>	139,746	227,595
12B. Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	33,466	28,590
Bank charges and merchant fees	(9,337)	(8,649)
Net gain held-to-maturity	24,129	19,941
Loans and receivables		
Net gain from loans and receivables	-	-
Available for sale		
Net gain from available for sale	-	-
Fair value through profit and loss		
Held for trading		
Total held for trading	-	-
Designated as fair value through profit and loss		
Total designated as fair value through profit and loss	-	-
Net gain at fair value through profit and loss	-	-
Net gain from financial assets	24,129	19,941

The net income from financial assets not at fair value from profit and loss is \$24,129 (2018: \$19,941).

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

	2019	2018
	\$	\$
12C. Net Income and Expense from Financial Liabilities		
At amortised cost		
Net gain financial liabilities - at amortised cost	-	-
<u>Fair value through profit and loss</u>		
Held for trading		
Total held for trading	-	-
Designated as fair value through profit and loss:		
Total designated as fair value through profit and loss	-	-
Net gain at fair value through profit and loss	-	-
Net gain from financial liabilities	-	-

The net income from financial liabilities not at fair value from profit and loss is \$nil (2018: \$nil).

12D. Credit Risk

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets		
Loans and receivables	28,238	34,845
	28,238	34,845
Financial liabilities		
Trade creditors and accruals	38,446	111,763
GST payable	14,872	9,928
Other payables	29,583	22,105
Employee provisions	56,845	83,799
	139,746	227,595

In relation to the entity's gross credit risk the following collateral is held: nil.

Credit quality of financial instruments not past due or individually determined as impaired

No financial asset, individually, was past its due date and there were no other recoverability issues identified. Therefore, no financial asset was assessed as being impaired.

Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2019

12E. Liquidity Risk

The entity does not have any financial liabilities that are subject to contractual maturities.

12F. Market Risk

Interest rate risk

Interest rates on short-term deposits are fixed at the beginning of the term. The reporting unit earned interest revenue in the range of 2.3-2.65% on term deposits during the year. Accounts receivable and accounts payable do not attract any interest.

Price risk

The entity does not hold any financial assets nor liabilities that are sensitive to price risk.

12G. Asset Pledged/or Held as Collateral

The entity does not have any assets pledged nor held as collateral.

12H. Changes in liabilities arising from financing activities

The entity does not have any liabilities arising from financing activities.

13 Fair Value Measurement

13A. Financial Assets and Liabilities

The committee of management of the entity 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. No assets nor liabilities are recorded at fair value. See Note 12A for a list of these financial assets and liabilities.

Note 14 Remuneration of Auditors

Value of the services provided

Financial statement audit services	12,900	12,425
Other services	-	-
Total remuneration of auditors	12,900	12,425

No other services were provided by the auditors of the financial statements.

Note 15 Events after the reporting period

There were no events that occurred after 30 June 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the entity.

**Flight Attendants Association of Australia – National Division
Notes to the Financial Statements
For the Year Ended 30 June 2019**

Note 16 Other Reporting Guidelines Disclosure Requirements

As required by Item 21 of the Reporting Guidelines, the following is noted:

- There was no expense in relation to redundancy for office-holders;
- There was no expense in relation to redundancy for employees other than office-holders;
- There was no administration of financial affairs by another entity; and
- There was no payment to a former related party in respect of a liability incurred during the period when the related party relationship existed.

Note 17 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

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Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Flight Attendants Association of Australia – National Division (the Reporting Unit), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Flight Attendants Association of Australia – National Division as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that the Committee of Management’s use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor’s Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor’s report is the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that we are an audit firm where at least one member is a registered auditor and are an auditor registered under the RO Act.

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/28.

SDJA

SDJA

Simon Joyce

Simon Joyce

Director

15 November 2019

Sydney, New South Wales