



FAIR WORK
AUSTRALIA

15 February 2010

Mr Michael Mijatov
Divisional Secretary
International Division
Flight Attendants' Association of Australia
20 Ewan Street
MASCOT NSW 2020
By email: info@faaa.net

Dear Mr Mijatov,

**Financial Report of the Flight Attendants' Association of Australia – international
Division (FR2009/10131)**

Fair Work (Registered Organisations) Act 2009

Thank you for the financial report of the International Division of the Flight Attendants' Association of Australia for the year ended 30 June 2009. The documents were lodged with Fair Work Australia on 12 October 2009. I apologise for the lateness of our reply. The Fair Work Legislation introduced in July last year certainly had an impact on our normal work load.

The documents comprising the financial report have been filed and no further action is requested.

Yours sincerely,

Robert Pfeiffer
Tribunal Services and Organisations
Fair Work Australia

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

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009**

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009
TOGETHER WITH THE REPORT OF THE AUDITORS**

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

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	1/4/2008 to 30/6/2008 \$
INCOME			
Advertising		6,155	6,364
Federal Funds		0	10,075
Interest received		40,501	31,899
Membership fees		1,650,309	342,660
TOTAL INCOME		1,696,965	390,998
LESS: EXPENSES			
Depreciation			
Building Improvements		19,928	4,955
Computers		9,625	9,163
Equipment		13,584	3,377
Furniture and Fittings		2,306	508
		45,443	12,295
Employee Expenses			
Salaries of officials		75,200	24,074
Salaries of employees		379,396	92,068
Increase/(decrease) in provn for annual leave		(7,264)	12,456
Increase/(decrease) in provn for LSL		10,607	5,839
Superannuation		37,256	10,261
Leave Bank expenses		105,056	40,557
Recruitment		5,156	3,016
Staff Training & Amenities		8,014	1,001
		613,421	189,272
Other Expenses			
Affiliation fees		21,100	5,565
Auditing fees		18,395	14,380
Bank charges and merchant fees		18,358	4,045
Building expenses		27,517	3,091
Computers and networks maintenance		45,281	13,535
Consultant fees		22,909	21,364
Courier		632	2,484
Donations		9,379	4,091

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

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

CONTINUED

	2009	1/4/2008 to 30/6/2008
	\$	\$
Electricity	7,032	1,513
General expenses	13,773	2,706
Insurance	13,824	16,590
Interest expense	7,014	1,269
Legal expenses	300	622
Postage	916	713
Printing and stationery	27,357	11,064
Subscriptions	12,114	1,054
Telephone	40,930	7,393
Travel and accommodation	23,162	6,630
	<hr/> 309,993	<hr/> 103,729
TOTAL EXPENSES	<hr/> 968,857	<hr/> 305,296
OPERATING SURPLUS FOR THE YEAR	<hr/> 728,108	<hr/> 85,702

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

BALANCE SHEET

AS AT 30 JUNE 2009

	Note	2009 \$	1/4/2008 to 30/6/2008 \$
CURRENT ASSETS			
Cash at Bank and on hand	3	2,597,372	1,830,301
Other Debtors		392	0
TOTAL CURRENT ASSETS		<u>2,597,764</u>	<u>1,803,301</u>
NON CURRENT ASSETS			
Land and Building		798,000	798,000
Building improvements, plant and equipment		774,979	807,570
TOTAL NON CURRENT ASSETS		<u>1,572,979</u>	<u>1,605,570</u>
TOTAL ASSETS		<u><u>4,170,743</u></u>	<u><u>3,435,871</u></u>
CURRENT LIABILITIES			
Accounts payable and accrued expenses		54,796	47,802
Provisions		50,007	46,664
TOTAL CURRENT LIABILITIES		<u>104,803</u>	<u>94,466</u>
NON CURRENT LIABILITY			
Building loan		0	3,573
TOTAL NON CURRENT LIABILITY		<u>0</u>	<u>3,573</u>
TOTAL LIABILITIES		<u><u>104,803</u></u>	<u><u>98,039</u></u>
NET ASSETS		<u><u>4,065,940</u></u>	<u><u>3,337,832</u></u>
MEMBERS' FUNDS			
Accumulated surplus at beginning of year		3,337,832	3,252,130
Surplus for the year		728,108	85,702
MEMBERS' FUNDS AT END OF YEAR		<u>4,065,940</u>	<u>3,337,832</u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	1/4/2008 to 30/6/2008 \$
Opening Balance		3,337,832	3,252,130
Transfer net gain/(loss) on disposal of asset		0	0
Surplus/(deficit) recognised directly in members funds		0	0
Surplus from ordinary activities		728,108	85,702
Total recognised income and expenses for the year Attributable to the Members		728,108	85,702
Closing Balance		4,065,940	3,337,832

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	1/4/2008 to 30/6/2008 \$
Cash Flow from operating activities			
Membership fees		1,650,309	342,660
Payments to suppliers and employees		(913,469)	(261,143)
Interest received		40,501	31,899
Sundry Income		6,155	16439
Cash provided by operating activities	6	783,496	129,855
Cash Flow from investing activities			
Payments for buildings, plant and equipment		(12,852)	(3,945)
Proceeds from borrowings			
Building loan (repaid)		(3,573)	(83)
Net increase/(decrease) in cash		767,071	125,827
Add: Cash at beginning of year		1,830,301	1,704,474
Cash at end of year	3	2,597,372	1,830,301

The accompanying notes form part of these financial statements

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. Further, there is no Recovery of wages activity for this financial year ending 30 June 2009.

(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 30 JUNE
2009 (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), (3) and (5) of Section 272, which read as follows:

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

Note. This subsection is a civil penalty provision (see section 305).

- (5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections.

NOTE 3: CASH	2009	1/4/2008 to 30/6/2008
	\$	\$
Cash on hand	3,500	3,500
Cash at bank	(734)	(66,150)
Cash at QSCU	1,274	1,271
Business Online Saver	593,332	1,891,680
QSCU Term Deposit	<u>2,000,000</u>	<u>0</u>
	<u><u>2,597,372</u></u>	<u><u>1,830,301</u></u>

NOTE 4: NON CURRENT ASSETS

Asset	2009			1/4/2008 to 30/6/2008		
	Valuation or cost	Dep'n \$	Written down value	Valuation or cost	Dep'n \$	Written down value
Building Improvements	797,113	82,465	714,648	797,113	62,537	734,576
Computers	94,806	76,184	18,622	85,692	66,560	19,132
Furniture & Fittings	25,933	8,464	17,469	22,194	6,157	16,037
Office Equipment	79,410	55,169	24,241	79,410	41,585	37,825
Total	<u>997,262</u>	<u>222,282</u>	<u>774,980</u>	<u>984,409</u>	<u>176,839</u>	<u>807,570</u>

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2009 (continued)**

	2009	1/4/2008 to 30/6/2008
	\$	\$
NOTE 5: PROVISIONS		
Annual Leave	27,970	35,234
Long Service Leave	<u>22,037</u>	<u>11,430</u>
	<u><u>50,007</u></u>	<u><u>46,664</u></u>

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

	2009	1/4/2008 to 30/6/2008
	\$	\$
Operating Surplus	728,108	85,702
Non Cash Flows in Operating Surplus		
Depreciation	45,443	12,295
Provision for Employee Entitlements	3,343	18,295
Changes in Assets and Liabilities		
Increase (Decrease) in Payables	6,994	(6,437)
(Increase) Decrease in Other Debtors	(392)	20,000
Net Cash provided by operating activities	<u><u>783,496</u></u>	<u><u>129,855</u></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.

Rights of members to resign

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

36 - RESIGNATION

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

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

- (e) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with Sub-Rule (a).
- (f) A resignation from membership of the Association is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

37 - LIABILITY OF FORMER MEMBERS

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

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of members

The number of persons who were, at 30 June 2009, recorded on the Register of Members of the Division was 2942.


Number of employees

The number of persons who were, at 30 June 2009, employees of the Division was 5.

Members of Divisional Council

The persons, who held office during the year ended 30 June 2009, are:

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


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MICHAEL MIJATOV
23 September 2009


COMMITTEE OF MANAGEMENT STATEMENT

At a meeting held on 23 September 2009, 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 30 June 2009.

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 30 June 2009.
- (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
23 September 2009

**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 30 June 2009 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:

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

CHARTER GROUP
Chartered Accountants



WILLIAM J. WALKER
Institute of Chartered Accountants No. 72337
Registered Company Auditor No. 1111
Level 34, 50 Bridge Street
SYDNEY NSW 2000
23 September 2009

**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 30 June 2009, 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
Chartered Accountants



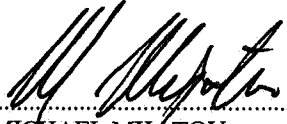
WILLIAM J. WALKER
Institute of Chartered Accountants No. 72337
Registered Company Auditor No. 1111
Level 34, 50 Bridge Street
SYDNEY NSW 2000
23 September 2009

**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 to the Committee of Management meeting on 23 September 2009; and
2. that the full report be provided to members on 30 September 2009.


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MICHAEL MIJATOV
23 September 2009