

7 January 2013

Michael Mijatov  
Divisional Secretary  
Flight Attendants' Association of Australia  
International Division

By email: [michaelm@faaa.net](mailto:michaelm@faaa.net)

CC: Toni Maystorovich by email: [toni@faaa.net](mailto:toni@faaa.net)



Dear Mr Mijatov

**Re: Financial report of the Flight Attendants' Association of Australia - International Division for the year ended 30 June 2012 (FR2012/440)**

I acknowledge receipt of the financial report of the Flight Attendants' Association of Australia - International Division for the year ended 30 June 2012. The documents were lodged with Fair Work Australia on 13 November 2012.

Further documentation was received on 22 and 23 November 2012 in response to correspondence from Fair Work Australia.

The report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

**1. Loans, grants and donations**

I acknowledge receipt of the Loans, Grants and Donations form and note that an extension of time was granted for the 2012 financial year.

Please lodge any future Loans, Grants and Donations form within 90 days of the end of the financial year.

**2. Employee and Officer Benefits**

The Reporting Guidelines requires that all employee and officer benefits, not merely wages, are reported separately.

I note your commitment to list these items separately in next year's financial report. Please include any NIL balances or provide an explanation as to why certain benefits, like annual leave, are not listed separately.

**3. Notes to the Financial Statements**

General Purpose Financial Report

The report should specify, commonly in the opening paragraph of the notes, that it is a "General Purpose Financial Report".

Australian Accounting Standards

The 2012 report in Note 1 states that it is prepared in accordance with "applicable Accounting Standards". Section 253 of the RO Act requires that the General Purpose Financial Report be prepared in accordance with the "Australian Accounting Standards".

Please ensure that this is updated for the 2013 report.

## Revenue

AASB118(35) requires that an organisation discloses its policy concerning the recognition of revenue including determining the stage of completion of transactions involving the rendering of services.

### **4. Operating Report**

Section 254 of the RO Act requires that the Operating Report of an organisation include a statement outlining any significant changes in the financial affairs. This is an additional requirement to the statement concerning significant changes to the principal activities.

As in the case of the principal activities, if there have been no significant changes please state this in the Operating Report.

### **5. Equal Prominence**

AASB101(11) requires that all statements in a General Purpose Financial Report have equal prominence. In the 2012 report, the Statement of Changes in Equity and the Statement of Cash Flows appeared on the same page.

Please ensure each statement has a separate page in the 2013 report.

### **6. Committee of Management Statement**

#### Consistent Records

The committee of management statement did not state whether the Committee was of the view that:

*“as there are 2 or more reporting units in the Flight Attendants' Association of Australia, the financial records of the FAAA - International Division have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the Flight Attendants' Association of Australia.”*

Please include this in the Committee of Management statement in future years.

#### Wage Recovery Activity

The notes contained a statement that there was no wage recovery activity as part of the “employee entitlements”. A statement concerning the Wage Recovery Activity is required by the Reporting Guidelines to be contained within the Committee of Management statement.

### **7. Qualifications of Auditor**

Regulation 4 of the *Fair Work (Registered Organisations) Regulations 2009* defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants, and holds a current Public Practice Certificate. In all likelihood the auditor is such a person. However, it is our preference that this is made explicit in future auditor's reports.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03 8661 7974 or by email at [catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au).

Yours sincerely



**CATHERINE BEBBINGTON**  
Regulatory Compliance Branch

#### **Fair Work Commission**

Tel: 03 8661 7974

Fax: 03 9655 0410

[catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au)

11 Exhibition Street, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001



FAIR WORK  
COMMISSION

4 January 2013

Michael Mijatov  
Divisional Secretary  
Flight Attendants' Association of Australia  
International Division  
By email: [michaelm@faaa.net](mailto:michaelm@faaa.net)

cc: Toni Maystorovich by email: [toni@faaa.net](mailto:toni@faaa.net)

Dear Mr Mijatov

**Section 237 Fair Work (Registered Organisations) Act 2009**

**Statement of loans, grants and donations exceeding \$1,000 during financial year ended 30 June 2012 (FR2012/440)**

I acknowledge receipt of the statement of loans, grants and donations exceeding \$1,000 that were made by the Flight Attendants' Association of Australia - International Division during the financial year ended 30 June 2012. The statement was lodged with Fair Work Australia (FWA) on 11 October 2012.

The Division was informed on 21 November 2012 that the statement was not lodged within 90 days after the end of the financial year, as required by subsection 237(1) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

On 23 November 2012 FWA received your formal application dated 15 October 2012 requesting an extension of time for lodgement of the statement. You have advised that the delay was caused by the appointment of a new administrator who was not aware of the 90 day time limit.

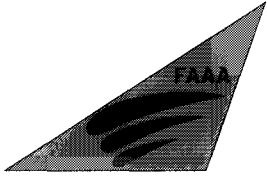
Having considered the reason for late lodgement, I allow an extension of time until 11 October 2012.

The statement has been placed on a file that is not available to the general public but may be inspected during office hours by a member of your Division in accordance with subsection 237(4) of the RO Act.

If you have any queries please contact Catherine Bebbington on (03) 8661 7974 or [catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au).

Yours sincerely

Ailsa Carruthers  
Delegate of the General Manager  
Fair Work Commission



# FLIGHT ATTENDANTS ASSOCIATION OF AUSTRALIA

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20 Ewan St Mascot NSW 2020, Ph: +6 12 8337 1111, Fax: +612 8337 1122, Toll Free Ph: 1800 267 952, Toll Free Fax: 1800 267 941  
Email: [info@faaa.net](mailto:info@faaa.net) Website: [www.faaa.net](http://www.faaa.net)

15 October 2012

The Delegate  
Fair Work Australia  
By Facsimile: [andrea.o'halloran@fwa.gov.au](mailto:andrea.o'halloran@fwa.gov.au)

Dear sir/Madam

We are seeking an extension for the lodgement of Statement of loans, grants and donations exceeding \$1,000 for financial year ending 30 June 2012, which it was due on 30 September 2012.

We have lodged the statement on 11 October 2012 being 11 days late. The reason for the late lodgement is that the new Administrator was not aware of the time limit.

We would be grateful if the extension is granted on this occasion.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Mijatov', is written over the typed name.

Michael Mijatov  
Secretary/International Division

**From:** [Toni Maystorovich](#)  
**To:** [BEBBINGTON, Catherine](#)  
**Subject:** FW: Financial Report (FR2012/440)  
**Date:** Friday, 23 November 2012 10:11:20 AM  
**Attachments:** [image001.jpg](#)

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Hi Catherine

I refer to your letter dated 21 November 2012 and our telephone discussion this morning. Accordingly reply to your queries as follows:

1. Loans, grants and donations. Please find attached relevant documentation emailed to FWA.
2. Employee expenses. As explained, the officers are flight attendants thus Qantas and Virgin Australia pay their annual and long service leave. I confirm that the superannuation for 2012 financial year for the officers was \$13,309 and note that we will be disclosing this separate from now on in the Financial Report.
3. I also confirm that the Financial Report was available to the members on 12 November 2012 on our web site as stated in the Designated Officer's Certificate.

I note that point 4 of your letter has been dealt with by the Auditors.

I hope the above clarifies your queries regarding the 2012 Financial Report.

Regards,

Toni Maystorovich CPA  
Administrator



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Internet <http://www.faaa.net>



**CHARTER GROUP**  
BUSINESS ADVISERS & CHARTERED ACCOUNTANTS

21 November 2012

Catherine Bebbington  
Regulatory Branch  
Fair Work Australia  
GPO Box 1994  
Melbourne VIC 3001

Dear Catherine

Flight Attendants' Association of Australia International Division

I refer to your letter dated 21 November 2012 regarding the 2012 audit of the Flight Attendants' Association of Australia International Division. I confirm that our audit included an audit of the Statement of Changes in Equity for the year ended 30 June 2012.

For the purposes of completeness I have attached an updated Auditor's Report.

Yours sincerely

William Walker

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

***Report of the Financial Report***

We have audited the accompanying financial report of the Flight Attendants' Association of Australia International Division, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

***Committee's Responsibility for the Financial Report***

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

***Auditor's Responsibility***

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

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

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

***Independence***

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

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**CHARTER GROUP**  
BUSINESS ADVISERS & CHARTERED ACCOUNTANTS

***Auditor's Opinion***

In our opinion:

The general purpose financial report of the Flight Attendants' Association of Australia International Division is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2012 and of its performance and its cash flows for the year ended on that date; and
- ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009

**CHARTER GROUP**  
Chartered Accountants

**WILLIAM J. WALKER**

Dated this 21st day of November 2012

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FAIR WORK  
AUSTRALIA

21 November 2012

Michael Mijatov  
Divisional Secretary  
Flight Attendants' Association of Australia  
International Division

By email: [michaelm@faaa.net](mailto:michaelm@faaa.net)

CC: Toni Maystorovich by email: [toni@faaa.net](mailto:toni@faaa.net)

CC: Charter Group, ATTN: William Walker by email: [advice@chartergroup.com.au](mailto:advice@chartergroup.com.au)

Dear Mr Mijatov,

**Re: Financial report of the Flight Attendants' Association of Australia - International Division for the year ended 30 June 2012 (FR2012/440)**

I acknowledge receipt of the financial report of the Flight Attendants' Association of Australia - International Division for the year ended 30 June 2012. The documents were lodged with Fair Work Australia on 13 November 2012.

The report has not been filed.

I write to request clarification of four issues prior to the filing of the General Purpose Financial Report.

**1. Loans, grants and donations**

Under [subsection 237\(1\)](#) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act), if an individual loan, grant or donation made by a branch exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with Fair Work Australia (FWA) within 90 days of the end of the financial year.

The financial statements disclose donations of \$4,545 during the financial year.

Please confirm that none of these donations exceeded \$1000, or should this not be correct, please lodge with Fair Work Australia a statement of Loans, Grants and Donations as soon as possible. The statement should include a request for an extension of the 90 day deadline, signed and dated by the relevant officer, outlining the reason for the delay in lodgement.

A template [Loans, Grants and Donations form](#) is available on the [Fair Work Australia website](#).

**2. Employee expenses**

The financial statements have disclosed wages separately for officers and employees, but do not separately disclose superannuation, annual leave or long service leave provided for officers and employees. The Reporting Guidelines requires that all employee and officer benefits, not merely wages, are reported separately.

Please provide a breakdown of these figures for officers and for employees (other than holders of office).

This information will need to be provided to the members of the organisation before Fair Work Australia is able to file the report.

### **3. Provision of the General Purpose Financial Report to members**

The Designated Officer's Certificate states that the "full report be provided to members on 12 November 2012." It is unclear from this tense whether the report was in fact provided to members on this date.

Please confirm the date that the full report was provided to members.

### **4. Statement of Changes in Equity**

The auditor's statement lists the elements of the General Purpose Financial Report as per ASA700(23)(c) however it does not mention the Statement of Changes in Equity. Please have the auditor confirm, in a written statement, that the Statement of Changes in Equity was audited.

### **Summary**

Accordingly, in order to secure compliance with your obligations under the RO Act, please:

- lodge a Loans, Grants and Donations statement with FWA, if required, or confirm in writing that none of the donations exceeded \$1000.
- provide a breakdown of these benefits identifying benefits to officers and to employees (other than officers) or confirm in writing that the organisation provided annual leave, long service leave and superannuation only to employees.
- provide the breakdown of employee and officer benefits (if required) to the membership and a statement confirming the manner and date of provision.
- provide written clarification that the full report was provided to members on 12 November 2012 as per the designated officer's certificate.
- provide a written statement from the auditor that their audit included the Statement of Changes and Equity as per the requirements of the legislation and standards.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03 8661 7988 or by email at [catherine.bebbington@fwa.gov.au](mailto:catherine.bebbington@fwa.gov.au)

Yours sincerely



**CATHERINE BEBBINGTON**

Regulatory Compliance Branch

**Fair Work Australia**

Tel: 03 8661 7988

Fax: 03 9655 0410

[catherine.bebbington@fwa.gov.au](mailto:catherine.bebbington@fwa.gov.au)

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

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2012**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2012  
TOGETHER WITH THE REPORT OF THE AUDITORS**

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>INCOME</b>			
Advertising		4,900	4,700
Insurance Monies Received		-	29,645
Interest received		290,403	258,093
Membership fees		1,643,075	1,645,860
Workcover Grant		40,329	12,099
<b>TOTAL INCOME</b>		<b>1,978,707</b>	<b>1,950,397</b>
<b>LESS: EXPENSES</b>			
<b>Depreciation</b>			
Building Improvements		20,101	19,985
Computers		10,971	14,441
Equipment		3,714	3,071
Furniture and Fittings		2,748	2,711
		<b>37,534</b>	<b>40,208</b>
<b>Employee Expenses</b>			
Salaries of officials		157,048	148,102
Salaries of employees		436,065	394,446
Increase/(decrease) in provn for annual leave		(23,875)	(3,846)
Increase/(decrease) in provn for LSL		(18,501)	538
Superannuation		48,022	47,182
Leave Bank expenses		143,182	136,145
Staff Training & Amenities		5,844	9,668
		<b>747,785</b>	<b>732,575</b>
<b>Other Expenses</b>			
Affiliation fees		29,233	27,842
Auditing fees		8,770	8,200
Bank charges and merchant fees		21,735	20,192
Building expenses		56,600	24,259
Computers and networks maintenance		86,553	83,374
Consultant fees		21,363	31,374
Courier		163	379
Donations		4,545	4,545

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2012 (Cont'd)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Electricity	10,867	10,511
General expenses	25,306	17,172
Insurance	12,126	16,602
Interest expense	-	1,333
Legal expenses	29,410	-
Loss on disposal of fixed assets	4,898	-
Postage	1,163	1,245
Printing and stationery	34,349	20,565
Repairs & Maintenance	29,699	539
Subscriptions	11,555	13,777
Telephone	42,267	39,950
Travel & accommodation	33,063	39,688
Workcover expenses	45,085	-
	<b>508,750</b>	<b>361,547</b>
<b>TOTAL EXPENSES</b>	<b>1,294,069</b>	<b>1,134,330</b>
<b>PROFIT FOR THE YEAR</b>	<b>684,638</b>	<b>816,067</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Net gain on revaluation of property	140,441	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>140,441</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>825,079</b>	<b>816,067</b>
Profit attributable to members of the entity	684,638	816,067
Total comprehensive income attributable to members of the entity	825,079	816,067

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

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**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>CURRENT ASSETS</b>			
Cash at Bank and on hand	3	4,928,849	4,249,194
Other Debtors		0	11,430
<b>TOTAL CURRENT ASSETS</b>		<u>4,928,849</u>	<u>4,260,624</u>
<b>NON CURRENT ASSETS</b>			
Land and Building at Valuation		938,442	798,000
Building improvements, plant and equipment	4	718,263	733,661
<b>TOTAL NON CURRENT ASSETS</b>		<u>1,656,705</u>	<u>1,531,661</u>
<b>TOTAL ASSETS</b>		<u><u>6,585,554</u></u>	<u><u>5,792,285</u></u>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses		58,507	47,941
Provisions	5	25,427	67,803
<b>TOTAL CURRENT LIABILITIES</b>		<u>83,934</u>	<u>115,744</u>
<b>NON CURRENT LIABILITY</b>			
<b>TOTAL NON CURRENT LIABILITY</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u><u>83,934</u></u>	<u><u>115,744</u></u>
<b>NET ASSETS</b>		<u><u>6,501,620</u></u>	<u><u>5,676,541</u></u>
<b>MEMBERS' FUNDS</b>			
Retained Earnings		6,361,179	5,676,541
Reserves		140,441	-
<b>MEMBERS' FUNDS AT END OF YEAR</b>		<u><u>6,501,620</u></u>	<u><u>5,676,541</u></u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2012**

	Retained Earnings \$	General Reserve \$	Revaluation Surplus \$	Total \$
<b>Balance at 1 July 2010</b>	4,860,474	-	-	4,860,474
Profit Attributable to the entity	816,067	-	-	816,067
Total Other Comprehensive Income	-	-	-	-
<b>Balance at 30 June 2011</b>	5,676,541	-	-	5,676,541
Profit Attributable to the entity	684,638	-	-	684,638
Total Other Comprehensive Income	-	-	140,441	140,441
<b>Balance at 30 June 2012</b>	<b>6,361,179</b>	-	<b>140,441</b>	<b>6,501,620</b>

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>Cash Flow from operating activities</b>			
Membership fees		1,809,878	1,645,860
Payments to suppliers and employees		(1,443,362)	(1,102,203)
Interest received		290,403	258,093
Sundry Income		49,752	46,444
Cash provided by operating activities	6	<u>706,671</u>	<u>848,194</u>
<b>Cash Flow from investing activities</b>			
Payments for buildings, plant and equipment		<u>(27,015)</u>	<u>(9,570)</u>
<b>Net increase/(decrease) in cash</b>		679,655	838,924
<b>Add: Cash at beginning of year</b>		4,249,194	3,410,570
<b>Cash at end of year</b>	3	<u><u>4,928,849</u></u>	<u><u>4,249,194</u></u>

The accompanying notes form part of these financial statements



**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2012**

**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 Fair Work (Registered Organisations) Act 2009. 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 2012.

**(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 an accrual basis.

**(g) Building Expenses**

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2012 (Cont'd)**

**(h) New Accounting Standards and Interpretations**

**i. Changes in accounting standards and interpretations**

The accounting policies adopted are consistent with those of previous years except as follows.

The Association has adopted the following new and amended Australian Accounting Standards as issued by the Australian Accounting Standards Review Board and AASB interpretations as of 1 July 2011. The adoption of these standards or interpretations has had no impact on the financial statements or performance of the Association

<b>AASB No.</b>	<b>Title</b>
AASB 124	Related Party Disclosures(Revised)
AASB 2009-12	Amendments to Australian Accounting Standards
AASB 2009-14	Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement
AASB 1048	Implication and Application of Standards
AASB 1054	Additional Disclosures
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
AASB 2010-5	Amendments to Australian Accounting Standards
AASB 2010-6	Amendments to Australian Accounting Standards – Disclosures on transfers of Financial Assets

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2012 (Cont'd)**

**(h) New Accounting Standards and Interpretations (Cont'd)**

**ii. Accounting Standards Issued but not effective**

Certain Australian Accounting Standards have recently been issued or amended but are not yet effective and have not been adopted by the Association for the annual reporting period ended 30 June 2012. The Association expects to adopt these standards where applicable for the annual reporting periods beginning on or after the application dates set out below. The Association does not expect there to be any significant measurement adjustments upon application of the standards below.

<b>AASB No.</b>	<b>Title</b>	<b>Application date for entity</b>
AASB 9	Financial Instruments	1 July 2013
AASB 2010-7	Amendments to Australian Accounting Standards – arising from AASB9	1 July 2013
AASB 2010-8	Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	1 July 2012
AASB 2011-3	Amendments to Australian Accounting Standards – Orderly adoption of Changes ABS GFS Manual and Related Amendments	1 July 2012
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure	1 July 2013
AASB 2011- 9	Amendment to Australian Accounting Standards – Preparation of Other Comprehensive Income	1 July 2012
AASB 10	Consolidated Financial Statements	1 July 2013
AASB 11	Joint Arrangements	1 July 2013
AASB 12	Disclosures of Interests in Other Entities	1 July 2013
AASB 13	Fair Value Measurement	1 July 2013
AASB 119	Employee Benefits	1 July 2013
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 July 2013
AASB 1053	Application of Tiers of Australian Accounting Standards	1 July 2013
Annual Improvements 2009-2011 Cycle	Annual Improvements to IRFSs 2009-2011 Cycle	1 July 2013

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2012 (Cont'd)**

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER**

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

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

**NOTE 3: CASH**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	3,000	3,000
Cash at bank	6,397	(2,479)
Cash at QSCU	2,187	1,552
Business Online Saver	1,632,160	153,233
QSCU Term Deposit	<u>3,285,105</u>	<u>4,093,888</u>
	<u><u>4,928,849</u></u>	<u><u>4,249,194</u></u>

**NOTE 4: NON CURRENT ASSETS**

Asset	<b>2012</b>			<b>2011</b>		
	<b>\$</b>			<b>\$</b>		
	Valuation or cost	Dep'n	Written down value	Valuation or cost	Dep'n	Written down value
Building Improvements	804,038	142,480	661,558	804,038	122,379	681,659
Computers	57,737	30,393	27,344	124,318	103,523	20,795
Furniture & Fittings	27,346	16,578	10,768	27,346	13,848	13,498
Office Equipment	90,371	71,778	18,593	87,194	69,485	17,709
Total	<u>979,492</u>	<u>261,229</u>	<u>718,263</u>	<u>1,042,896</u>	<u>309,235</u>	<u>733,661</u>

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2012 (Cont'd)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5: PROVISIONS</b>		
Annual Leave - employees	11,559	35,434
Long Service Leave – employees	<u>13,868</u>	<u>32,369</u>
	<u><u>25,427</u></u>	<u><u>67,803</u></u>

**NOTE 6: RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET PROFIT**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Net Profit</b>	684,638	816,067
<b>Non Cash Flows in Operating Surplus</b>		
Depreciation	37,515	40,208
Provision for Employee Entitlements	(42,376)	(3,308)
Loss on disposal of fixed assets	4,898	
<b>Changes in Assets and Liabilities</b>		
Increase (Decrease) in Payables	10,566	6,657
(Increase) Decrease in Other Debtors	11,430	(11,430)
<b>Net Cash provided by operating activities</b>	<u><u>706,671</u></u>	<u><u>848,194</u></u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2012 (Cont'd)

**NOTE 7: FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

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

**AS AT 30 JUNE 2011**

	Weighted Average Interest Rate	Non-Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate maturing Within 1 Year \$	Fixed Interest Rate Maturing 1 – 5 Years \$	Total \$
Cash	6.74%	2,073	4,247,121	-	-	4,249,194
Receivables	0%	11,430	-	-	-	11,430
<b>Total Financial Assets</b>		<b>13,503</b>	<b>4,247,121</b>	<b>-</b>	<b>-</b>	<b>4,260,624</b>
Payables		47,491	-	-	-	47,491
<b>Total Financial Liabilities</b>		<b>47,491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,491</b>

**AS AT 30 JUNE 2012**

	Weighted Average Interest Rate	Non-Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate maturing Within 1 Year \$	Fixed Interest Rate Maturing 1 – 5 Years \$	Total \$
Cash	6.33%	11,584	4,917,265	-	-	4,928,849
Receivables	0%	-	-	-	-	-
<b>Total Financial Assets</b>		<b>11,584</b>	<b>4,917,265</b>	<b>-</b>	<b>-</b>	<b>4,928,849</b>
Payables	0%	58,507	-	-	-	58,507
<b>Total Financial Liabilities</b>		<b>58,507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,507</b>

**(b) Credit Risk**

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

**(c) Net Fair Value of Financial Assets and Liabilities**

The Association recognises all of its financial assets and liabilities at their net fair value

## **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.

### **Rights of members to resign**

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

#### **36 - RESIGNATION**

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

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

### **37 - LIABILITY OF FORMER MEMBERS**

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

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 2012, recorded on the Register of Members of the Division was 3,068.

#### **Number of employees**

The number of persons who were, at 30 June 2012, employees of the Division was 6.

#### **Members of Divisional Council**

The persons, who held office during the year ended 30 June 2012, are:

- Michael Mijatov (Secretary)
- Steven Reed (Assistant Secretary)
- Lee Lam (President)
- Steven Brownlie (Vice President)
- Zara Campbell (Vice President)
- Sonia Fabbro
- David Horsfall
- Nicholas Kenny
- Lee Close
- Peter Papagiannopoulos
- Chloe Chur
- Murray Smith
- Sam Mead
- Vanessa Dunn
- Mark Agar
- Tony Brady
- Yvette Childs

  
.....  
MICHAEL MIJATOV

Dated this 7<sup>th</sup> day of November 2012



**COMMITTEE OF MANAGEMENT STATEMENT**

At a meeting held on 7 November 2012, 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 2012.

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 General Manager, Fair Work Australia;
- (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 2012.
- (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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 272 of the Fair Work (Registered Organisations) Act 2009], 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 Fair Work (Registered Organisations) Act 2009, the Regulations thereto, or the rules of the Division; and
  - (v) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 for inspection of the Division's financial records.

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

  
.....  
MICHAEL MATOV  
DIVISIONAL SECRETARY

Dated this 7<sup>th</sup> day of November 2012



**CHARTER GROUP**  
BUSINESS ADVISERS & CHARTERED ACCOUNTANTS

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

***Report of the Financial Report***

We have audited the accompanying financial report of the Flight Attendants' Association of Australia International Division, which comprises the balance sheet as at 30 June 2012 and the income statement and cash flow statement for the year ended 30 June 2012, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

***Committee's Responsibility for the Financial Report***

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

***Auditor's Responsibility***

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

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

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

***Independence***

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

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***Auditor's Opinion***

In our opinion:

The general purpose financial report of the Flight Attendants' Association of Australia International Division is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2012 and of its performance and its cash flows for the year ended on that date; and
- ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009

**CHARTER GROUP**  
Chartered Accountants

**WILLIAM J. WALKER**

Dated this 7<sup>th</sup> day of November 2012

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of Flight Attendants' Association of Australia International Division for the year ended 30 June 2012, 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.

**CHARTER GROUP**  
Chartered Accountants

**WILLIAM J. WALKER**

7 November 2012

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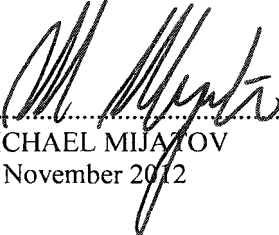
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**DESIGNATED OFFICER'S CERTIFICATE**

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 section 266 of the Fair Work (Registered Organisations) Act 2009 and presented to the Committee of Management meeting on 7 November 2012; and
2. that the full report be provided to members on 12 November 2012.

  
.....  
MICHAEL MIJATOV  
13 November 2012