



AUSTRALIAN INDUSTRIAL REGISTRY

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Mr. Darryl Watkins
Divisional Secretary
Domestic/Regional Division
Flight Attendants' Association of Australia
18/538 Gardeners Road
ALEXANDRIA NEW SOUTH WALES 2015

Dear Mr. Watkins,

Financial documents for the Flight Attendants' Association of Australia - Domestic/Regional Division for year ended 31 March 2003 (231V: FR2003/639)

Receipt is acknowledged of the financial documents lodged under former section 280(1) of the *Workplace Relations Act 1996* ('the Act') for the Flight Attendants' Association of Australia - Domestic/Regional Division for the year ended 31 March 2003. The documents were lodged in the Industrial Registry on 15 December 2003.

The documents have been filed.

I draw your attention to the following matter in respect of the documents filed:

- The "Statement of Financial Performance" set out at page 1 of the documents ('the primary statement') and supplemented by material at pages 4 to 17 does not adhere to certain of the minimum disclosure requirements mandated by former section 273 of the Act and former Regulation 107 of the *Workplace Relations Regulations*.

A number of the various particulars required to be disclosed under Regulation 107(a) are set out in the "Income and Expenditure Statement" at pages 22 to 25 ('the detailed statement'). The detailed statement is provided as "*private information for the Executive Council*" of the Domestic/Regional Division of the organisation and is accompanied by a "disclaimer" by the auditor to the members of that Division. Several disclaimed disclosures appearing in the detailed statement should have been included in the primary statement.

Former subsection 272(1) of the Act relevantly obliges the Division to:

"(a) keep such accounting records as correctly record and explain the transactions ... including such records as are prescribed;

...

(c) keep its accounting records in such manner as will enable the accounts of the organisation to be conveniently and properly audited under this Division."

while subsection 273(1) relevantly states:

“As soon as practicable after the end of each financial year, an organisation :

- (a) shall cause to be prepared form the accounting records kept by the organisation under subsection 272(1) in relation to the financial year, such accounts and statements as are prescribed; ...”.*

The prescribed accounts are contained in former Regulation 107 and include, inter alia,

- “(a) an account of all the income and expenditure of the organisation during the financial year, being an account that, without limiting the generality of the forgoing, sets out (so far as applicable) [a number of prescribed]... particulars of income or expenditure during the financial year...”.*

The particulars required, as a minimum, to be disclosed in that account as applicable are thereafter listed.

Finally, former section 276 relevantly provides:

- “(1) An auditor of an organisation shall inspect and audit the accounting records kept by the organisation in relation to each financial year and shall... make a report in relation to the year to the organisation.*

...

- (4) An auditor shall, in a report under this section in relation to a financial year, state:*

- (a) whether in the auditor’s opinion:*

- (i) there were kept by the organisation in relation to the year satisfactory accounting records, including:*

...

- (B) records of the nature and purposes of the expenditure of the organisation; and*

- (ii) the accounts and statements prepared under section 273 were properly drawn up as to give a true and fair view of:*

...

- (B) the income and expenditure... of the organisation for the year...”*

It is noted that former subsection 276(2)(b) entitles the auditor to seek from any officer of the organisation such information and explanations as the auditor wants for the purposes of the audit.

It will be further noted that above appearing references to "the organisation" are taken to have application in this matter to the Domestic and Regional Division of the organisation by force of former section 271 of the Act.

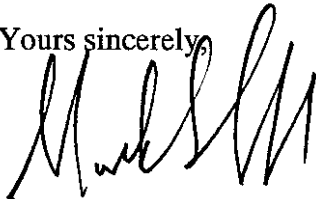
The auditor appears to have sought to comply with the requirements of former subsection 276 of the Act through the report headed "Independent Audit Report to the Members of the Flight Attendants' Association of Australia - Domestic/Regional Division". However, the disclaimer document previously mentioned in part states that "*we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided*". As the auditor's opinions do not therefore encompass the detailed statement, it is assumed that such statement is not intended to form part of the accounts prepared for the purposes of former subsection 273(1) of the Act. It is thus not apparent from the filed documents that the material supplied by the auditor fulfils the duties enunciated in either former subsections 276(1), 276(4)(a)(i)(B) or 276(4)(a)(ii)(B).

So as to ensure compliance with the relevant financial reporting requirements of Act and Schedule 1B thereto, future documents should include a primary statement setting out particulars of all relevant disclosure requirements and an auditor's report which expresses the necessary opinions thereon.

Would you please draw this matter to the attention of your auditor.

Please contact me by telephone on 03 8661 7785 or by email at mark.elliott@air.gov.au should you either wish to discuss this correspondence or if you require any further information on the financial reporting requirements of the Act.

Yours sincerely,



Mark Elliott
Statutory Services Branch
13 January 2004

FR 2003/639

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA

Domestic/Regional Division
18/538 Gardeners Road, Alexandria NSW 2015 Ph: (02) 9669 5366, Fax: (02) 9669 5388
Email: info@faadomestic.org.au

10 December, 2003

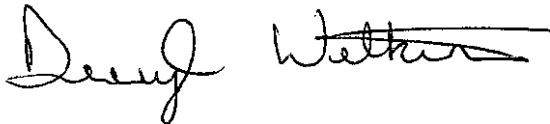
The Industrial Registrar
Nauru House
80 Collins Street
MELBOURNE VIC 3000

Dear Sir/Madam

I am writing as Divisional Secretary, Domestic/Regional Division of the Flight Attendants' Association of Australia.

I hereby certify that the documents lodged with the Registrar for year ended 31 March 2003 are copies of the auditors report, full accounts and statements that were presented to the Divisional Executive on 4 December, 2003, in accordance with paragraph 279(6)(a) of the Workplace Relations Act 1996.

Regards



Darryl Watkins
Divisional Secretary
Domestic/Regional Division

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2003**

BRAMWELL GILES LEECHMAN & ASSOCIATES

Chartered Accountants

Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004

PO Box 6094 St Kilda Road Central VIC 8008

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TABLE OF CONTENTS

Financial Report

Statement of Financial Performance	1
Statement of Financial Position	2
Statement of Cash Flows	3
Notes to the Financial Statements	4 - 17
Accounting Officer Certificate	18
Executive Council Certificate	19
Independent Audit Report	20
Additional Information	22 - 25

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2003**

	Notes	2003 \$	2002 \$
Revenue from ordinary activities	3	1,779,922	1,410,085
Administration & other expenses		(151,695)	(155,517)
Federal office		-	(35,395)
Office furniture & equipments		(388,068)	(48,572)
General industrial		(236,102)	(320,115)
Legal and professional expenses		(91,216)	(86,325)
Rent & occupancy expenses		(87,419)	(80,749)
Salaries & related expenses		(704,749)	(704,658)
Motor vehicle expenses		<u>(3,319)</u>	<u>(6,264)</u>
		<u>(1,662,568)</u>	<u>(1,437,595)</u>
Surplus (Deficit) from ordinary activities		<u>117,354</u>	<u>(27,510)</u>

The accompanying notes form part of these financial statements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA – DOMESTIC/REGIONAL
DIVISION**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2003**

	Notes	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	5	193,915	14,591
Receivables	6	111,387	40,085
Other	7	<u>13,705</u>	<u>13,860</u>
TOTAL CURRENT ASSETS		<u>319,007</u>	<u>68,536</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>787,923</u>	<u>461,427</u>
TOTAL NON-CURRENT ASSETS		<u>787,923</u>	<u>461,427</u>
TOTAL ASSETS		<u>1,106,930</u>	<u>529,963</u>
CURRENT LIABILITIES			
Payables	9	83,849	63,561
Interest-bearing liabilities	10	9,937	41,584
Provisions	11	<u>47,965</u>	<u>63,686</u>
TOTAL CURRENT LIABILITIES		<u>141,751</u>	<u>168,831</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	10	477,320	-
Provisions	11	<u>29,682</u>	<u>20,309</u>
TOTAL NON-CURRENT LIABILITIES		<u>507,002</u>	<u>20,309</u>
TOTAL LIABILITIES		<u>648,753</u>	<u>189,140</u>
NET ASSETS		<u>458,177</u>	<u>340,823</u>
MEMBERS FUNDS			
Reserves	12	378,806	378,806
Accumulated Surplus (deficit)	13	<u>79,371</u>	<u>(37,983)</u>
TOTAL MEMBERS FUNDS		<u>458,177</u>	<u>340,823</u>

The accompanying notes form part of these financial statements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2003**

	Notes	2003 \$	2002 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		1,374,880	1,499,850
Other receipts		7,279	50,251
Payments to suppliers and employees		(1,305,657)	(1,486,408)
Interest received		5,422	2,686
GST paid to the ATO		<u>(114,039)</u>	<u>(85,568)</u>
Net cash used in operating activities	17 (b)	<u>(32,115)</u>	<u>(19,189)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		500,785	12,727
Payment for property, plant and equipment		<u>(713,249)</u>	<u>(71,692)</u>
Net cash used in investing activities		<u>(212,464)</u>	<u>(58,965)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from other loan		5,230	-
Proceeds from bank loan		487,257	-
Loan advanced		<u>(27,000)</u>	<u>-</u>
Net cash provided by financing activities		<u>465,487</u>	<u>-</u>
Net increase/(decrease) in cash held		220,908	(78,154)
Cash at beginning of financial year		<u>(26,993)</u>	<u>51,161</u>
Cash at end of financial year	17 (a)	<u><u>193,915</u></u>	<u><u>(26,993)</u></u>

The accompanying notes form part of these financial statements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA – DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is for the entity Flight Attendants' Association of Australia - Domestic/Regional Division as an individual entity. Flight Attendants' Association of Australia - Domestic/Regional Division is a branch of trade union, established and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

No provision for income tax has been raised as trade unions are exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the branch of trade union to have an independent valuation every three years, with annual appraisals being made by the Committee of Management.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

(d) Employee Entitlements

Provision is made for the entity'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, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(e) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at banks including at call deposits with banks.

(f) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(h) Members subscription

Subscription fees are recognised on cash receipt basis except for payroll deductions from airlines.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

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

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

	Note	2003 \$	2002 \$
NOTE 3: REVENUE			
Operating activities			
- interest	3(a)	5,422	2,686
- rent		1,818	34,000
- member subscriptions		1,267,097	1,351,935
- other revenue		<u>4,800</u>	<u>8,737</u>
		<u>1,279,137</u>	<u>1,397,358</u>
Non - operating activities			
- proceeds of sale of property, plant and equipment		<u>500,785</u>	<u>12,727</u>
Total Revenue		<u>1,779,922</u>	<u>1,410,085</u>
(a) Interest from:			
- other persons		5,422	2,686

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

	Note	2003 \$	2002 \$
NOTE 4: SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES			
Surplus (deficit) from ordinary activities has been determined after:			
(a) Expenses:			
Depreciation of non-current assets			
- Buildings		2,096	8,625
- Motor vehicles		4,291	3,826
- Office Equipment		3,237	3,993
- Furniture, fixtures and fittings		3,154	3,345
- Computer Equipment		<u>19,204</u>	<u>12,304</u>
Depreciation of property, plant and equipment		<u>31,982</u>	<u>32,093</u>
Bad and doubtful debts:			
- other entities		12,000	-
Remuneration of the auditors for:			
- audit or review services		8,000	8,000
Rental expense on operating leases		-	49,344
Employee entitlements - annual leave		(446)	(1,054)
Employee entitlements - long service leave		(5,903)	(20,014)
(b) Revenue and Net Gains			
Net gain on disposal of non-current assets			
- property, plant and equipment		146,014	649
(c) Significant Revenues and Expenses:			
Flight Force expenses		53,189	-
NOTE 5: CASH ASSETS			
Cash on hand		3,000	3,000
Cash at bank		77,219	11,591
Deposits at call		<u>113,696</u>	<u>-</u>
		<u>193,915</u>	<u>14,591</u>

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

	Note	2003 \$	2002 \$
NOTE 6: RECEIVABLES			
CURRENT			
Trade debtors		25,557	18,486
Other debtors		41,326	16,369
Net GST		44,504	-
Amounts receivable from:			
- other related entities		<u>-</u>	<u>5,230</u>
		<u>111,387</u>	<u>40,085</u>
NOTE 7: OTHER ASSETS			
CURRENT			
Prepayments		2,805	2,960
Other current assets		<u>10,900</u>	<u>10,900</u>
		<u>13,705</u>	<u>13,860</u>
NOTE 8: PROPERTY, PLANT AND EQUIPMENT			
BUILDINGS			
At cost		677,669	345,000
Less accumulated depreciation		<u>-</u>	<u>(8,625)</u>
		<u>677,669</u>	<u>336,375</u>
(a) Motor vehicles			
At cost		19,970	19,970
Less accumulated depreciation		<u>(5,190)</u>	<u>(899)</u>
		<u>14,780</u>	<u>19,071</u>
(b) Office equipment			
At cost		74,005	74,005
Less accumulated depreciation		<u>(59,315)</u>	<u>(56,078)</u>
		<u>14,690</u>	<u>17,927</u>
(c) Computer equipment			
At cost		158,784	152,896
Less accumulated depreciation		<u>(126,337)</u>	<u>(107,133)</u>
		<u>32,447</u>	<u>45,763</u>

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

	Note	2003 \$	2002 \$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)			
(d) Furniture, fixtures and fittings			
At cost		76,240	68,148
Less accumulated depreciation		<u>(27,903)</u>	<u>(25,857)</u>
		<u>48,337</u>	<u>42,291</u>
Total plant and equipment		<u>110,254</u>	<u>125,052</u>
Total property, plant and equipment		<u>787,923</u>	<u>461,427</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Buildings \$	Motor vehicles \$	Office equipment \$	Furniture, fixtures & fittings \$
2003				
Balance at the beginning of the year	336,375	19,071	17,927	42,291
Additions	677,669	-	-	29,692
Disposals	(334,279)	-	-	(20,492)
Depreciation expense	<u>(2,096)</u>	<u>(4,291)</u>	<u>(3,237)</u>	<u>(3,154)</u>
Carrying amount at end of year	<u>677,669</u>	<u>14,780</u>	<u>14,690</u>	<u>48,337</u>
			Computer equipment \$	Total \$
2003				
Balance at the beginning of the year			45,763	461,427
Additions			5,888	713,249
Disposals			-	(354,771)
Depreciation expense			<u>(19,204)</u>	<u>(31,982)</u>
Carrying amount at the end of the year			<u>32,447</u>	<u>787,923</u>

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

	Note	2003 \$	2002 \$
NOTE 9: PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		71,776	56,486
Sundry creditors and accruals		<u>12,073</u>	<u>7,075</u>
		<u>83,849</u>	<u>63,561</u>
NOTE 10: INTEREST BEARING LIABILITIES			
CURRENT			
Unsecured liabilities			
Bank overdrafts		<u>-</u>	<u>41,584</u>
Secured liabilities			
Bank loans		<u>9,937</u>	<u>-</u>
		<u>9,937</u>	<u>41,584</u>
NON-CURRENT			
Secured liabilities			
Bank loans		<u>477,320</u>	<u>-</u>
The bank loan is secured by a registered first mortgage over the property of the association.			
The carrying amounts of non-current assets pledged as security are:			
First mortgage - land and building		<u>677,669</u>	<u>-</u>
NOTE 11: PROVISIONS			
CURRENT			
Employee entitlements	(a)	<u>47,965</u>	<u>63,686</u>
NON-CURRENT			
Employee entitlements	(a)	<u>29,682</u>	<u>20,309</u>
(a) Aggregate employee entitlements liability		<u>77,647</u>	<u>83,995</u>
(b) Number of employees at year end		<u>7</u>	<u>7</u>

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

	Note	2003 \$	2002 \$
NOTE 12: RESERVES			
General reserve		<u>378,806</u>	<u>378,806</u>

The general reserve was used in prior years to record surplus fund due to divisionalisation.

NOTE 13: ACCUMULATED SURPLUS

Accumulated surplus/(accumulated deficit) at the beginning of the financial year		(37,983)	(10,473)
Net surplus (deficit) attributable to members of the entity		<u>117,354</u>	<u>(27,510)</u>
Accumulated surplus/(accumulated deficit) at the end of the financial year		<u>79,371</u>	<u>(37,983)</u>

**NOTE 14: CAPITAL AND LEASING
COMMITMENTS**

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable

- not later than one year		26,605	66,205
- later than one year and not later than five years		<u>29,347</u>	<u>55,952</u>
		<u>55,952</u>	<u>122,157</u>

General description of leasing arrangement:

The property lease for Melbourne office is a non-cancellable lease with a three-year term. An option exists to renew the lease at the end of the term for an additional term of three years. Other leases are related to the rental of office equipment.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

Note	2003 \$	2002 \$
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NOTE 15: RELATED PARTY TRANSACTIONS

(a) The members of the divisional executive who held office during the financial year are:

Carol Franklin
Darryl Watkins
Jo-Ann Davidson
Lyn Kealy
Marnie Sluice
Nathan Ford
Tom Snowball
Wayne Middleton

NOTE 16: SEGMENT REPORTING

The Flight Attendants' Association of Australia - Domestic/Regional Division operates in the area of Aviation Industrial Relations primarily within Australia.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

	Note	2003 \$	2002 \$
NOTE 17: CASH FLOW INFORMATION			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		3,000	3,000
Cash at bank		77,219	11,591
At call deposits with financial institutions		113,696	-
Bank overdrafts		<u>-</u>	<u>(41,584)</u>
		<u>193,915</u>	<u>(26,993)</u>
 (b) Reconciliation of cash flow from operations with surplus (deficit) from ordinary activities			
Surplus (Deficit) from ordinary activities		117,354	(27,510)
Non-cash flows in surplus (deficit) from ordinary activities			
Depreciation		31,982	32,093
Net (gain) / loss on disposal of property, plant and equipment		(146,014)	(649)
Changes in assets and liabilities			
(Increase)/decrease in receivables		(56,607)	24,463
Decrease in other assets		155	8,873
Increase/(decrease) in payables		27,363	(35,392)
Decrease in provisions		<u>(6,348)</u>	<u>(21,067)</u>
Cash flows from operations		<u>(32,115)</u>	<u>(19,189)</u>
 (c) Credit stand-by arrangement and loan facilities			
Credit facilities		10,000	100,000
Amount utilised		<u>-</u>	<u>(18,854)</u>
Unused credit facilities		<u>10,000</u>	<u>81,146</u>

The major facilities are summarised as follows:

The entity has a bank overdraft facility amounting to \$10,000 (2002: \$100,000). Interest rates are variable.

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

NOTE 18: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing					
			Floating Interest Rate		Within 1 Year		1 to 5 Years	
	2003 %	2002 %	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$
Financial Assets:								
Cash	0.50	0.60	77,219	11,591	113,696	-	-	-
Receivables	3.00	-	-	-	27,000	-	-	-
Total Financial Assets			<u>77,219</u>	<u>11,591</u>	<u>140,696</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities:								
Bank loans and overdrafts	7.57	9.60	-	41,584	9,937	-	68,169	-
Total Financial Liabilities			<u>-</u>	<u>41,584</u>	<u>9,937</u>	<u>-</u>	<u>68,169</u>	<u>-</u>

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

NOTE 18: FINANCIAL INSTRUMENTS (Continued)

	Fixed Interest Rate Maturing Over 5 Years		Non-Interest Bearing		Total	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
Financial Assets:						
Cash	-	-	3,000	3,000	193,915	14,591
Receivables	-	-	<u>84,387</u>	<u>40,085</u>	<u>111,387</u>	<u>40,085</u>
Total Financial Assets	<u>-</u>	<u>-</u>	<u>87,387</u>	<u>43,085</u>	<u>305,302</u>	<u>54,676</u>
Financial Liabilities:						
Bank loans and overdrafts	409,151	-	-	-	487,258	41,584
Trade and sundry creditors	-	-	<u>83,849</u>	<u>63,561</u>	<u>83,849</u>	<u>63,561</u>
Total Financial Liabilities	<u>409,151</u>	<u>-</u>	<u>83,849</u>	<u>63,561</u>	<u>571,107</u>	<u>105,145</u>

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the entity.

(c) Net Fair Values

The net fair value of other assets and other liabilities approximates their carrying value.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

NOTE 19: TRADE UNION DETAILS

The principal place of business of the trade union is:

Flight Attendants' Association of Australia -
Domestic/Regional Division

Unit 18

538 Gardeners Road

ALEXANDRIA NSW 2015

The principal activity of the trade union during the financial year was promoting union activities.

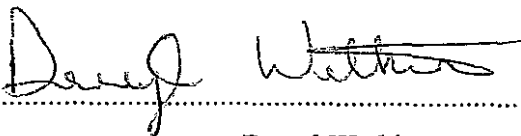
FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION

ACCOUNTING OFFICER'S CERTIFICATE

I, Darryl Watkins, being the Officer responsible for keeping the accounting records of the Flight Attendants' Association of Australia - Domestic/Regional Division ("Division") certify that as at 31 March 2003 the number of members of the Organisation was 3,476.

In our opinion,

- (1) the attached accounts show a true and fair view of the financial affairs of the Division as at 31 March 2003;
- (2) a record has been kept of all moneys paid by, or collected from, members of the Division, and all moneys so paid or collected have been credited to the bank accounts to which those monies are to be credited, in accordance with the rules of Flight Attendants' Association of Australia - Domestic/Regional Division;
- (3) before any expenditure was incurred by the Division approval of the incurring of the expenditure was obtained in accordance with the rules of the Flight Attendants' Association of Australia - Domestic/Regional Division;
- (4) with regard to funds of the Division collected by compulsory levies or voluntary contributions from the members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the Fund was operated;
- (5) no loans or other financial benefits, other than remuneration in respect of their full time employment with the Division, were made to persons holding office in the Division;
- (6) the register of members of the Division was maintained in accordance with the Act;
- (7) the attached Accounts have been prepared in accordance with applicable Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.



Darryl Watkins

Signed at: UNIT 18/538 GARDWELL RD
ALEXANDRIA NSW 2015

Dated this

28/10/03.

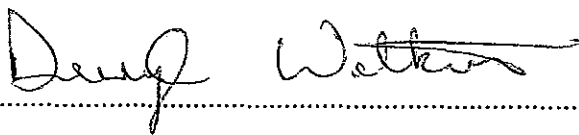
**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

DIVISIONAL EXECUTIVE 'S CERTIFICATE

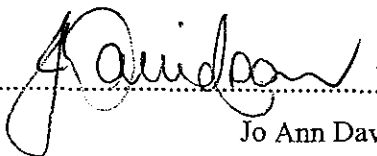
We, being two members of the Divisional Executive of the Flight Attendants' Association of Australia - Domestic/Regional Division, do state on behalf of the Divisional Executive, and in accordance with a resolution passed by the Divisional Executive, that:

- (a) the accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of the Division as at the end of the financial year;
- (b) the accompanying Statement of Income and Expenditure is drawn up so as to give a true and fair view of the results of the Division for the year ended 31 March 2003;
- (c) meetings of the Divisional Executive were held in accordance with the rules of the Organisation;
- (d) to the knowledge of all the members of the Divisional Executive there have been no instances during the financial year to which the accounts relate, where records of the Division or other documents (not being documents containing information made available to members of the organisation under subsection 274(2) of the Act), or copies of those records or other documents, or copies of the rules of the organisation, have not been furnished or made available, to members of the organisation in accordance with the Act, Regulations or the rules of the organisation as the case may be; and
- (e) the Organisation has not complied with the provisions of Sections 279 (1) and 279 (6) of the Workplace Relations Act 1996 in relation to the lodgement of the financial accounts in respect of the year ended 31 March 2002.

Signed on behalf of the Divisional Executive



Darryl Watkins



Jo Ann Davidson

Signed at: *Unit 18 / 588 Gardeners Rd Alexandria NSW 2015*

Dated this *28 / 10 / 03*

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

Scope

We have audited the financial report of Flight Attendants' Association of Australia - Domestic/Regional Division for the financial year ended 31 March 2003 comprising of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements. The Divisional Executive Council is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the member.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Workplace Relations Act 1996 so as to present a view which is consistent with our understanding of the entity's financial position, the results of its operations and its cash flows.

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

Audit Opinion

In our opinion,

- (1) there were kept by the Organisation, in relation to the year, satisfactory accounting records including the record of sources and nature of the income of the Organisation (including income from members) and the records of the nature and purposes of expenditure of the Organisation; and
- (2) the accompanying accounts and statements being the Statement of Financial Position, Statement of Financial Performance, Statement of Cash flows, Notes to and Forming Part of the Accounts, Accounting Officers' Certificate and Committee of Managements' Certificate have been prepared in accordance with Section 273 of the Workplace Relations Act 1996 and are properly drawn up so as to give a true and fair view of:
 - (a) the financial affairs of the Organisation as at 31 March 2003; and
 - (b) the income and expenditure, and any surplus or deficit, of the Organisation for the year ended on that date.
- (3) the accounts have been prepared in accordance with applicable Australian Accounting Standards.

Where necessary we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our Audit.

Bramwell Giles Leechman & Associates

Bramwell Giles Leechman & Associates

Chartered Accountants

Suite One, Ground Floor,

598 St Kilda Road

MELBOURNE VIC 3004

I. A. Hinds

I. A. Hinds - A.C.A.

Partner

28 October 2003

Melbourne

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**DISCLAIMER TO THE MEMBERS OF
FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

The additional financial data presented on pages 23 - 25 is in accordance with the books and records of the entity which have been subjected to the auditing procedures applied in our statutory audit of the entity for the financial year ended 31 March 2003. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Flight Attendants' Association of Australia - Domestic/Regional Division) in respect of such data, including any errors of omissions therein however caused.

Bramwell Giles Leechman & Associates

Bramwell Giles Leechman & Associates

Chartered Accountants

Suite One, Ground Floor,

598 St Kilda Road

MELBOURNE VIC 3004

I Hinds

I. A. Hinds - A.C.A.

Partner

28 October 2003

Melbourne

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**PRIVATE INFORMATION FOR THE EXECUTIVE COUNCIL
ON THE 2003 FINANCIAL STATEMENTS**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2003**

	2003	2002
	\$	\$
INCOME		
Interest Income	5,422	2,686
Rental income	1,818	34,000
Proceeds from sales of fixed assets	500,785	12,727
Membership subscriptions	1,267,097	1,351,935
Other income	<u>4,800</u>	<u>8,737</u>
TOTAL INCOME	<u>1,779,922</u>	<u>1,410,085</u>
 <u>ADMINISTRATION & OTHER EXPENSES</u>		
Bank Charges	31,426	36,981
Courier	4,344	10,703
Insurance	4,337	8,195
Staff/Councillor training	1,397	67
Photocopier	13,204	19,142
Postage	7,119	12,491
Printing & Stationary	17,837	46,820
Publications	3,437	13,200
Flight Force Expenses	53,189	-
Provision for bad debts	12,000	-
Sundry Expenses	<u>3,405</u>	<u>7,918</u>
TOTAL ADMINISTRATION EXPENSES	<u>151,695</u>	<u>155,517</u>
 <u>FEDERAL OFFICE</u>		
Capitation Fee	<u>-</u>	<u>35,395</u>
 <u>OFFICE FURNITURE & EQUIPMENT</u>		
Disposals of fixed assets	354,771	12,078
Office furniture & equipment	-	2,875
Software/Computers	1,315	1,526
Depreciation	<u>31,982</u>	<u>32,093</u>
TOTAL OFFICE FURNITURE & EQUIPMENTS	<u>388,068</u>	<u>48,572</u>

These financial statements should be read in conjunction with the attached Disclaimer.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**PRIVATE INFORMATION FOR THE EXECUTIVE COUNCIL
ON THE 2003 FINANCIAL STATEMENTS**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2003**

	2003 \$	2002 \$
<u>GENERAL INDUSTRIAL</u>		
Cabcharge	18,672	30,870
Meeting expenses	22,516	62,839
Other general industrial	8,076	12,358
Telephone	100,860	113,952
Travel & Accommodation	57,314	87,192
Affiliation Fees	<u>28,664</u>	<u>12,904</u>
TOTAL GENERAL INDUSTRIAL	<u>236,102</u>	<u>320,115</u>
<u>LEGAL & PROFESSIONAL FEES</u>		
Accounting fee	23,675	22,137
Audit fee	8,000	8,000
Legal fee	31,160	12,571
Professional fee - Temp	-	2,176
Professional Fee - CompCons	21,315	33,364
Professional fee - other	<u>7,066</u>	<u>8,077</u>
TOTAL LEGAL & PROFESSIONAL FEES	<u>91,216</u>	<u>86,325</u>
<u>RENT & OCCUPANCY EXPENSES</u>		
Rent & occupancy - Brisbane	11,697	13,879
Rent & occupancy - Perth	-	347
Rent & occupancy - Melbourne	21,516	14,418
Rent & occupancy - Sydney	52,605	48,946
Employee Amenities	<u>1,601</u>	<u>3,159</u>
TOTAL RENT & OCCUPANCY EXPENSES	<u>87,419</u>	<u>80,749</u>

These financial statements should be read in conjunction with the attached Disclaimer.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL
DIVISION**

**PRIVATE INFORMATION FOR THE EXECUTIVE COUNCIL
ON THE 2003 FINANCIAL STATEMENTS**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2003**

	2003 \$	2002 \$
<u>SALARIES & RELATED EXPENSES</u>		
Employees salaries - staff	571,747	575,407
Salary Sacrifice	31,679	28,956
Fringe Benefit Tax	26,832	26,267
Payroll Tax	(5,591)	6,612
Superannuation	69,999	71,775
WorkCover	3,512	7,843
Other Employee Expenses	12,920	8,866
AL provision	(446)	(1,054)
LSL provision	<u>(5,903)</u>	<u>(20,014)</u>
SALARIES & RELATED EXPENSES	<u>704,749</u>	<u>704,658</u>
 <u>MOTOR VEHICLE EXPENSES</u>		
Vehicle Expenses	2,483	2,404
Vehicle insurance	836	1,443
Vehicle leasing	<u>-</u>	<u>2,417</u>
TOTAL MOTOR VEHICLE EXPENSES	<u>3,319</u>	<u>6,264</u>
 TOTAL EXPENSES	 <u>1,662,568</u>	 <u>1,437,595</u>
 NET RESULTS	 <u>117,354</u>	 <u>(27,510)</u>

These financial statements should be read in conjunction with the attached Disclaimer.