



FAIR WORK
COMMISSION

14 November 2014

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

By email: michaelm@faaa.net

Dear Mr Mijatov,

Flight Attendants' Association of Australia - International Division - Financial Report for the year ended 30 June 2013 [FR2013/350]

I refer to the financial report for the International Division (the Division) of the Flight Attendants' Association of Australia (FAAA) for year ended 30 June 2013.

The report was originally lodged on 4 December 2013 under s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act). Following correspondence from the FWC regarding a number of deficiencies in the financial report on 21 May 2014 a revised financial report was lodged on 10 September 2014.

On 10 November 2014 further information was lodged regarding the depreciation of property, plant and equipment to clarify what was originally set out in Note 4 to the financial report (as attached). The revised information regarding this issue conforms with the requirements of Australian Accounting Standard AASB 116 (Property, Plant and Equipment). Therefore the same format should be adopted regarding this issue in future financial reports.

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

Please note that the filing of this financial report does not release the Division from any obligations or potential findings in relation to the ongoing investigation into the Division (INV2013/1).

Changes to the reporting guidelines and model financial statements

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the Fair Work Commission website.

The Fair Work Commission recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here: <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the RO Act, I may be contacted on (03) 8661 7956 or by email at andrew.schultz@fwc.gov.au.

Yours sincerely,

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

Andrew Schultz
Senior Advisor
Fair Work Commission

	Improvements	P & E	F & F	Computers
Cost @ 30 Jun 2011	804,038.00	87,194.00	27,346.00	124,318.00
Acc depreciation 2011	(122,379.00)	(69,485.00)	(13,848.00)	(103,523.00)
Carrying value @ 30 June 2011	<u>681,659.00</u>	<u>17,709.00</u>	<u>13,498.00</u>	<u>20,795.00</u>
Additions 2012 FY		5,450.00		21,565.00
Disposal @ cost		(2,273.00)		(88,146.00)
Disposal accumulated depreciation		1,421.00		84,101.00
Depreciation expense	(20,101.00)	(3,714.00)	(2,730.00)	(10,971.00)
Adjustment			(17.00)	
Cost @ 30 Jun 2012	<u>804,038.00</u>	<u>90,371.00</u>	<u>27,346.00</u>	<u>57,737.00</u>
Acc depreciation 2012	<u>(142,480.00)</u>	<u>(71,778.00)</u>	<u>(16,578.00)</u>	<u>(30,393.00)</u>
Carrying value @ 30 June 2012	<u>661,558.00</u>	<u>18,593.00</u>	<u>10,768.00</u>	<u>27,344.00</u>
Additions 2013 FY	89,263.00	21,671.00	117.00	2,364.00
Disposal @ cost				(6,798.00)
Disposal accumulated depreciation				6,798.00
Depreciation expenses	(21,960.00)	(5,654.00)	(2,684.00)	(13,474.00)
Cost @ 30 June 2013	<u>893,301.00</u>	<u>112,042.00</u>	<u>27,463.00</u>	<u>53,303.00</u>
Acc depreciation 2013	<u>(164,440.00)</u>	<u>(77,432.00)</u>	<u>(19,262.00)</u>	<u>(37,069.00)</u>
Carrying value @ 30 June 2013	<u>728,861.00</u>	<u>34,610.00</u>	<u>8,201.00</u>	<u>16,234.00</u>

**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 for the Flight Attendants' Association of Australia International Division for the year ended 30 June 2013 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
2. that the full report was provided to members on *10/9/* 2014; and
3. that the full report was presented to a meeting of the Committee of Management of the Flight Attendants Association of Australia International Division meeting on *9-9-* 2014 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



MICHAEL MIJATOV
Secretary

Dated this *10th* day of *September* 2014

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

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OPERATING REPORT

Your Divisional Executive present their report on the Flight Attendants' Association of Australia - International Division for the financial year ended 30 June 2013.

Members of the committee

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

- Michael Mijatov (Secretary)
- Scott Underwood (Assistant Secretary) - Elected 4 December 2012
- Lee Lam (President)
- Stephen Brownlie (Vice President)
- Zara Campbell (Vice President)
- Steven Reed (Assistant Secretary) - Resigned 31 July 2012

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

- Michael Mijatov (Secretary)
- Scott Underwood (Assistant Secretary) - Elected 4 December 2012
- Lee Lam (President)
- Stephen Brownlie (Vice President)
- Zara Campbell (Vice President)
- Sonia Fabbro
- David Horsfall
- Nicholas Kenny
- Leo Close
- Peter Papagiannopoulos
- Chloe Chur
- Murray Smith
- Sam Mead
- Steven Reed – (Assistant Secretary) - Resigned 31 July 2012

Significant changes in the state of financial affairs

During the year the Division spent \$1,376,484 on iPads to enable members to carry out their work duties more effectively. Apart from this item there were no significant changes in Division's financial affairs during the reporting period

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 Ltd and QF Cabin Crew Australia Pty Ltd and members were assisted at disciplinary hearings together with the normal large volume of members' queries.

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

Union Details

The number of employees of the Division on a full time equivalent basis at 30 June 2013 was 5.2.
The number of persons who were, at 30 June 2013, recorded on the Register of Members of the Division was 2,989.

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.

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

Companies, Boards Superannuation Fund Matters


To the best of our knowledge and belief, no officer or member of the organisation, by virtue of their office or membership of the Flight Attendants' Association of Australia – International Division is:

- i. A trustee of a superannuation entity or exempt public sector superannuation scheme; or
- ii. a director of a company that is the trustee of a superannuation entity or exempt public sector superannuation scheme;
- iii. 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.

As required by Fair Work Australia (Registered Organisations) Act 2009 the following Officers also hold positions as indicated

DISCLOSURES AS REQUIRED BY FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009					
NAME	Type of Organisation Superannuation Scheme Trustee Company Company Board	Position held Trustee, Director, Board Member	Name of Organisation	Principal activity of Organisation	Do you hold this position because you are an officer of the union or were nominated by the union or FAAAID YES/NO
Scott Underwood	Company	Director	Sconic Consulting Pty Ltd	Computer Services	NO
Steven Brownlie	Trust	Trustee	Jessica-Lee Perry Minor Trust	Trust Company	NO
David Horsfall	Company	Director	Silk Massage & Spa Pty Ltd	Health Spa	NO
Nicholas Kenny	Superannuation Scheme	Trustee	NJK Super Fund	Superannuation Fund	NO
Murray Smith	Company	Director	Zentronix Pty Ltd	Computer Services	NO

Signed in accordance with a resolution of the Divisional Executive


.....
MICHAEL MIJATOV

Dated this 17th day of July 2014

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
INCOME			
Advertising		5,400	4,900
Interest received		192,748	290,403
Membership subscriptions		1,661,502	1,643,075
Capitation fees		-	-
Levies		-	-
Donations		-	-
Workcover Grant		19,860	40,329
Financial support received from another reporting unit		-	-
TOTAL INCOME		1,879,510	1,978,707
LESS: EXPENSES			
Depreciation			
Building Improvements		21,960	20,101
Computers		13,474	10,971
Equipment		5,654	3,714
Furniture and Fittings		2,684	2,748
		43,772	37,534
Employee Expenses			
Holders of office			
	9		
Salaries		117,342	157,048
Superannuation		9,940	13,309
Union Leave Days Expenses		178,891	143,182
Long Service Leave		-	-
Annual Leave		-	-
Separation & Redundancies		-	-
Conference & Meeting Fees & Allowances		-	-
		306,173	313,539
Employees other than office holders			
Salaries		430,565	436,065
Superannuation		39,340	34,713
Long Service Leave		11,316	(18,501)
Annual Leave		8,996	(23,875)
Staff Training & Welfare		4,538	5,844
Separation & Redundancies		-	-
Conference & Meeting Fees & Allowances		-	-
		494,755	434,246
Total employee expenses		800,928	747,785

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013 (Cont'd)**

	Note	2013 \$	2012 \$
Other Expenses			
Affiliation fees	8	34,917	29,233
Auditors remuneration			
- Audit Services		8,310	8,770
- Other Services		-	-
Bank charges and merchant fees		21,976	21,735
Building expenses		24,049	56,600
Capitation fees		-	-
Compulsory levies		-	-
Computers and network maintenance	9	83,439	86,553
Consultant Fees		-	21,363
Consideration to employers for payroll deductions		-	-
Courier		92	163
Donations		4,545	4,545
Electricity		13,704	10,867
General expenses		14,090	25,306
Insurance		16,520	12,126
Legal expenses - litigation		33,150	-
Legal expenses - other		12,493	29,410
Loss on disposal of fixed assets		-	4,898
Meeting Expenses		24,904	18,446
Members iPads		1,376,484	-
Penalties under the RO Act		-	-
Postage		3,241	1,163
Printing and stationery		30,578	34,349
Repairs & Maintenance		20,327	29,699
Subscriptions		14,222	11,555
Telephone		25,931	42,267
Travel & accommodation		10,311	14,617
Workcover expenses		33,491	45,085
		1,806,774	508,750
TOTAL EXPENSES		2,651,474	1,294,069
SURPLUS (DEFICIENCY) FOR THE YEAR		(771,964)	684,638
OTHER COMPREHENSIVE INCOME			
Net gain on revaluation of property		-	140,441
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	140,441
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(771,964)	825,079
Total comprehensive income attributable to members of the entity		(771,964)	825,079

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash at Bank and on hand	3	4,147,574	4,928,849
Receivables from other reporting units		-	-
Less provision for doubtful debts		-	-
TOTAL CURRENT ASSETS		<u>4,147,574</u>	<u>4,928,849</u>
NON CURRENT ASSETS			
Land and Building at Valuation		938,442	938,442
Building improvements, plant and equipment	4	787,906	718,263
TOTAL NON CURRENT ASSETS		<u>1,726,348</u>	<u>1656,705</u>
TOTAL ASSETS		<u><u>5,873,922</u></u>	<u><u>6,585,554</u></u>
CURRENT LIABILITIES			
Accounts payable and accrued expenses		98,528	58,507
Accounts payable in respect of legal costs and other expenses related to litigation or other legal matters		-	-
Payables to other reporting units		-	-
Provisions	5	45,739	25,427
TOTAL CURRENT LIABILITIES		<u>144,267</u>	<u>83,934</u>
NON CURRENT LIABILITY			
TOTAL NON CURRENT LIABILITY		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u><u>144,267</u></u>	<u><u>83,934</u></u>
NET ASSETS		<u><u>5,729,655</u></u>	<u><u>6,501,620</u></u>
MEMBERS' FUNDS			
Retained Earnings		5,589,214	6,361,179
Reserves		140,441	140,441
MEMBERS' FUNDS AT END OF YEAR		<u><u>5,729,655</u></u>	<u><u>6,501,620</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 2013**

	Retained Earnings	General Reserve	Revaluation Surplus	Total
	\$	\$	\$	\$
Balance at 1 July 2012	5,676,540	-	-	5,676,540
Surplus Attributable to the entity	684,638	-	-	684,638
Total Other Comprehensive Income	-	-	140,441	140,441
Balance at 30 June 2012	6,361,178	-	140,441	6,501,619
Surplus (Deficiency) Attributable to the entity	(771,964)	-	-	(771,964)
Total Other Comprehensive Income	-	-	-	-
Balance at 30 June 2013	5,589,214	-	140,441	5,729,655

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Cash Flow from operating activities			
Membership fees		1,851,777	1,809,878
Payments to suppliers and employees		(2,737,645)	(1,443,362)
Interest received		192,748	290,403
Sundry Income		25,260	49,752
Amounts paid to or received from other reporting units		-	-
Cash provided by operating activities	6	<u>(667,860)</u>	<u>706,671</u>
Cash Flow from investing activities			
Payments for buildings, plant and equipment		<u>(113,415)</u>	<u>(27,015)</u>
Net increase/(decrease) in cash		(781,275)	679,655
Add: Cash at beginning of year		4,928,849	4,249,194
Cash at end of year	3	<u><u>4,147,574</u></u>	<u><u>4,928,849</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
2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Flight Attendants' Association of Australia International Division is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost except for certain assets and liabilities measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair values of consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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

(a) Comparative amounts

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

(b) 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.

Depreciation rates applying to each class of depreciable asset are

Buildings	2.5%
Computers	30.0%
Furniture & Fittings	15.0%
Office Equipment	20.0%

(c) 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 2013.

(d) Cash and cash equivalents

Cash is recognised at its nominal value. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(e) Land and Buildings

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2013 (Cont'd)**

(f) Income Tax Expense

In accordance with Section 50 - 15 of the Income Tax Assessment Act, the Division is exempt from income tax.

(g) Revenue

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

Revenue from Membership Fees are accounted for on an accrual basis and are recorded as revenue in the year to which it relates.

Donation income is recognised when received

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

(h) Financial Support – Other Reporting Units

There has been no financial support given to or received from other reporting units during the financial year in relation to the continuation of operations on a going concern basis.

(i) Amalgamations and Restructures

No assets or liabilities have been acquired during the financial year due to an amalgamation, restructure or a determination or revocation by the General Manager of the FWC.

(j) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses. There have been no business combinations affecting the Division during the financial year.

(k) New Accounting Standards and Interpretations

i. Changes in accounting standards and interpretations

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of previous years. The adoption of these standards or interpretations has had no impact on the financial statements or performance of the Association

ii. Accounting Standards Issued but not effective

New standards, amendments to standards or interpretations have recently been issued or amended but are not yet effective and have not been early adopted by the Association for the annual reporting period ended 30 June 2013. The Association expects to adopt these standards where applicable for the annual reporting periods beginning on or after the application dates. The Association does not expect there to be any significant measurement adjustments upon application of the standards below.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2013 (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

	2013	2012
	\$	\$
Cash on hand	1,500	3,000
Cash at bank	4,875	6,397
Cash at QSCU	2,608	2,187
Business Online Saver	80,112	1,632,160
QSCU Term Deposit	4,058,479	3,285,105
	<u>4,147,574</u>	<u>4,928,849</u>

NOTE 4: NON CURRENT ASSETS

Asset	2013			2012		
	Valuation or cost	Dep'n	Written down value	Valuation or cost	Dep'n	Written down value
Building Improvements	893,301	164,440	728,861	804,038	142,480	661,558
Computers	53,303	37,069	16,234	57,737	30,393	27,344
Furniture & Fittings	27,463	19,262	8,201	27,346	16,578	10,768
Office Equipment	112,042	77,432	34,610	90,371	71,778	18,593
	<u>1,086,109</u>			<u>979,492</u>		
Total	1,086,109	298,203	787,906	979,492	261,229	718,263

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2013 (Cont'd)

	2013	2012
	\$	\$
NOTE 5: PROVISIONS		
Annual leave - employees	20,555	11,559
Annual leave – Office Holders	-	-
Long service leave – employees	25,184	13,868
Long service leave – Office Holders	-	-
Separation & Redundancies - Employees	-	-
Separation & Redundancies – Office Holders	-	-
	<u>45,739</u>	<u>25,427</u>

Leave and other entitlements for Office Holders are provided by the respective airline employer of the Office Holder. Access to leave and other entitlements is from the respective airline employer of the Office Holder and not the FAAA.

NOTE 6: RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH SURPLUS (DEFICIENCY)

Surplus (Deficiency)	(771,964)	684,638
Non Cash Flows in Operating Surplus		
Depreciation	43,772	37,515
Provision for Employee Entitlements	20,312	(42,376)
Loss on disposal of fixed assets	-	4,898
Changes in Assets and Liabilities		
Increase (Decrease) in Payables	40,020	10,566
(Increase) Decrease in Other Debtors	-	11,430
Net Cash provided by operating activities	<u>(667,860)</u>	<u>706,671</u>
Cash flow information by reporting unit		
Cash Inflows		
FAAA – International Division	<u>2,069,785</u>	<u>2,150,033</u>
Total cash inflows	<u>2,069,785</u>	<u>2,150,033</u>
Cash out flows		
FAAA – International Division	<u>2,851,060</u>	<u>1,470,377</u>
Total cash outflows	<u>2,851,060</u>	<u>1,470,377</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2013 (Cont'd)**

	Notes	2013	2012
		\$	\$
NOTE 7: UNION LEAVE DAYS EXPENSES			
All Association office holders are full time employees of Qantas Airways Ltd (QAL), QF Cabin Crew Australia Pty Ltd (QFCCA) or Virgin Australia Ltd. The association reimburses Qantas Airways Ltd and QF Cabin Crew Australia Ltd for salary costs for days spent by QAL and QFCCA officials on Association matters whilst on union leave days.			
		<u>178,891</u>	<u>143,182</u>
		<u>178,891</u>	<u>143,182</u>

NOTE 8: AFFILIATION FEES

ACTU		9,977	9,572
ACTU Growth		5,932	
Unions NSW		9,860	12,588
ITWF		7,628	7,073
Union Shopper		<u>1,520</u>	<u>-</u>
		<u>34,917</u>	<u>29,233</u>

NOTE 9: RELATED PARTY TRANSACTIONS

- (a) The names of the members of the Divisional Executive in office at any time during or since the end of the financial year are:

Michael Mijatov (Secretary)
 Scott Underwood (Assistant Secretary) - Elected 4 December 2012
 Lee Lam (President)
 Stephen Brownlie (Vice President)
 Zara Campbell (Vice President)
 Steven Reed (Assistant Secretary) - Resigned 31 July 2012

The names of the members of the Divisional Council in office at any time during or since the end of the financial year are:

Michael Mijatov (Secretary)
 Scott Underwood (Assistant Secretary) - Elected 4 December 2012
 Lee Lam (President)
 Stephen Brownlie (Vice President)
 Zara Campbell (Vice President)
 Sonia Fabbro
 David Horsfall
 Nicholas Kenny
 Leo Close
 Peter Papagiannopoulos
 Chloe Chur
 Murray Smith
 Sam Mead
 Steven Reed – (Assistant Secretary) - Resigned 31 July 2012

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2013 (Cont'd)**

	2013	2012
	\$	\$
(b) Transactions with office holders		
i. Union Leave Days		
QAL/QFCCA provides union leave days for the release of elected officials for FAAA purposes. The FAAA pays QAL/QFCCA for the value of union leave days.		
Union Leave Days – office holders	7	
	<u>178,891</u>	<u>143,182</u>
	<u>178,891</u>	<u>143,182</u>
ii. Key Management Personnel Remuneration		
Salaries – office holders	117,342	157,048
Superannuation – office holders	9,940	13,309
Long Service Leave – office holders	-	-
Annual Leave – office holders	-	-
Separation & Redundancies – office holders	-	-
Conference & Meeting Fees & Allowances office holders	-	-
	<u>127,282</u>	<u>170,357</u>
iii. Sconic Consulting Pty Limited		
Expenses for computer, network maintenance and related expenses paid to Sconic Consulting Pty Limited, a company controlled by Scott Underwood, who was elected as Assistant Secretary on 4 December 2012. No amount is disclosed for 2012 as Mr Underwood was not a related party for that year.		
	<u>46,825</u>	<u>-</u>

NOTE 10: 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 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%	-	-	-	-	-
Total Financial Assets		11,584	4,917,265	-	-	4,928,849
Payables	0%	58,507	-	-	-	58,507
Total Financial Liabilities		58,507	-	-	-	58,507

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE
2013 (Cont'd)

(a) Interest Rate Risk (Cont'd)

AS AT 30 JUNE 2013

	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	4.25%	8,983	4,138,591	-	-	4,147,574
Receivables	0%	-	-	-	-	-
Total Financial Assets		8,983	4,138,591	-	-	4,147,574
Payables	0%	98,528	-	-	-	98,528
Total Financial Liabilities		98,528	-	-	-	98,528

(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

COMMITTEE OF MANAGEMENT STATEMENT

At a meeting held on *17-7-* 2014, the Divisional Executive 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 2013:

The Divisional Executive 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;
- (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 2013.
- (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; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the Division; and
 - (ii) the financial affairs of the Division have been managed in accordance with the rules of the Division; and
 - (iii) the financial records of the Division have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the Division or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) during the year to which the GPFR relates there has been no recovery of wages activity

This declaration is made in accordance with a resolution of the Divisional Executive.


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MICHAEL MIJATOV
DIVISIONAL SECRETARY

Dated this *17th* day of *July* 2014



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 2013 and the income statement, statement of changes in equity and cash flow statement for the year ended 30 June 2013, 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.

We meet the definition of approved auditor in Regulation 4 of the Fair Work (Registered Organisations) Regulation 2009.

As part of the audit of the financial statements we have concluded that the management's use of the going concern basis of accounting in the preparation of the Division's financial statements is appropriate.

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 2013 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 – Member Institute of Chartered Accountants in Australia and holder of current Public Practice Certificate

Dated this *21* day of *July* 2014