



5 October 2018

Ms Teri O'Toole
Divisional Secretary, International Division
Flight Attendants' Association of Australia

Dear Ms O'Toole

Re: – Flight Attendants' Association of Australia, International Division - financial report for year ending 30 June 2018 (FR2018/113)

I refer to the financial report of the International Division of the Flight Attendants' Association of Australia. The documents were lodged with the Registered Organisations Commission ('the ROC') on 21 August 2018.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing the next report. Please note the report for year ending 30 June 2019 may be subject to an advanced compliance review.

Activities under Reporting Guidelines not disclosed

Item 21 of the Reporting Guidelines states that if any activities identified in items 10-20 have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an Officer's Declaration Statement. I note that for the following activities no such disclosure has been made:

- RG14(f)(iv) - expense in relation to separation and redundancy for office-holders
- RG14(g)(iv) - expense in relation to separation and redundancy for employees other than office-holders
- RG19 – administration of financial affairs by another entity
- RG20 – payment to a former related party in respect of a liability incurred during the period when the related party relationship existed

Clerical error

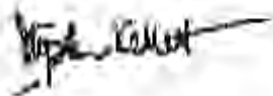
The Statement of Financial Position shows that total assets exceed total liabilities but the balance of \$9,980,722 has been mis-described as "Net liabilities" instead of "Net assets".

Reporting requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. The new Reporting Guidelines are now available on the ROC website and any further information or updates on the guidelines will be provided through the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. Along with the new Reporting Guidelines, a model set of financial statements can also be found. The ROC 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. Access to this information may be obtained via [this link](#).

Yours faithfully

A handwritten signature in black ink, appearing to read "Stephen Kellett", with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

Flight Attendants Association of Australia - International Division

s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June, 2018

I Teri O'Toole being the Secretary of the Flight Attendants Association of Australia - International Division certify:

- that the documents lodged herewith are copies of the full report for the Flight Attendants Association of Australia - International Division for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 13th August, 2018; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 14th August, 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:


.....

Name of prescribed designated officer:

TERI O'TOOLE
.....

Title of prescribed designated officer:

SECRETARY INTERNATIONAL DIVISION
.....

Dated: 14th August 2018

Flight Attendants Association of Australia - International Division

ABN 57 138 257 906

Financial Statements
For the Year Ended 30 June 2018

**Flight Attendants Association of Australia – International Division
Operating Report
For the Year Ended 30 June 2018**

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2018.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

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 Agreement negotiations have been finalised with Virgin Australia International Limited, Qantas Airways Limited and QF Cabin Crew Australia Limited.

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.

Significant changes in financial affairs

There were no significant changes in the state of financial affairs of the entity.

Right of members to resign

Members may resign from the Division in accordance with Rules 33 and 34, which read as follows:

"33 –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.

**Flight Attendants Association of Australia – International Division
Operating Report
For the Year Ended 30 June 2018**

- (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".

34 ~LIABILITY OF FORMER MEMBERS

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

Number of members

2018	2017
3,008 members	2,864 members

Number of employees

2018	2017
5 employees	5 employees

Names of Committee of Management members and period positions held during the financial year

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

- Teri O'Toole (Secretary)
- Lou Nesci (Assistant Secretary)
- David Horsfall (President)
- Bruce Roberts (Vice President)
- Miranda Diack (Vice President)

**Flight Attendants Association of Australia – International Division
Operating Report
For the Year Ended 30 June 2018**

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

- Teri O'Toole (Secretary)
- Lou Nesci (Assistant Secretary)
- David Horsfall (President)
- Bruce Roberts (Vice President)
- Miranda Diack (Vice President)
- Samuel Mead (resigned 19 July 2017)
- Matthew Allsop
- Greg Broome
- Rebecca Maclean
- Chi Luong Hong
- Clair Smith
- Smaragda Skordas
- Laura Mitchell (appointed 23 August 2017)
- Kris Filipetto (appointed 4 September 2017)

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

- Rebecca Maclean, QCCA Councillor – Director of Guy Maclean Superannuation Fund
- Matthew Allsop, QCCA Councillor – Director of Allsop-Hurst Pty Ltd ATF Allsop-Hurst Superannuation Fund and Director of Allsop-Hurst Property Holdings
- Clair Smith, QCCA Councillor – Director of Clair & Daz Superannuation Fund
- Lou Nesci, Assistant Secretary – Director of Monkalino Investments Pty Ltd Superannuation Fund
- Bruce Roberts – Director of Qantas Superannuation Limited
- Miranda Diack – Director of Bixton Pty Ltd ATF The KG & EL Diack Family Trust

Disclosure of shareholdings by officeholders

The majority of members of the Divisional Executive and Divisional Council hold shares in either Qantas or Virgin Australia. No members hold significant shareholdings in either company.

Signature of designated officer: 

Name and title of designated officer: TERI O'TOOLE - SECRETARY INTERNATIONAL

DIVISION

Dated: 13th August 2018

**Flight Attendants Association of Australia – International Division
Committee of Management Statement
For the Year Ended 30 June 2018**

On 13 August 2018, the Divisional Secretary of the Flight Attendants Association of Australia – International Division passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2018:

The Divisional Secretary declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit 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 organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit 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 reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; 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.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer: 

Name and title of designated officer: TERI O'TOOLE - SECRETARY INTERNATIONAL DIVISION

Dated: 13th August 2018

**Flight Attendants Association of Australia – International Division
 Report Required Under Subsection 255(2A)
 For the Financial Year Ended 30 June 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	584,087	557,118
Advertising	-	-
Operating costs	562,824	492,181
Donations to political parties	-	-
Legal costs	9,470	45,450

Signature of designated officer: 

Name and title of designated officer: TERI O'TOOLE - SECRETARY INTERNATIONAL DIVISION

Dated: 13th August 2020

Flight Attendants Association of Australia – International Division
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 30 June 2018

	Notes	2018 \$	2017 \$
Revenue			
Membership subscription		1,520,098	1,395,569
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Interest revenue	3C	174,691	149,780
Other revenue		10,628	4,600
Total revenue		1,705,417	1,549,949
Other income			
Grants and/or donations	3D	-	-
Revenue from recovery of wages activity	3E	-	-
Total other income		-	-
Total income		1,705,417	1,549,949
Expenses			
Employee expenses	4A	827,711	748,937
Capitation fees and other expense to another reporting unit	4B	-	-
Affiliation fees	4C	37,302	30,854
Administration expenses	4D	213,316	217,273
Grants or donations	4E	5,000	-
Depreciation and amortisation	4F	48,582	37,735
Finance costs		-	-
Legal costs	4G	9,470	45,450
Audit fees	14	15,000	14,500
Share of net loss from associate		-	-
Write-down and impairment of assets		-	-
Net losses from sale of assets		-	-
Other expenses	4H	-	-
Total expenses		1,156,381	1,094,749
Surplus for the year		549,036	455,200
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss		-	-
- Net gain on available for sale investments		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
- Gain on revaluation of land and buildings		955,648	-
Total comprehensive income for the year		1,504,684	455,200

The accompanying notes form part of these financial statements.

Flight Attendants Association of Australia – International Division
Statement of Financial Position
As at 30 June 2018

	Notes	2018 \$	2017 \$
Assets			
Current			
Cash and cash equivalents	5A	6,587,975	6,186,796
Trade and other receivables	5B	47,158	-
Other current assets	5C	4,459	-
Current assets		6,639,592	6,186,796
Non-current			
Land and buildings	6A	3,600,000	2,427,668
Plant and equipment	6B	42,632	33,729
Investment property		-	-
Intangibles		-	-
Investment in associates		-	-
Other investments		-	-
Other non-current assets		-	-
Non-current assets		3,642,632	2,461,397
Total assets		10,282,224	8,648,193
Liabilities			
Current			
Trade payables	7A	163,213	26,972
Other payables	7B	67,456	75,779
Employee provisions	8A	67,470	29,937
Current liabilities		298,139	132,688
Non-current			
Employee provisions	8A	3,363	39,467
Other non-current liabilities		-	-
Non-current liabilities		3,363	39,467
Total liabilities		301,502	172,155
Net liabilities		9,980,722	8,476,038
Equity			
Revaluation reserve		1,945,784	990,136
Retained earnings		8,034,938	7,485,902
Total equity		9,980,722	8,476,038

The accompanying notes form part of these financial statements.

Flight Attendants Association of Australia – International Division
Statement of Changes in Equity
For the Financial Year Ended 30 June 2018

	Revaluation Reserve	Retained Earnings	Total Equity
	\$	\$	\$
Balance at 1 July 2016	990,136	7,030,702	8,020,838
Profit for the year	-	455,200	455,200
Other comprehensive income	-	-	-
Total comprehensive income	-	455,200	455,200
Balance at 30 June 2017	990,136	7,485,902	8,476,038
Balance at 1 July 2017	990,136	7,485,902	8,476,038
Profit for the year	-	549,036	549,036
Other comprehensive income	-	-	-
Revaluation of land and buildings	955,648	-	955,648
Total comprehensive income	955,648	549,036	1,504,684
Balance at 30 June 2018	1,945,784	8,034,938	9,980,722

The accompanying notes form part of these financial statements.

Flight Attendants Association of Australia – International Division
Statement of Cash Flows
For the Financial Year Ended 30 June 2018

	Notes	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Membership fees received		1,500,733	1,535,126
Interest received		130,173	149,780
Other		10,628	4,600
Receipt from other reporting units/controlled entities	10B	39,600	43,250
Cash used			
Payments to suppliers and employees		(1,005,786)	(1,262,633)
Payment to other reporting units/controlled entities	10B	-	-
Net cash from operating activities	10A	675,348	470,123
INVESTING ACTIVITIES			
Cash used			
Purchase of buildings, plant and equipment		(274,169)	(13,920)
Net cash used in investing activities		(274,169)	(13,920)
FINANCING ACTIVITIES			
Net cash provided by financing activities		-	-
Net increase in cash and cash equivalents		401,179	456,203
Cash and cash equivalents at beginning of financial year		6,186,796	5,730,593
Cash and cash equivalents at end of financial year	5A	6,587,975	6,186,796

The accompanying notes form part of these financial statements.

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Year Ended 30 June 2018

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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 Organisation) 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, other than the Statement of Cash Flows, 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 the 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.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

- Land and buildings – refer to note 1.12
- Employee provisions – refer to note 1.6

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

Any new and revised standards that became effective for the first time in the current financial year have been adopted. The adoption of these amendments has not had a material impact on the entity. No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The committee of management is currently assessing the impact such standards will have on the entity.

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Year Ended 30 June 2018

1.5 Revenue

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

Revenue from membership subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Donation income is recognised when it is received.

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

1.6 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Year Ended 30 June 2018

1.7 Cash

Cash is recognised at its nominal amount. 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 and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.8 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.9 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Year Ended 30 June 2018

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Year Ended 30 June 2018

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Year Ended 30 June 2018

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.10 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Year Ended 30 June 2018

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.11 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Year Ended 30 June 2018**

1.12 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2018	2017
Buildings	40 years	40 years
Plant and equipment	5 to 10 years	5 to 10 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Year Ended 30 June 2018

1.13 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the *[reporting unit]* were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.14 Taxation

The entity is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.15 Fair value measurement

The entity measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 13A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Year Ended 30 June 2018

The principal or the most advantageous market must be accessible by the entity. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the entity determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.16 Acquisition of assets and or liabilities that do not constitute a business combination

The entity did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

Note 2 Going concern

The entity is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The entity has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
Note 3 Income		
3A. Capitation fees and other revenue from another reporting unit		
Capitation fees	-	-
Other revenue from another reporting unit	-	-
Total capitation fees and other revenue from other reporting unit	<u>-</u>	<u>-</u>
3B. Levies		
Compulsory or voluntary levies or appeals	-	-
	<u>-</u>	<u>-</u>
3C. Interest		
Deposits	174,691	149,780
Loans	-	-
	<u>174,691</u>	<u>149,780</u>
3D. Grants or donations		
Grants		
Donations	-	-
	<u>-</u>	<u>-</u>
3E. Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
	<u>-</u>	<u>-</u>
Note 4 Expenses		
4A. Employee expenses		
Holders of office		
Holders of office - wages and salaries	129,590	97,338
Holders of office - superannuation	11,143	8,331
Holders of office - union leave day expenses	102,285	76,841
Holders of office - other expenses	606	9,309
Subtotal employee expenses holders of office	<u>243,624</u>	<u>191,819</u>

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
Employees other than office holders		
Employees - wages and salaries	531,448	514,881
Employees - superannuation	48,726	46,307
Employees - leave and other entitlements	1,430	(6,044)
Employees - other expenses	2,483	1,974
Subtotal employee expenses employees other than office holders	584,087	557,118
Total employee expenses	827,711	748,937
4B. Capitation fees and other expense to another reporting unit		
Capitation fees	-	-
Other expenses from another reporting unit	-	-
	-	-
4C. Affiliation fees		
Australian Council of Trade Unions (ACTU)	14,748	14,321
Global Cabin Air Quality Executive	3,730	-
International Transport Workers' Federation (ITWF)	8,547	7,964
Labour Council NSW	-	4,433
Union Shopper	1,253	1,920
Unions NSW	9,025	2,216
	37,302	30,854
4D. Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	9,012	9,236
Contractors/consultants	5,866	-
Property expenses	21,432	20,756
Office expenses	57,927	39,124
Information communications technology	50,654	59,292
Other administration expenses	68,425	88,865
	213,316	217,273

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
4E. Grants or donations		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	5,000	-
	<u>5,000</u>	<u>-</u>

The current financial year expenditure item relates to a donation to Pathfinders, attributable to funds raised through advertising revenue.

4F. Depreciation and amortisation

Depreciation		
- Buildings	25,065	22,333
- Computers	6,382	9,971
- Furniture and fittings	11,191	986
- Office equipment	5,944	4,445
	<u>48,582</u>	<u>37,735</u>

4G. Legal costs

Litigation	5,010	29,119
Other legal costs	4,460	16,330
	<u>9,470</u>	<u>45,449</u>

4H. Other expenses

Penalties - via RO Act or the Fair Work Act 2009	-	-
	<u>-</u>	<u>-</u>

Note 5 Current Assets

5A. Cash and cash equivalents

Cash at bank	989,024	1,684,796
Cash on hand	951	2,000
Short term deposits	5,598,000	4,500,000
	<u>6,587,975</u>	<u>6,186,796</u>

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
5B. Trade and other receivables		
Current		
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Receivable from other reporting units	<u>-</u>	<u>-</u>
Other receivables		
Interest receivable	44,518	-
Other trade receivables	2,640	-
Total other receivables	<u>47,158</u>	<u>-</u>
Total trade and other receivables (net)	<u>47,158</u>	<u>-</u>
5C. Other current assets		
Prepayments	4,459	-
	<u>4,459</u>	<u>-</u>

Note 6 Non-current Assets

6A. Land and buildings		
Land at fair value	1,800,000	1,788,137
Buildings at fair value	1,850,130	893,301
Buildings accumulated depreciation	(50,130)	(253,770)
	<u>3,600,000</u>	<u>2,427,668</u>

	Land and Buildings
Net carrying amount 1 July 2016	2,450,000
Additions	-
Disposals	-
Revaluation	-
Depreciation	(22,332)
Net carrying amount 30 June 2017	<u>2,427,668</u>
Net carrying amount 1 July 2017	2,427,668
Additions	241,749
Disposals	-
Revaluation	955,648
Depreciation	(25,065)
Net carrying amount 30 June 2018	<u>3,600,000</u>

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

The revalued land and buildings consist of land, buildings and building improvements at 20 Ewan Street, Mascot NSW 2020. The committee of management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation 23 May 2018, the property's fair value is based on valuations performed by Egan Australasia Pty Ltd, an accredited independent valuer.

	2018	2017
	\$	\$
6B. Plant and equipment		
Computer equipment at cost	59,238	38,639
Computer equipment accumulated depreciation	(35,619)	(29,236)
Furniture and fittings at cost	28,417	19,693
Furniture and fittings accumulated depreciation	(24,335)	(13,145)
Office equipment at cost	55,758	52,661
Office equipment accumulated depreciation	(40,827)	(34,883)
	42,632	33,729

	Computer	Furniture and Fittings	Office Equipment	Total Plant and Equipment
Net carrying amount 1 July 2016	8,898	5,087	20,279	34,264
Additions	10,476	2,447	1,944	14,867
Disposals	-	-	-	-
Revaluation	-	-	-	-
Depreciation	(9,971)	(986)	(4,445)	(15,402)
Net carrying amount 30 June 2017	9,403	6,548	17,778	33,729
Net carrying amount 1 July 2017	9,403	6,548	17,778	33,729
Additions	20,598	8,725	3,097	32,420
Disposals	-	-	-	-
Revaluation	-	-	-	-
Depreciation	(6,382)	(11,191)	(5,944)	(23,517)
Net carrying amount 30 June 2018	23,619	4,082	14,931	42,632

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
Note 7 Current Liabilities		
7A. Trade payables		
Trade creditors and accruals	163,213	26,972
Payables to other reporting units	-	-
	<u>163,213</u>	<u>26,972</u>

Settlement is usually made within 30 days.

7B. Other payables		
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	19,223	38,588
GST payable	32,980	24,415
Other payables	15,253	12,776
	<u>67,456</u>	<u>75,779</u>

Note 8 Provisions

8A. Employee provisions

Office Holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	<u>-</u>	<u>-</u>

Employees other than office holders:

Annual leave	27,583	17,798
Long service leave	43,250	51,606
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	<u>70,833</u>	<u>69,404</u>

Current employee provisions	67,470	29,937
Non current employee provisions	3,363	39,467
	<u>70,833</u>	<u>69,404</u>

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
Note 9 Equity		
9A. Equity - other specific disclosures - funds		
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other funds required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	<u>-</u>	<u>-</u>

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

Note 10 Cash Flow

10A. Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

	2018	2017
	\$	\$
Cash and cash equivalents as per:		
Cash flow statement	6,587,975	6,186,796
Balance sheet	6,587,975	6,186,796
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit to net cash from operating activities:		
Profit for the year	549,036	455,200
Adjustments for non-cash items		
Depreciation/amortisation	48,582	37,735
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
Increase in net receivables	(47,158)	-
Increase in prepayments	(4,459)	-
Increase/(decrease) in supplier payables	136,241	(16,768)
Decrease in other payables	(8,323)	-
Increase/(decrease) in employee provisions	1,429	(6,044)
Increase in other provisions	-	-
Net cash from operating activities	<u><u>675,348</u></u>	<u><u>470,123</u></u>

10B. Cash flow information

Receipts from/payments to other reporting units/controlled entities

Cash inflows:

Flight Attendants Association - National Division	39,600	43,250
Total cash inflows	<u><u>39,600</u></u>	<u><u>43,250</u></u>

Cash outflows:

Flight Attendants Association - National Division	-	-
Total cash outflows	<u><u>-</u></u>	<u><u>-</u></u>

**Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018**

Note 11 Related Party Disclosures

11A. Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2018	2017
	\$	\$
Amounts received from Flight Attendants Association - National Division includes the following:		
Reimbursements of outgoings	39,600	43,250
Expenses paid to related parties include the following:	-	-
Amounts owed by related parties include the following:	-	-
Amounts owed to related parties include the following:	-	-
Loans from/to related parties include the following:	-	-
Assets transferred from/to related parties include the following:	-	-

Terms and conditions of transactions with related parties

The reimbursement of outgoings from related parties (Flight Attendants Association - National Division) relate to the use of ground floor of 20 Ewan Street, Mascot NSW 2020. These transactions are made on terms equivalent to those that prevail in arm's length transactions. Any outstanding balances at year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2018, the entity has not recorded any receivable relating to amounts owed by related parties and declared person or body (2017: \$Nil). Hence, no impairment of receivables have been recorded either (2017: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

11B. Key Management Personnel Remuneration for the Reporting Period

(a) Remuneration of office holders

The names of the members of the Divisional Executive and the Divisional Council are listed in this report. Salaries paid to office holders are disclosed in aggregate in the Statement of Profit or Loss and Other Comprehensive Income and further details are provided below.

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

(b) Transactions with office holders

Transactions with office holders include:

- Salaries and superannuation paid for performance of their duties and expenses incurred in carrying out those duties.
- Union leave days. QAL/QCCA provides union leave days for the release of elected officials from FAAA purposes. The FAAA pays QAL/QCCA for the value of the union leave days.

(i) Office Holders - FAAA salaries, superannuation and other employee-related expenses

	2018	2017
	\$	\$
Brett Rogers	-	312
Bruce Roberts	5,285	13,988
Chi Luong Hong	-	902
Clair Smith	639	1,289
David Horsfall	3,075	7,550
Greg Broome	213	717
Kristine Filipetto	18,639	-
Laura Mitchell	2,456	-
Luigi Nesci	5,904	960
Matthew Allsop	3,304	1,629
Miranda Diack	3,077	2,454
Rebecca Maclean	3,717	8,638
Samuel Mead	-	994
Smaragda Skordas	426	902
Teri O'Toole	94,604	65,334
	<u>141,339</u>	<u>105,669</u>

(ii) Office Holders - Union Leave Days

Brett Rogers	-	865
Bruce Roberts	2,566	1,411
Chi Luong Hong	-	577
David Horsfall	865	865
Greg Broome	415	1,244
Kristine Filipetto	2,019	-
Luigi Nesci	1,680	350
Matthew Allsop	2,254	845
Miranda Diack	1,764	2,117
Rebecca Maclean	3,372	701
Smaragda Skordas	288	288
Teri O'Toole	87,062	67,578
	<u>102,285</u>	<u>76,841</u>

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

Other than those amounts disclosed in this report there have been no other transactions between officers and the union, other than those relating to their membership of the union and the reimbursement by the union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those it is reasonable to expect would have been adopted by parties at arm's length.

2018

\$

(iii) Top 5 office holders of Reporting Unit (International Division)

Teri O'Toole

Salary	86,396
Superannuation	8,208
Union leave days	87,062
	<u>181,666</u>

Kristine Filipetto

Salary	17,022
Superannuation	1,617
Union leave days	2,019
	<u>20,658</u>

Luigi Nesci

Salary	5,500
Superannuation	404
Union leave days	1,680
	<u>7,584</u>

Bruce Roberts

Salary	4,980
Superannuation	305
Union leave days	2,566
	<u>7,851</u>

Matthew Allsop

Salary	3,072
Superannuation	232
Union leave days	2,254
	<u>5,558</u>

Total top 5 office holders of Reporting Unit (International Division)

223,317

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018
	\$
(iv) Top 5 office holders of Organisation (FAAA)	
Teri O'Toole	
Salary	86,396
Superannuation	8,208
Union leave days	87,062
	<u>181,666</u>
Andrew Staniforth	
Salary	76,935
Superannuation	3,946
Union leave days	6,875
	<u>87,756</u>
Shane Scanlon	
Salary	24,978
Superannuation	2,373
Union leave days	16,445
	<u>43,796</u>
Gareth Uren	
Salary	24,786
Superannuation	2,355
Union leave days	10,663
	<u>37,804</u>
Kristine Filipetto	
Salary	17,022
Superannuation	1,617
Union leave days	2,019
	<u>20,658</u>
Total top 5 office holders of Organisation (FAAA)	<u><u>371,680</u></u>

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
Note 12 Financial Instruments		
12A. Categories of Financial Instruments		
Financial Assets		
Cash and bank balances:		
Cash at bank	989,024	1,684,796
Cash on hand	951	2,000
	989,975	1,686,796
Fair value through profit or loss	-	-
Held-to-maturity investments:		
Short term deposits	5,598,000	4,500,000
	5,598,000	4,500,000
Available-for-sale assets	-	-
Loans and receivables:		
Interest receivable	44,518	-
Pledges receivable	2,640	-
	47,158	-
Carrying amount of financial assets	6,635,133	6,186,796
Financial Liabilities		
Fair value through profit or loss:	-	-
Other financial liabilities:		
Trade creditors and accruals	163,213	26,972
GST payable	32,980	24,415
Other payables	15,253	12,776
Employee provisions	70,833	69,404
Total	282,279	133,567
Carrying amount of financial liabilities	282,279	133,567

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
12B. Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	174,691	149,780
Bank charges and merchant fees	(19,949)	(18,881)
Net gain held-to-maturity	154,742	130,899
Loans and receivables		
Net gain from loans and receivables	-	-
Available for sale		
Net gain from available for sale	-	-
Fair value through profit and loss		
Held for trading		
Total held for trading	-	-
Designated as fair value through profit and loss		
Total designated as fair value through profit and loss	-	-
Net gain at fair value through profit and loss	-	-
Net gain from financial assets	154,742	130,899

The net income from financial assets not at fair value from profit and loss is \$154,742 (2017: \$130,899).

Flight Attendants Association of Australia – International Division
Notes to the Financial Statements
For the Financial Year Ended 30 June 2018

	2018	2017
	\$	\$
12C. Net Income and Expense from Financial Liabilities		
At amortised cost		
Net gain financial liabilities - at amortised cost	-	-
Fair value through profit and loss		
Held for trading		
Total held for trading	-	-
Designated as fair value through profit and loss:		
Total designated as fair value through profit and loss	-	-
Net gain at fair value through profit and loss	-	-
Net gain from financial liabilities	-	-

The net income from financial liabilities not at fair value from profit and loss is \$nil (2017: \$nil).

12D. Credit Risk

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets		
Loans and receivables	47,158	-
	47,158	-
Financial liabilities		
Trade creditors and accruals	163,213	26,972
GST payable	32,980	24,415
Other payables	15,253	12,776
Employee provisions	70,833	69,404
	282,279	133,567

In relation to the entity's gross credit risk the following collateral is held: nil.

Credit quality of financial instruments not past due or individually determined as impaired

No financial asset, individually, was past its due date and there were no other recoverability issues identified. Therefore, no financial asset was assessed as being impaired.

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12E. Liquidity Risk

The entity does not have any financial liabilities that are subject to contractual maturities.

12F. Market Risk

Interest rate risk

Interest rates on short-term deposits are fixed at the beginning of the term. The entity earned an average of 2.8% on term deposits during the year. Accounts receivable and accounts payable do not attract any interest. Therefore, the entity's exposure to interest rate risk is nil.

Price risk

The entity does not hold any financial assets nor liabilities that are sensitive to price risk.

12G. Asset Pledged/or Held as Collateral

The entity does not have any assets pledged nor held as collateral.

12H. Changes in liabilities arising from financing activities

The entity does not have any liabilities arising from financing activities.

13 Fair Value Measurement

13A. Financial Assets and Liabilities

The committee of management of the entity assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. See Note 12A for a list of these financial assets and liabilities.

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13B. Financial and Non-financial Assets and Liabilities Fair Value Hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2018

	Date of valuation	Level 1	Level 2	Level 3
		\$	\$	\$
Assets measured at fair value				
Cash and bank balances	30-Jun-18	989,975	-	-
Held-to-maturity	30-Jun-18	5,598,000	-	-
Loans and receivables	30-Jun-18	47,158	-	-
Land and buildings	23-May-18	-	3,600,000	-
Total		6,635,133	3,600,000	-
Liabilities measured at fair value				
Trade creditors and accruals	30-Jun-18	163,213	-	-
GST payable	30-Jun-18	32,980	-	-
Other payables	30-Jun-18	15,253	-	-
Employee provisions	30-Jun-18	70,833	-	-
Total		282,279	-	-

Fair value hierarchy – 30 June 2017

	Date of valuation	Level 1	Level 2	Level 3
		\$	\$	\$
Assets measured at fair value				
Cash and bank balances	30-Jun-17	1,686,796	-	-
Held-to-maturity	30-Jun-17	4,500,000	-	-
Loans and receivables	30-Jun-17	-	-	-
Land and buildings	30-Jun-17	-	2,427,668	-
Total		6,186,796	2,427,668	-
Liabilities measured at fair value				
Trade creditors and accruals	30-Jun-17	26,972	-	-
GST payable	30-Jun-17	24,415	-	-
Other payables	30-Jun-17	12,776	-	-
Employee provisions	30-Jun-17	69,404	-	-
Total		133,567	-	-

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	2018	2017
	\$	\$
Note 14 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	9,500	12,500
Other services	5,500	2,000
Total remuneration of auditors	15,000	14,500

No other services were provided by the auditors of the financial statements.

Note 15 Events after the reporting period

There were no events that occurred after 30 June 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the entity.

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Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

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

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Independent Audit Report to the Members of Flight Attendants Association of Australia –
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Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Flight Attendants Association of Australia – International Division (the Reporting Unit), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Flight Attendants Association of Australia – International Division as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that we are an audit firm where at least one member is a registered auditor and are an auditor registered under the RO Act.

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/28.

SDJA

SDJA

Simon Joyce

Simon Joyce

Director

13 August 2018

Sydney, New South Wales