



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition St, Melbourne Vic 3000
GPO Box 1994, Melbourne, VIC 3001
Tel: (03) 8661 7990 Fax: (03) 9655 0410

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

By email: info@faaa.net

Dear Mr Mijatov,

Re: Financial Documents - year ended 31 March 2007 (FR2007/488)
Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

I have received the financial report for the International Division of the Flight Attendants' Association of Australia for the year ended 31 March 2007. I have also received a statement of loans, grants and donations under s237 of the RAO Schedule. The documents were lodged in the Registry on 27 November 2007.

The documents have been filed.

Improvements that must be made in future years

The following comments are provided to assist you when you next prepare financial reports. No further action is required regarding these issues with respect to the lodged documents.

Please note however that if the following improvements are not made in future financial years the Division may be required to:

- draft documents again,
- provide the documents again to members, and/or
- present the documents again to a meeting.

Lodge financial documents within 6½ months of end of financial year

The RAO Schedule requires the financial report to be provided to members, presented to a meeting and lodged in the Registry within 6½ months of the end of the financial year (see s265, 266 and 268 of the RAO Schedule).

In future years please ensure that this timeframe is complied with.

Timing of financial documents

The RAO Schedule requires all of the following documents to be signed and dated prior to being provided to members and presented to a meeting:

- Committee of Management Statement
- Operating Report
- Auditor's Report

However it is noted that the Committee of Management Statement (22 November 2007) was dated *after* the documents were purportedly provided to members (31 October 2007) and presented to a meeting (21 November 2007).

In future years please ensure that all of the above documents are signed and dated before they are provided to members and presented to a meeting.

Auditor's Report must comply with s257

Section s257 of the RAO Schedule requires the Auditor's Report to confirm whether the General Purpose Financial Report is presented fairly in accordance with:

- the Australian Accounting Standards, and
- any additional requirements of the RAO Schedule.

The following wording in an Auditor's Report would satisfy the requirements of s257 of the RAO Schedule:

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

Please draw this to the attention of your auditor.

Statement of loans, grants and donations

It is noted that the Statement of loans, grants and donations was not signed by an elected officer as required by s237 of the RAO Schedule.

In future financial years a statement that is not signed not an elected officer will not be filed in the Registry.

Operating Report – Superannuation trustees

The Operating Report is also required to state whether any officer or member is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) - see s254 of the RAO Schedule.

In the event that no officer or member is such a trustee or director please make this clear by including a paragraph along the following lines:

Trustee or Director of Superannuation Entity

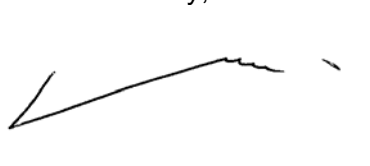
No officer or member of the Division is:

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

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

If you have any queries please contact me on (03) 8661 7990.

Yours faithfully,



Andrew Schultz
Statutory Services Branch

27 November 2007

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

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2007**

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2007
TOGETHER WITH THE REPORT OF THE AUDITORS**

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

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2007**

	Note	2007 \$	2006 \$
INCOME			
Membership fees		1,743,901	1,884,542
Advertising		6,909	6,273
Sale of Fixed Asset		503	-
Interest received		30,263	30,592
Leave Bank levy		-	42,214
Workcover grant		60,500	-
TOTAL INCOME		1,842,076	1,963,621
LESS: EXPENSES			
Depreciation			
Building improvements		19,234	18,638
Computers		8,752	11,744
Equipment		12,551	13,676
Furniture and Fittings		1,853	1,019
		<u>42,390</u>	<u>45,077</u>
Employee Expenses			
Salaries of officials		108,617	226,550
Salaries of employees		357,084	394,728
Increase/(decrease) in provn for annual leave		9,173	(22,022)
Increase/(decrease) in provn for LSL		- 5,839	(23,314)
Superannuation		41,810	46,243
Leave Bank expenses		161,516	203,052
Fringe benefits tax		-	-
Recruitment		-	17,117
Temporary Staff		-	2,857
		<u>684,039</u>	<u>845,211</u>
Other Expenses			
Accountancy		-	1,640
Affiliation Fees		30,186	52,906
Audit fees		1,645	6,500
Bank charges		17,676	20,569
Building expenses		19,815	30,804
Computers and networks		73,847	59,715
Conferences		3,273	992
Councillors		(1,802)	7,186
Donations		6,836	4,691

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

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2007**

CONTINUED

	Note	2007	2006
		\$	\$
Electricity		5,713	4,206
General industrial expenses		97,016	69,931
Insurance		56,914	22,252
Interest		5,702	45,671
Legal fees		-	51,360
Loss on disposal of plant and equipment		493	5,236
Postage		9,179	11,923
Printing and distribution of Journal		-	-
Printing and stationery		22,712	27,639
Rent		-	37,344
Small equipment written off		2,308	34,577
Telephone		41,070	42,267
Travel		48,436	44,844
Workcover Grant expended		-	-
		<u>441,019</u>	<u>582,253</u>
TOTAL EXPENSES		<u>1,167,448</u>	<u>1,472,541</u>
OPERATING SURPLUS FOR THE YEAR		<u>674,628</u>	<u>491,080</u>

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

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2007**

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash at Bank and on hand	3	1,073,510	484,144
Other debtors		23,985	3,463
TOTAL CURRENT ASSETS		<u>1,097,495</u>	<u>487,607</u>
NON CURRENT ASSETS			
Land and Building		798,000	818,000
Building improvements, plant and equipment		832,549	820,237
TOTAL NON CURRENT ASSETS		<u>1,630,549</u>	<u>1,638,237</u>
TOTAL ASSETS		<u><u>2,728,044</u></u>	<u><u>2,125,844</u></u>
CURRENT LIABILITIES			
Accounts payable and accrued expenses		55,022	142,333
Provisions		39,928	24,916
Unexpended Workcover Grant		-	-
TOTAL CURRENT LIABILITIES		<u>94,950</u>	<u>167,249</u>
NON CURRENT LIABILITY			
Building loan		3,832	3,962
TOTAL NON CURRENT LIABILITY		<u>3,832</u>	<u>3,962</u>
TOTAL LIABILITIES		<u><u>98,783</u></u>	<u><u>171,211</u></u>
NET ASSETS		<u><u>2,629,261</u></u>	<u><u>1,954,633</u></u>
MEMBERS' FUNDS			
Accumulated surplus at beginning of year		1,954,633	1,463,553
Surplus for the year		674,628	491,080
MEMBERS' FUNDS AT END OF YEAR		<u><u>2,629,261</u></u>	<u><u>1,954,633</u></u>

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

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2007**

	Note	2007 \$	2006 \$
Cash Flow from operating activities			
Membership fees		1,743,901	1,884,542
Leave Bank Levy		-	42,214
Payments to suppliers and employees		(1,264,649)	(1,449,798)
Interest received		30,263	30,592
Sundry Income		67,409	9,273
Cash provided by operating activities	6	<u>576,924</u>	<u>516,823</u>
Cash Flow from investing activities			
Payments for buildings, plant and equipment		<u>(12,312)</u>	<u>(712,172)</u>
Proceeds from borrowings			
Building loan drawdown/(repaid)		<u>(130)</u>	<u>(573,971)</u>
Net increase/(decrease) in cash		589,366	484,144
Add: Cash at beginning of year		484,144	-
Cash at end of year	3	<u><u>1,073,510</u></u>	<u><u>484,144</u></u>

The accompanying notes form part of these financial statements.

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2007**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

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

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

(a) Plant and Equipment

Plant and equipment acquired on restructuring at 31 March 2000 has been accounted for at an independent expert valuation. Additions since then, have been brought to account at cost. Depreciation is calculated on the straight-line basis in order to write the assets off over their estimated useful lives to the Association. Assets costing less than \$1,000 are written off 100% in the year of purchase.

(b) Employee Entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave, which will be settled after one year, have been measured at their nominal amount. The Long Service Leave entitlements have been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting future cash flows. Contributions are made by the Division to employee superannuation funds and the expense is charged when incurred.

(c) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in deposits with banks or financial institutions.

(d) Land and Building

It is not practicable to ascertain the separate values of the land and the building. Therefore, depreciation has not been provided on the building.

(e) Income Tax Expense

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

(f) Membership Fees

Membership Fees are accounted for on a cash basis.

(g) Building Expenses

This item includes removal expenses, water and council rates, cleaning and security.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2007 (continued)**

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

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

NOTE 3: CASH

	2007	2006
	\$	\$
Cash on hand	3,500	3,500
Cash at bank	(74,540)	222,494
Cash at QSCU	1,268	353
Cash on deposit at QSCU	-	257,797
Business Online Saver	1,143,282	-
	<u>1,073,510</u>	<u>484,144</u>

NOTE 4: NON CURRENT ASSETS

Asset	2007			2006		
	Valuation or cost	Dep'n \$	Written down value	Valuation or cost	Dep'n \$	Written down value
Building Improvements	786,177	37,873	748,304	745,538	18,638	726,900
Computers	88,708	64,803	23,905	76,246	57,652	18,594
Furniture & Fittings	20,377	3,796	16,580	20,377	1,944	18,433
Office Equipment	69,081	25,322	43,759	69,081	12,771	56,310
Total	<u>964,343</u>	<u>131,794</u>	<u>832,548</u>	<u>911,242</u>	<u>91,005</u>	<u>820,237</u>

	2007	2006
	\$	\$
NOTE 5: PROVISIONS		
Annual Leave	23,031	13,858
Long Service Leave	16,897	11,058
	<u>39,928</u>	<u>24,916</u>

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2007 (continued)**

**NOTE 6: RECONCILIATION OF CASH FLOW FROM
OPERATIONS WITH OPERATING SURPLUS**

	2007	2006
	\$	\$
Operating Surplus	674,628	491,080
Non Cash Flows in Operating Surplus		
Depreciation	42,389	45,077
(Profit)/Loss on disposal of plant and equipment	(9)	5,236
Provision for Employee Entitlements	15,012	(45,336)
Changes in Assets and Liabilities		
Increase/(decrease) in Sundry Creditors	(134,574)	12,467
Decrease in Sundry Debtors	(20,522)	8,299
Net Cash provided by operating activities	<u>576,924</u>	<u>516,823</u>

OPERATING REPORT

Principal activities

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

The Division's principal activities resulted in maintaining and improving the wages and conditions of Flight Attendants. Enterprise agreements were negotiated with Qantas Airways and Australian Airlines and many members were assisted at disciplinary hearings.

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

In August 2005, the Division purchased, renovated and moved into a building near Sydney Airport. This has resulted in increased convenience for members and a significant saving on rent.

Manner of resignation

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

36 - RESIGNATION

- (a) A member may resign from membership of the Association by written notice addressed and delivered to the Divisional Secretary.
- (b) A notice of resignation from membership of the Association takes effect:
 - (1) Where a member ceases to be eligible to become a member of the Association:
 - (i) on the day on which the notice is received by the Divisional Secretary;
 - or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later; 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 later.
- (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
INTERNATIONAL DIVISION**

- (f) A resignation from membership of the Association is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

37 - LIABILITY OF FORMER MEMBERS

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

Number of members

The number of persons who were, at 31 March 2007, recorded on the Register of Members of the Division was 2944.

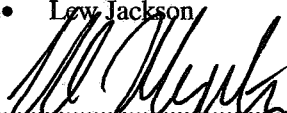
Number of employees

The number of persons who were, at 31 March 2007, employees of the Division was 4.

Members of Divisional Council

The persons, who held office during the year ended 31 March 2007, are:

- Michael Mijatov (Secretary)
- Lee Lam (Assistant Secretary)
- Steven Reed (President)
- Vanessa Dunn (Vice President)
- Mark Agar
- Yvette Childs
- Tony Brady
- David Horsfall
- Nicholas Kenny
- Shane Wade
- Lew Jackson


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MICHAEL MIJATOV
31 October 2007


DIVISIONAL COUNCIL'S STATEMENT

At a meeting held on 21 November 2007, the Divisional Council of the Flight Attendants' Association of Australia International Division passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 31 March 2007.

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Division for the financial year ended 31 March 2007.
- (d) there are reasonable grounds to believe that the Division will be able to pay its debts as and when they become due and payable:
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Division were held in accordance with the rules of the Division; and
 - (ii) the financial affairs of the Division have been managed in accordance with the rules of the Division;
 - (iii) the financial affairs of the Division have been kept and maintained in accordance with the RAO schedule and the RAO Regulations; and
 - (iv) there have been no instances where records of the Division or other documents [not being documents containing information made available to a member of the Division under Sub-Section 274 [2] of the Workplace Relations Act, 1996], or copies of these records or documents, or copies of the rules of the Division, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act, 1996, the Regulations thereto, or the rules of the Division; and
 - (v) no orders have been made by the Commission under section 273 of the RAO Schedule for inspection of the Division's financial records.

For the Divisional Council of the Flight Attendants' Association of Australia International Division.


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MICHAEL MIJATOV
DIVISIONAL SECRETARY
22 November 2007

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

SCOPE

We have audited the financial report of the Flight Attendants' Association of Australia International Division, for the year ended 31 March 2007 as set out on pages 1 to 8. The Division's Executive and Accounting Officer are responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Division.

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

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

REPORT

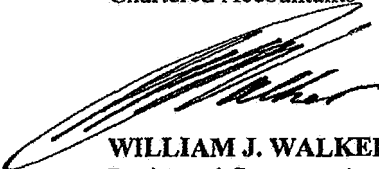
We have received all the information and explanations required for the purposes of our audit.

In our opinion:

- [i] There were kept by the Division in respect of the year under review, satisfactory records detailing the sources and nature of income of the Division [including income from members] and the nature and purposes of expenditure, and
- [ii] The attached financial report including the Certificates of the Divisional Executive and the Accounting Officer is prepared in accordance with Section 273 of the Workplace Relations Act, 1996. The financial report has been prepared from the accounting records of the Division and is properly drawn up so as to give a true and fair view of:
 - [a] the financial position of the Division as at 31 March 2007; and
 - [b] the financial performance of the Division for the year ended on that date;

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

CHARTER GROUP
Chartered Accountants



WILLIAM J. WALKER
Registered Company Auditor
Level 8, 225 Clarence Street
SYDNEY NSW 2000
31 October 2007

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

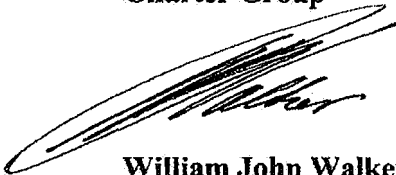
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Flight Attendants' Association of Australia International Division for the year ended 31 March 2007, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Flight Attendants' Association of Australia International Division only.

Charter Group



William John Walker
Partner


Sydney
Date: 31 October 2007

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

DESIGNATED OFFICER'S CERTIFICATE

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

1. that the documents lodged herewith are copies of the full report referred to in s268 of the RAO schedule; and presented at the Council meeting 21 November 2007
2. that the full report was provided to members on 31 October 2007; and
3. that the full report was presented to the General Meeting of Members of the Division on 21 November 2007 in accordance with s266 of the RAO schedule;


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MICHAEL MIJATOV
22 November 2007