

2010

Annual Report 2010

“Without A Travel Agent
You’re On Your Own”



ANNUAL REPORT

COMPANY DETAIL

Registered Office

Level 3
309 Pitt Street
SYDNEY NSW 2000
ABN: 72 001 444 275

Auditor

GATEWAY PARTNERS
Terry Borello
LEVEL 5, 100 William Street
WOOLLOOMOOLOO NSW 2011

Solicitors

Slater & Gordon
Level 11
51 Druitt Street
SYDNEY NSW 2000

Ryan Lawyers
Level 6
40 King Street
SYDNEY NSW 2000

Leitch Hasson Dent
Level 12
162 Goulburn Street
SYDNEY NSW 2010

Bankers

Westpac Banking Corporation
Milton Ground Floor
4 Park Road
MILTON QLD 4064



MISSION STATEMENT

To be truly representative of the travel agents of Australia.

To enhance the professionalism and profitability of its members through effective representation in industry and government affairs, education and training and satisfy the needs of the travelling public.

To promote travel and domestic tourism.

CONTENTS

	Page
Board of Directors	4
Annual Report Declaration	5
Chairman's Report	6
Year in Review	7
Domestic Tourism	11
Corporate Governance	13
Directors' Report	16
Statement of Financial Performance	23
Notes to Financial Statements	27
Statutory Statements	52
Chairmen/Presidents	55
Life Members	56

BOARD OF DIRECTORS



CHAIRMAN

*Mike Thompson
CEO Travelscene American Express*



VICE CHAIRMAN

*David Greenland
ED Carlson Wagonlit*



VICE CHAIRMAN

*Warwick Blacker
GM Jetset Travelworld*



DIRECTOR

*Spiros Alysandratos
CEO Consolidated Travel*



DIRECTOR

*Peter Lacaze
CEO Stella Travel Services*



DIRECTOR

*Justin Morgan
GM AUS/NZ
American Express
Corporate Travel*



DIRECTOR

*Greg Treasure
MD HRG Australia*



DIRECTOR

*Graham Turner
MD Flight Centre*

ANNUAL REPORT

DECLARATION

Presented to the Annual General Meeting at the Westin in Sydney at 2.30pm on Saturday, 10 July 2010.

The Board of Directors has pleasure in presenting the 53rd Annual Report for the activities of the Federation for the twelve months ended 31 March 2010 representing the 33rd Annual Report of the Federation as a Company. The report covers the Federation's financial year to 31 March 2010 and the period of the current Board which took office on 11 July 2009.

Without a travel agent, you're on your own.



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CHAIRMAN'S REPORT



The past year has been one of the hardest years for travel agents in my memory and indeed for AFTA. The global financial crisis and the resultant fallout have had a huge impact on the travel industry. I am pleased that we now appear to be facing better times ahead.

On a personal note, I have really enjoyed the past year as the Chairman of AFTA. Having been involved with the Federation for so many years, I am particularly happy with the plans and policies that have been progressed by AFTA over the past 12 months. We are indeed in interesting times and with the results of the review of consumer protection still to be released, we have a significant agenda ahead of us.

Most members will have had to deal with the impact and consequences of the recent crisis caused by the volcanic ash plume over Europe as well as the very recent events in Bangkok. In both situations the Australian public quickly came to the realization that the support and services provided by a travel agent are highlighted in times such as these.

Despite the impact of the GFC, the strength of the Australian dollar has ensured the travellers resilience, with record numbers of Australians travelling overseas; largely off the back of very attractive tactical marketing initiatives provided by our airline partners.

I would like to extend my personal thanks to my fellow board members who have given of their time freely; and fully engaged in the business plan of AFTA and the many policy positions that have had to be agreed over the past 12 months. The Federation cannot function successfully if the board is not cohesive and cooperative and the past 12 months have demonstrated the importance of having a successful professional working board of directors.

Organisations such as AFTA do not enjoy success without a dedicated team of people to support it. The Board has been very pleased with the support of the team at AFTA, more than ably led by Jayson Westbury as AFTA CEO. I commend Jayson and his team for their efforts over this past year.

The year ahead is looking much better for the travel industry.

I'd like to thank all members for their individual and collective support of AFTA. We look forward to working on behalf of all our members through the year ahead.

Mike Thompson
Chairman

YEAR IN REVIEW



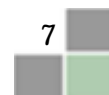
Over the past 12 months AFTA has put a great deal of its energy and effort into the Consumer Protection Review which has been a long time coming and may result in the Australian Travel Industry having new regulations. The Submission that was finally presented to the review represents over 6 months worth of consultation and deliberation by AFTA with members, the board and suppliers within the industry. It has been a long process and one that we hope will have some impact on the outcome of the consumer protection review into the travel industry.

The year past has also presented a range of other challenges for AFTA members. New types of crisis have been introduced into the daily lives of members and the ongoing management of many of these global issues continue today. What has become very evident is that today's travel agent is very adaptable and capable of dealing with more demands than ever to deliver consumer expectations. AFTA members should be congratulated for their efforts and dedication to the Australian Traveller.

The Consumer Protection review which has been the main focus for AFTA over the past year has presented AFTA with a new level of policy development. When the AFTA board made a firm decision to take AFTA on a new policy path it was clear that professional assistance was needed to develop the policy, research and prepare the facts and supporting arguments and then to write the submission. AFTA called on a very dedicated team at KPMG to assist us with that process and the result is the submission that was presented to the review. No matter what the outcome of the consumer protection review, AFTA has done its best to put the views of the AFTA membership clearly and professionally into the review process.

This year we moved to a higher level of online communication. With the conclusion of the quarterly AFTA Traveller magazine after 10 years, we launched AFTA@mail, a monthly e-newsletter just for members. This has already proven to be a more efficient and direct way to communicate some of the relevant issues AFTA is dealing with, but also enhances the membership offer by bringing relevant information for the modern travel agent owner to them each month.

Again, after 10 years, the WebMail software has given a major re-write and was launched in February. WebMail has served the AFTA membership well in providing a range of quality bookable product updates on a 365 days per year basis while enabling agents to have a completely free and secure place to have these product offers filed, searchable and simple to access. With over 12 months of development, the new software brought WebMail into a modern software platform which has enhanced and simplified the user experience in the process. WebMail will now be ready to deliver a new level of service over the coming years in a more robust and modern software environment.



Many AFTA members have benefited from the IR Hotline over the past years provided by AFTA IR lawyers, Leitch Hasson Dent. The IR Hotline has dealt with a range of issues over the past year including assistance interpreting the recent changes to IR laws and how they impact on the travel agent business. Member's feedback has been excellent and I am pleased that we will be continuing this service over the next 12 months.

On occasion AFTA members need to access a range of legal advice about general legal matters. The AFTA legal service provided by Ryan Lawyers has proven very helpful over the past years. An interesting range of assistance has been provided including such things as; terms and conditions interpretation, selling air tickets to a minor, tenancy disputes just to name a few. Once again we will be continuing this service over the next 12 months.

The NTIA 2009 was a huge success for the travel industry and AFTA. It is an important part of the AFTA business model and delivers to the industry, a single and important awards program for both travel agents and suppliers. The support from sponsors and members was again outstanding with the gala event on the 10th July at the Westin Sydney being a sellout night. This is an event that the industry has embraced and I am most pleased with the response and continued support for the AFTA NTIA.

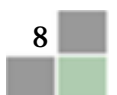
In the past year, the industry lost one of its great visionaries and leaders. I attended the funeral of the late Frank Johnson AM, who was the founding Chairman of AFTA over 50 years ago. All of our thoughts and prayers went out to Frank's family and the industry paid tribute to a man that gave so much to an industry that he loved. He will be missed.

Partnerships and relationships in the travel industry are very important and AFTA has built on a range of these with key stakeholders including suppliers, government departments and other industry associations. AFTA supports the efforts of the International Cruise Council Australia and believes in the training efforts that they deliver. We have continued to play a leadership role in the development of the national training framework with our ongoing representation on Service Skills Australia, industry advisory council. Rick Myatt who runs the AFTA Education and Training enterprise on behalf of AFTA, works hard to represent the travel industry and ensures that travel agents interests are represented and the broader travel industry is understood in this very complex training environment.

AFTA continued its long standing relationship with the Council of Australian Tour Operators as an important partner in the travel industry. AFTA provides secretarial services to CATO and this continued again over the past 12 months. We enjoy a robust working relationship and appreciate the open dialog we have with both the General Manger, Peter Baily and the CATO committee.

Internationally, AFTA continues to represent members and the broader travel industry on a range of IATA committees including the PAJC, which is the Australian working group with IATA and the PAPGJC, which is the international committee. This year a new financial criteria was introduced by IATA. There have been some difficulties implementing the criteria as members start to understand the way it applies to their own business. As with most things, travel agents have found ways to adopt the new criteria. AFTA has a good working relationship with the local Australian office of IATA and for those AFTA members that remain IATA accredited, AFTA will continue in the coming year to work with IATA on the many issues that arise from time to time.

AFTA continues to be a member of the World Travel Agents Association Alliance (WTAAA). This industry body brings together the travel agents associations which represent over 70% of



the BSP sales in the world. It is a forum for ideas to be exchanged and allows a close working relationship to be formed on many global issues.

In all, the past 12 months has once again been a full year with a wide range of issues and policies being formed and delivered upon by AFTA for its members.

FINANCIAL RESULTS

On behalf of the Board of Directors I report on the financial operations of the Federation for the year ended March 31, 2010.

This year, a tough year for members, and a tough year for AFTA membership; we have reported a modest deficit of (\$11,967).

The past 12 months has represented a modest drop in membership numbers and this has had a direct impact on the income for the Federation. We have also witnessed a drop in the training income as a result of enrolments being down over the past 12 months.

As a result of the decline in bank interest rates since last year, the Federation has had a 50% decrease in interest revenue from the Federations invested reserves.

In addition to this, as mentioned before, AFTA has undertaken a significant approach to its policy development in the preparation of the submission to the review of consumer protection and this has represented an increase above the budget in the development of the work performed.

The AFTA Board took a deliberate decision to invest some of the reserves in the development of the professional submission. Despite this, AFTA has maintained a positive cash flow that did not require breaking into cash management investments.

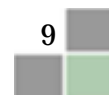
Both the drop in income and the expenses of the submission have resulted in this modest loss.

Importantly, AFTA remains in a vibrant and strong financial position with our net equity position holding at just over \$2.5million. A solid position for the Federation.

Significant changes to accounting standards have resulted in a new format for the financial report compared to previous years. Members will see an increase in the level of detail that is reported as a result of these new standards. AFTA is a limited by guarantee entity and as such these standards apply.

For the year ahead, as with the last year, AFTA has a solid business plan and this includes the important policies which the AFTA board believes the organization should be focused upon. This means that tight financial control will be maintained over the year ahead with a view to returning a surplus to build on AFTA's strong financial position.

Overall, while a modest loss has been reported, AFTA has in consultation with the AFTA board delivered on a range of new initiatives, developed a very professional submission to the consumer protection review and maintained all of its core service deliveries to members. Thank you to all members for your ongoing support.



CONCLUSION

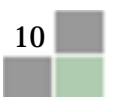
To say that the last 12 months have been a challenge is an understatement. With the range of major policy issues, changes and lobbying that has been needed, AFTA has had a very busy year.

A Federation like AFTA cannot deliver and strive without a team of dedicated staff and while the team is small at AFTA, they continue to deliver to members above and beyond what should be expected.

The AFTA board has also proved to be a great asset to the Federation over the past 12 months. Having an untied and consistent approach to decisions and policies has ensured that AFTA can be clear in its convictions and message to all stakeholders.

I wish everyone all the best for the year ahead and thank you for the ongoing opportunity to be your voice and your representative.

Jayson Westbury
Chief Executive



DOMESTIC TOURISM

AFTA has continued its commitment to supporting and promoting the Australian Domestic Tourism industry in many ways over the past 12 months. AFTA's members continue to play an important role in the selling of domestic tourism and in some cases we have witnessed the return of many Australian consumers to travel agents when booking a domestic holiday.

Over the past 12 months AFTA has provided both direct financial assistance and played a leadership role in the development of the National Long Term Tourism Strategy in conjunction with other sector tourism organizations and the Australian Federal Government.

Over the past 10 years AFTA has maintained its significant contribution to the Sustainable Tourism Co-operative Research Centre (STCRC) based at Griffith University in Queensland. AFTA was the only industry body that committed support and pledged funding in order for this research institute to commence back in 1999. AFTA has maintained this support for the entire period of the Centre's operation. In addition, AFTA has served on the Board of Directors of the STCRC for its entire period of operation.

AFTA's partnership with the STCRC represents an important investment in the future of tourism in Australia. The Centre

carries out hundreds of research projects each year that are designed to further enhance sustainability in Australian tourism. While the STCRC will be wound up in June of 2010, AFTA will continue to support all efforts going forward to provide valuable and reliable information and resources for the Australian Tourism industry.

Given our industry's widespread geographic base, it is also essential that we keep in close contact with various Federal and State bodies and institutions which impact on domestic tourism.

Decisions and discussions with Tourism Australia and state government tourism bodies have a direct effect on the daily operations of travel agents, not only in a particular state but right across the country, making it critically important that such forums are aware of our viewpoint.

The same applies at the top level of Federal policy where it is essential that we keep close to the decision making processes which concern AFTA members. This way we are able to take our case directly to those responsible for making such decisions. While AFTA, by and large, must be driven by the narrow focus of the interests of the travel agent, it is important that our input contributes.



to the benefit of the tourism industry in general, particularly when the industry needs to speak with one voice.

In this respect AFTA maintains essential tourism relationships with a wide range of government and industry bodies. These include memberships with the Australian Tourism Industry Taxation Task Force; the Australian government National Tourism and Aviation Advisory Committee; the National Tourism Alliance (holding the position of Vice Chair); the Tourism Industry Council of New South Wales and Queensland Tourism Industry Council. All of these tourism organizations strive to support the tourism industry and work with all governments for the betterment of the industry at large.

AFTA also maintains a close working relationship with the Australian Tourism Export Council; the Association of Convention Bureaux; the Sydney Convention Bureau; the Hotel and Motel Association of Australia; the Australian Hotels Association and the Council of Australian Tour Operators.

Participation in all these organizations assists AFTA to keep abreast of developments which have a bearing on the small business community, as well as providing us with an important representation tool.

It is pleasing to report that the National Long Term Tourism Strategy has developed many working groups that are now in the important implementation phase. AFTA has played a significant role in the development of this scheme and continues to contribute extensively to the NLTS. Of significance is the successful commencement of the Australian Quality Council which will work with industry accreditations schemes around the country to present a Quality Mark for the tourism industry.

Working with Tourism Australia, AFTA has been able to assist with the Federal Governments 'No Leave No Life' campaign which targets Australian's taking holidays

domestically. This ongoing support has since expanded to assist Tourism Australia to further develop the sale of domestic tourism through travel agents by taking part in an expanded program with the Australian Tourism Exchange. This has been an important and well attended event in which AFTA and Tourism Australia work on in a collaborative way.

AFTA continues to support Australian tourism through involvement with Service Skills Australia. AFTA is represented on the industry advisory council and works with governments all around Australia on appropriate training content and standards for the Australian tourism industry.

AFTA regards its involvement in all these activities as an essential part of its role in effective representation of travel agents and in the promotion of domestic tourism. AFTA is committed to the broader tourism industry in Australia and maintains a constant and vigilant involvement in a range of activities to support domestic tourism industry in Australia



CORPORATE GOVERNANCE

INTRODUCTION

Corporate Governance is the system by which companies are directed and controlled.

Directors are responsible for the governance of their Companies. The role of members with corporate strategic aims and mission statement of the Federation, providing leadership, supervising management and reporting to members. governance is to appoint directors and auditors and to satisfy themselves an appropriate structure is in place. The responsibilities of the Board include setting up the

The Board's actions are at all times subject to statutes, regulations and members at general meetings.

Local business practices have demonstrated during recent years an increased focus on the standard of corporate governance practices with a view to improving board and management behavior, and providing an aid to management.

The Federation has always adopted "best practice" particularly in relation to financial reporting and accountability.

BOARD OF DIRECTORS AND COMMITTEES

The Board monitors the achievements of its strategic aims and mission statement.

Committees formed from time to time comprise Directors in various roles together with the assistance of outside qualified persons as may be required.

All procedures and mandates for committees are reviewed regularly.

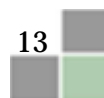
The Board has established an appropriate framework for management of the Federation including internal control procedures, business risk management processes and maintenance of significant ethical standards.

AUDIT COMMITTEE

Statements of Corporate Governance, Auditing Practice and Business promote the role of audit committees for all significant entities.

The Federation recognised this important concept by introducing an Audit Committee in 1980 many years prior to recommendation by Australian accounting bodies; prior to generally accepted business practices and also prior to requirements for listed companies.

An audit committee in the context of the Federation is defined as a committee comprising non-executive members of the Board to which has been assigned scrutiny of the financial reporting and auditing process.



One of the roles of the Audit Committee is to recommend adoption of the Financial Statements to the full Board.

The Board is effectively informed by providing each Director with a copy of the Audit Committee Memorandum, Minutes, or extracts there from on a timely basis.

The role of the Federation's Audit Committee included:

1. Review and discuss the scope of the audit conducted and if appropriate to suggest extensions in areas of special interest.
2. Review details of the audit and discuss the Financial Statements in detail with the Auditor with particular attention focused on significant and unusual items, disclosure of other items that may not be included and questions on performance in general.
3. Recommend to the full Board any changes to accounting policies, operations and controls.
4. Examination o the internal control of the Federation's financial affairs and discharge of any particular financial assignments that the Board may wish the Committee to undertake.
5. Enhance communications between the Board and Auditor.
6. Adherence to codes of corporate conduct.

Finally, the Committee organises, reviews and reports on any special reviews or investigations deemed necessary by the Board.

NEW DIRECTORS

Proper Corporate Governance procedures provide for a suitable educative process for all newly appointed Directors.

This process relates to all corporate activities, controls, issues, strategies and in particular encouraging meetings with management to gain a full and frank understanding of the Federation.

INTERNAL CONTROLS

The Directors, who are responsible for the internal control systems for the Federation, recognise no cost effective system will preclude irregularities, error, etc.

The Federation has a comprehensive and well planned budgetary system annually approved by the Board with monthly reporting and measurement of actual results.

ETHICAL STANDARDS

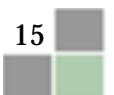
The Federation has established ethical standards appropriate for all personnel, Directors, management and staff.

These standards generally relate to professional conduct and presentation, contact with members, trading with suppliers, consulting with advisors, meeting with governments and industry principals, relations with overseas associations, encouraging public forums, and striving for professional and high standard education tuition in the Federation's Education and Training divisions.

CONCLUSION

All Federation personnel, including Directors, perform their duties with integrity and objectivity with the ultimate aim of enhancing the reputation and performance of the organisation.

The Annual General Meeting provides an important opportunity for members to express their views and respond to initiatives proposed by the Board.



DIRECTORS' REPORT

The Australian Federation of Travel Agents Limited

ABN 72 001 444 275

Financial Statements for the Year Ended 31 March 2010

The directors present their report together with the financial statements of The Australian Federation of Travel Agents Limited ('the Federation') for the financial year ended 31 March 2010 and the auditor's report thereon.

The names of the directors in office at any time during, or since the end of, the year are:

Director: M. Thompson
W. Blacker
D. Greenland
S. Alysandratos
P. Lacaze
J. Morgan
G. Treasure
G. Turner

Alternate: M. Almeida
R. Carstensen
A. Sivaratnam
D. Smith
J. Timmins
S. Symes

Resigned: C. Buerckner : 11 July 2009
J. Gardner (Alternate): 29 April 2009
D. Marcot: (Alternate): 4 May 2009
M. Mulholland (Alternate): 18 September 2009
J. Whateley (Alternate): 12 February 2010

Company Secretary

The following person held the position of Federation secretary at the end of the financial year:

J. Westbury has worked for the Australian Federation of Travel Agents Limited for the past fifteen months, performing the secretarial role. J. Westbury was appointed secretary of the Federation on 31st December 2008.



DIRECTORS' REPORT

Principal Activities

The principal activities of the Federation during the financial year were: to promote and develop tourism as an industrial resource of Australia; to develop training for travel professionals throughout Australia; to operate as a professional association thereby representing the business interests of travel agents; to create a strong and cohesive relationship with federal and state government departments where applicable in education, tourism, aviation, transport and communications; to increase consumer awareness and create a strong community profile about the services that our members provide.

No significant changes in the nature of the Federation's activity occurred during the financial year.

Operating Results

The deficit of the Federation for the year ended 31 March 2010 was \$11,967. (Surplus for the year ended 31 March 2009 was \$4,113).

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

The Federation is a company limited by guarantee with no share capital. Rule 3 of the Federation's Constitution prohibits the Federation from paying dividends.

Review of Operations

A review of the operations of the Federation during the financial year and the results of those operations found that the changes in market demand have seen a small decrease in membership revenue of 2.2% to \$830,049 and a decrease in marketing revenue of 8.5% to \$143,097. Interest received has fallen by 50.6% to \$34,424. Total expenditure for the year has decreased by 3.9% to \$1,156,184 and this has contributed to the Federation's deficit of \$11,967.

Detailed information of the year's operations is contained in the Notes to the Financial Statements. However a synopsis follows:

Membership:

Membership has decreased in terms of physical numbers of members (at 31 March 2010 – 2439; at 31 March 2009- 2,459).

Membership revenue has decreased (in 2010 - \$830,049; in 2009 - \$848,694)

E&T/ Travel Colleges:

Management of the travel colleges is outsourced. College royalty income is down 11.60% to \$34,382 (2009: \$38,886)

National Awards:

The awards recorded a profit of \$76, 591 in 2010 compared to a profit of \$65,946 in 2009.

Marketing Income:

Marketing income has decreased to \$143,097 this year compared to \$156,419 in 2009.

Interest Income:

Interest received has decreased from \$34,424 in 2010 compared to \$69,633 in 2009 as a result in declines in the rates of interest able to be earned on the Federation's invested funds.



DIRECTORS' REPORT

Significant Changes in State of Affairs

No significant changes in the Federation's state of affairs occurred during the financial year.

After Balance Date Events

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely in the opinion of the directors of the Federation to affect significantly:

- i) the operations of the Federation
- ii) the results of those operations, and
- iii) the state of affairs of the Federation in future financial years.

Future Developments

The Federation expects to maintain the present status and level of operations and hence there are no likely developments in its operations.

Environmental Issues

The Federation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued shares or interests in the Federation were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

DIRECTORS' REPORT

Details on qualifications, experience and special responsibilities of each director and their alternates:

C Buerckner

Director (Resigned 11 July 2009)
Managing Director – HRG Australia
Chairman
Member of the Audit Committee

M Thompson

Director
CEO – Travelscene American Express
Member of the Audit Committee
Chairman

W Blacker

Director
General Manager – Jetset Travel World Group
Member of the Audit Committee
Vice Chairman

D Greenland

Director
Managing Director - Carlson Wagonlit
Vice Chairman

S Alysandratos

Director
CEO – Consolidated Travel

P Lacaze

Director
CEO – Stella Travel Services

Justin Paul Morgan

Director
Vice President – American Express Business Travel

G Treasure

Director (Appointed 29 July 2009)
Managing Director – HRG Australia

G Turner

Director
Managing Director – Flight Centre Limited

M Almeida

Alternate Director
Managing Director – Airline Marketing Australia
Alternate to S Alysandratos

Russell Carstensen

Alternate Director
Group General Manager – Air Tickets
Stella Travel Services
Alternate to P Lacaze

Douglas Marcot

American Express Business Travel
Alternate Director to J Morgan

M Mulholland

Alternate Director (Resigned 18 September 2009)
General Manager – Consolidation
Flight Centre Limited
Alternate to G Turner

A Sivaratnam

Alternate Director to D Greenland
Director of Finance - Carlson Wagonlit

D Smith

Alternate Director (Appointed 11 February 2010)
Company Secretary, Flight Centre Ltd.
Alternate to G Turner

J Timmins

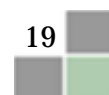
Alternate Director (Appointed 6 July 2009)
General Manager – Travelscene American Express
Alternate to M Thompson

S Symes

Alternate Director (Appointed 1 September 2009)
Head of service Delivery
Alternate to J Morgan

J Whateley

Alternate Director (Appointed 29 July 2009)
Director Specialist Consultant
Alternate to Graham Turner



DIRECTORS' REPORT

Information on Directors (cont)

Meetings of Directors

During the financial year, five meetings of directors (including committee meetings) were held. Attendances by each director were as follows:

	Board Meetings		Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
C Buerckner	1	1	1	1
M Thompson	5	4	1	-
J Timmins (Alternate director)	-	-		
W Blacker	5	5	1	-
D Greenland	5	4		
A Sivaratnam (Alternate director)	1	1		
S Alysandratos	5	-		
M Almeida (Alternate director)	3	3		
P Lacaze	5	4		
R Carstensen (Alternate director)	1	1		
J Morgan	5	3		
S Symes (Alternate director)	1	1		
G Treasure	4	3		
G Turner	5	-		
M Mulholland (Alternate director)	2	2		
D Smith (Alternate director)	1	1		
J Whateley (Alternate director)	2	2		

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Federation.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the Federation or intervene in any proceedings to which the Federation is a party for the purpose of taking responsibility on behalf of the Federation for all or any part of those proceedings.

Auditor's Independence Declaration

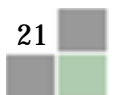
A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to be 'M. Thompson', written over a horizontal line.

M.Thompson (Chairman)

Dated this 2nd day of June 2010



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
THE AUSTRALIAN FEDERATION OF TRAVEL AGENTS LIMITED**

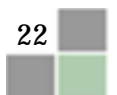
I declare that, to the best of my knowledge and belief, during the year ended 31 March 2010 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Terry Borella
Registered Company Auditor
Level 6, 100 William Street
WOOLLOOMOOLOO, NSW 2011

Dated this 2nd day of June 2010



FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010	2009
		\$	\$
Revenue	2	1,084,119	1,109,945
Other revenue	2	60,098	95,753
Employee benefits expense		(572,054)	(652,041)
Subscriptions expense		(75,585)	(79,076)
Occupancy expense		(67,743)	(67,258)
Depreciation expense		(40,302)	(34,449)
Accounting; audit and consultancy expenses		(122,530)	(76,769)
Special projects expense		(105,522)	(58,987)
Computer expense		(48,232)	(33,780)
Advertising, marketing and communications expense		(34,516)	(54,101)
General Admin and printing expense		(16,049)	(23,132)
Other expenses		(73,651)	(121,992)
Surplus/ (Deficit) For The Year	3	(11,967)	4,113
 Other comprehensive income:			
Net loss on revaluation of land and property		-	-
Net gain on revaluation of financial assets		-	-
Other comprehensive income for the year.		-	-
Total comprehensive income for the year		(11,967)	4,113

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Notes	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	909,462	842,553
Trade and other receivables	5	174,151	211,819
Prepayments	8	74,241	116,158
TOTAL CURRENT ASSETS		1,157,854	1,170,530
NON-CURRENT ASSETS			
Financial Assets	9	-	238
Property, plant and equipment	10	1,751,301	1,742,590
Intangible Assets - Capitalised Website Costs	11	71,800	13,258
TOTAL NON-CURRENT ASSETS		1,823,101	1,756,086
TOTAL ASSETS		2,980,955	2,926,616
CURRENT LIABILITIES			
Trade and other payables	12	79,270	73,018
Other financial liabilities	12	355,435	309,532
Short-term provisions	12	22,824	10,672
TOTAL CURRENT LIABILITIES		457,529	393,222
NON-CURRENT LIABILITIES			
Long-term provisions	13	8,070	6,071
TOTAL NON-CURRENT LIABILITIES		8,070	6,071
TOTAL LIABILITIES		465,599	399,293
NET ASSETS		2,515,356	2,527,323
ACCUMULATED FUNDS AND RESERVES			
Accumulated Funds		1,354,836	1,366,803
Reserves		1,160,520	1,160,520
TOTAL ACCUMULATED FUNDS AND RESERVES		2,515,356	2,527,323

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES FOR
THE YEAR ENDED
31 MARCH 2010**

	Note	2010 \$	2009 \$
Accumulated Funds			
Balance at the beginning of the financial year		1,366,803	1,362,690
Operating surplus / (deficit) for year		(11,967)	4,113
Balance at the end of the financial year		1,354,836	1,366,803
Asset Revaluation Reserve			
Balance at the beginning of financial year		1,160,520	985,520
Increase in reserves		-	175,000
Balance at the end of the financial year		1,160,520	1,160,520
		2,515,356	2,527,323

Asset Revaluation Reserve:

The Asset Revaluation Reserve relates to a strata title property measured at fair value in accordance with applicable Australian Accounting Standards.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and other sources		1,323,072	968,875
Payments for administration expenses, suppliers and employees		(1,183,277)	(1,237,169)
Interest received		34,424	69,633
Dividend received		6	-
Net cash provided by/(used in) operating activities	19	174,225	(198,661)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds of disposal of fixed assets		-	3,294
Purchase of property, plant and equipment and website		(107,554)	(173,006)
Net cash used in investing activities		(107,554)	(169,712)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from sale of available-for-sale investments		238	-
Net cash provided by financing activities		238	-
Net increase/ (decrease) in cash held		66,909	(368,373)
Cash and cash equivalents at the beginning of the financial year		842,553	1,210,926
Cash and cash equivalents at the end of the financial year	8	909,462	842,553

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. **Income Tax**

No income tax is provided because of the exemption allowed under Section 50-40 of the Income Tax Assessment Act 1997 in respect of the income of the Federation as the Federation primarily carries on business for the purposes of promotion of Australian Tourism.

b. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property – Strata Title Holding

The strata title property held by the Federation is shown at its fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for the strata title property (albeit because the asset is represented by site value only, no depreciation charge is applicable). An external valuation of the property was undertaken in November 2008 by an independent valuation company. The Board of the Federation believes that there has been no impairment to the value of the strata premises since the date of this valuation.

The increase in the carrying amount arising on revaluation of the property was credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

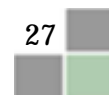
Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets excluding the strata title is depreciated on a straight-line basis over the asset's useful life to the Federation commencing from the time the asset is held ready for use. Building improvements are depreciated over the estimated useful lives of the improvements. The strata title property is considered as being represented by its site value only.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Building improvements	20%
Plant and equipment & furniture and fittings	10 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Federation, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Federation becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Federation commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

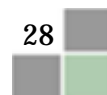
Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees,



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date, which will be classified as non-current assets.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Federation's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 3 months after reporting date, which will be classified as current assets.

If during the period the Federation sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 3 months after reporting date, which will be classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Federation assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e Impairment of Assets

At the end of each reporting period, the Federation assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Federation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

f Intangibles

Capitalised Online Asset Costs

Website and WebMail costs are capitalised as it is probable that a future economic benefit will come from the development of the website. Website costs are recognised at cost. Websites have a finite life and the Federation's website is carried at cost less any accumulated amortisation and any impairment losses. The website cost is amortised over their useful life of 3 years.

g Employee Benefits

Provision is made for the Federation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

The Federation's net obligation in respect of long-term service leave benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated based on projected wage and salary rates and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the balance sheet date on government bonds that have maturity dates approximating to the terms of the Federations obligations.

The Federations contributions to Superannuation Funds are expensed as incurred.

h. **Provisions**

Provisions are recognised when the Federation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at reporting date.

i. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

j. **Trade and Other Receivables**

Amounts for trade debtors are to be settled within 30 days and are carried at amounts due. The collectability of debts is assessed throughout the year and at balance date if required a specific provision is made at balance date for any doubtful accounts.

k. **Investments**

Other companies

Investments in listed and unlisted companies are classified as non current assets and are stated at their cost price.

l. **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable less discounts and allowances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Membership Revenue

Membership revenue comprises revenue earned (net of discounts and allowances) from the provision of membership to AFTA. Membership revenue is recognised in monthly intervals throughout the year. Where membership revenue is received prior to being earned the amount is recognised as subscriptions in advance. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due as the costs incurred or to be incurred cannot be measured reliably.

Investment Income

Investment income is recognised as it accrues. Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

College Royalties

College Royalties are recognised on the day the course commences.

National Awards Revenue

National Awards Revenue is recognised net of costs associated with the annual National Awards event. This event is held annually.

Gross Marketing Income

Gross marketing income from casual advertisers is recognised in the month the advertisement was published. Marketing income from prepaid customers is recognised on a monthly basis over the term of the agreement and not during the month the advertisement was published.

All revenue is stated net of the amount of goods and services tax (GST).

m. **Trade and Other Payables**

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Federation during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability

n. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o. **Comparative Figures**

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

Where the Federation has retrospectively applied an accounting policy or makes a retrospective restatement of items in the financial statements, or when it reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

p. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Federation. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Key estimates

(i) *Impairment*

The Federation assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Federation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of intangible assets at the end of the reporting period.

Key judgments

(i) Available-for-sale investments

The Federation maintained a small portfolio of securities with a carrying value of \$238 at the end of the reporting period in 2009. During 2010 these investments were sold.

q. **Adoption of New and Revised Accounting Standards**

During the current year, the Federation has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of the Federation:

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Federation's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement — the statement of comprehensive income, or two statements — a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Federation's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

r. **New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. A discussion of those future requirements and their impact on the Federation is as follows:

- AASB 2008–5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing from 1 January 2009) and AASB 2008–6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing from 1 July 2009).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Federation.

- AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Federation.

- AASB 2009–7: Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17] (applicable for annual reporting periods commencing on or after 1 July 2009).

This standard reflects editorial changes made to a number of accounting standards by the IASB. No changes are expected to materially affect the Federation.

- AASB Interpretation 18: Transfers of Assets from Customers (applicable for transfers of assets from customers received from 1 July 2009).

This guidance applies prospectively to entities that receive transfers of assets, such as plant and equipment, from their customers so that these customers can be connected to a network and provided with access to a supply of goods or services. The Interpretation outlines the appropriate accounting treatment in respect of such transfers and it is not expected to impact the Federation.

The company does not anticipate early adoption of any of the above reporting requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 2: REVENUE AND OTHER INCOME

	Note	2010 \$	2009 \$
Revenue:			
—		830,049	848,694
—		143,097	156,419
—		76,591	65,946
—		34,382	38,886
		1,084,119	1,109,945
Other revenue:			
—	2b	34,424	69,633
—		25,674	26,120
		60,098	95,753
Total revenue		1,144,217	1,205,698
Other Comprehensive income:			
—		-	-
—		-	-
Total other income		-	-
b. Interest revenue from:			
—		34,424	69,633
Total interest revenue on financial assets not at fair value through surplus or deficit		34,424	69,633

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 3: SURPLUS FOR YEAR

	2010	2009
a. Expenses	\$	\$
Depreciation and Amortisation		
— Building improvements	17,081	17,928
— furniture & equipment/ plant & equipment	16,922	14,784
— Website & webmail costs	6,299	1,737
Total Depreciation and Amortisation	40,302	34,449
Interest expense on financial liabilities	-	-
Doubtful debts expense	-	-
Rental expense on operating leases		
— minimum lease payments	7,869	3,656
Total rental expense	7,869	3,656
Auditor Remuneration		
— audit services	18,175	15,000
— other services	-	-
Total Audit Remuneration	18,175	15,000
b. Significant Revenue and Expenses		
<i>Net gain/(loss) on disposal of non-current assets</i>		
<i>Investments</i>		
Proceeds on disposal	-	-
Disposals at cost	-	-
Net loss on disposals as at 31 March 2010	-	-
<i>Property, Plant and Equipment</i>		
Proceeds on disposal	-	-
Disposals at costs	-	(1,177)
Net gain/(loss) on disposals as at 31 March 2010	-	(1,177)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 4: CASH AND CASH EQUIVALENTS

	2010	2009
	\$	\$
CURRENT		
Cash at bank	908,712	841,803
Cash on hand	750	750
	909,462	842,553
	909,462	842,553

NOTE 5: TRADE AND OTHER RECEIVABLES

	Note	2010	2009
		\$	\$
CURRENT			
Trade receivables		174,151	211,819
Provision for impairment	5(i)	-	-
		174,151	211,819
Other receivables		-	-
Total current trade and other receivables		174,151	211,819

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired.

The Federation believes that these debts will be recovered and that no provision for impairment is warranted.

(i) Credit Risk — Trade and Other Receivables

The Federation does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the Federation's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 5: TRADE AND OTHER RECEIVABLES (CONT)

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)			
			< 30	31–60	61–90	> 90
	\$	\$	\$	\$	\$	\$
2010						
Trade receivables	174,151	-	156,595	17,556	-	-
Other receivables	-	-	-	-	-	-
Total	174,151	-	156,595	17,556	-	-
2009						
Trade receivables	211,819	-	162,736	49,083	-	-
Other receivables	-	-	-	-	-	-
Total	211,819	-	162,736	49,083	-	-

The Federation does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the Federation during the year are as follows:

	2010	2009
	\$	\$
Short-term employee benefits	376,391	387,133
Post-employment benefits	33,251	64,440
Other long-term benefits	3,459	27,515
Termination benefits	-	44,350
	413,101	523,438

NOTE 7: AUDITORS' REMUNERATION

	2010	2009
	\$	\$
Remuneration of the auditor of the entity for:		
— auditing or reviewing the financial statements	18,175	15,000
— taxation services	-	-
	18,175	15,000

NOTE 8: OTHER ASSETS

	2010	2009
	\$	\$
CURRENT		
Accrued income	-	15,127
Prepayments & deposits	74,241	101,031
	74,241	116,158

NOTE 9: FINANCIAL ASSETS

	Note	2010	2009
		\$	\$
CURRENT			
Financial assets at fair value through profit or loss		-	-
NON-CURRENT			
Available-for-sale financial assets	9b	-	238
Held-to-maturity financial assets		-	-
		-	238

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

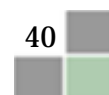
NOTE 9: FINANCIAL ASSETS (CONT)

	2010	2009
	\$	\$
b. Available-for-sale financial assets comprise:		
Listed investments, at fair value		
— shares in listed corporations	-	727
Less: unrealized gain / (loss)	-	(489)
	-	238

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2010	2009
	\$	\$
STRATA TITLE PROPERTY		
Strata Title Property at fair value:		
– Independent valuation in 2008	1,600,000	1,600,000
Less accumulated depreciation	-	-
Total Strata Title Property	1,600,000	1,600,000
FURNITURE AND FITTINGS		
Furniture and fittings		
At cost	42,440	36,941
Less accumulated depreciation	(11,649)	(6,112)
Total furniture and fittings	30,791	30,829
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	136,354	99,140
Less accumulated depreciation	(80,868)	(69,483)
Total plant and equipment	55,486	29,657
BUILDING IMPROVEMENTS		
Building improvements		
At cost	100,032	100,032
Less accumulated depreciation	(35,008)	(17,928)
Total building improvements	65,024	82,104
Total property, plant and equipment	1,751,301	1,742,590



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONT)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Strata Title Property \$	Plant & Equipment \$	Building Improvements \$	Furniture and Fittings \$	Total \$
2009					
Balance at the beginning of the year	1,425,000	21,762	-	-	1,446,762
Additions at cost	-	19,189	100,032	38,790	158,011
Additions at fair value	-	-	-	-	-
Disposals	-	(1,177)	-	(3,294)	(4,471)
Revaluation increment	175,000	-	-	-	175,000
Depreciation expense	-	(10,117)	(17,928)	(4,667)	(32,712)
Carrying amount at end of year	1,600,000	29,657	82,104	30,829	1,742,590
2010					
Balance at the beginning of the year	1,600,000	29,657	82,104	30,829	1,742,590
Additions at cost	-	37,214	-	5,499	42,713
Additions at fair value	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	-	(11,385)	(17,080)	(5,537)	(34,002)
Carrying amount at end of year	1,600,000	55,486	65,024	30,791	1,751,301

Asset Revaluations

The strata premises were re-valued on 26 November 2008 by Joel Ducey (Registered Valuer Number 16875) at fair market value based on existing use. The market value was assessed at \$1,600,000. The Board believes that there has been no impairment of the premises since this revaluation.

NOTE 11: INTANGIBLE ASSETS

	2010 \$	2009 \$
Capitalised online assets – at cost	79,836	14,995
Accumulated amortisation	(8,036)	(1,737)
Accumulated Impairment	-	-
Net carrying value	71,800	13,258

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 11: INTANGIBLE ASSETS (CONT)

	Capitalised Website
	\$
2009	
Balance at the beginning of the year	-
Additions	14,995
Disposals	-
Amortisation charge	(1,737)
Impairment losses	-
	13,258
	13,258
2010	
Balance at the beginning of the year	13,258
Additions	64,841
Disposals	-
Amortisation charge	(6,299)
Impairment losses	-
	71,800
	71,800

NOTE 12: TRADE AND OTHER PAYABLES

	Note	2010	2009
		\$	\$
CURRENT			
Trade payables		57,779	39,181
Deferred income		355,435	309,532
Other current payables		21,491	33,837
Employee benefits		22,824	10,672
	12a	457,529	393,222
		457,529	393,222
a. Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
— Total current		457,529	393,222
— Total non-current		-	-
		457,529	393,222
Less deferred income		(355,435)	(309,532)
Less annual leave entitlements		(22,824)	(10,672)
Financial liabilities as trade and other payables	20	79,270	73,018
		79,270	73,018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 13: PROVISIONS

	Long-term Employee Benefits	Total
	\$	\$
Opening balance at 1 April 2009	6,071	-
Additional provisions raised during year	1,999	6,071
Amounts used	-	-
Balance at 31 March 2010	8,070	6,071
	2010	2009
	\$	\$
Analysis of Total Provisions		
Current	22,824	10,672
Non-Current	8,070	6,071
	30,894	16,743

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of the financial statements.

NOTE 14: CAPITAL AND LEASING COMMITMENTS

	2010	2009
	\$	\$
a. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	10,644	3,853
— later than 12 months but not later than 5 years	29,670	13,998
— greater than 5 years	-	-
	40,314	17,851

No capital commitments exist in regards to the lease commitments at year-end. Increase in lease commitments may occur in line with CPI.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 15: OTHER COMMITMENTS

The Federation has a commitment to contribute an annual sum of \$50,000 (2009: \$50,000) to the Sustainable Tourism Research Centre for a five year period from 1 June 2005 to 30 June 2010 subject to the annual review by the board of the company. It is expected that the final contribution by the Federation after balance sheet date to the end of the five year period ending 30 June 2010 will be \$12,500.

The research centre, substantially government and industry funded, primarily conducts research into sustainable tourism and the Federation's funding reflects part of the Federation's ongoing domestic support to the industry.

The Federation, as a result of this funding, has been issued with 570,000 B class shares and 1,661,000 BB class shares in the organisation.

The ownership and value of these shares has not been included in the financial statements as an asset and will not be included until such time as a readily realisable asset is deemed to emerge.

NOTE 16: CONTINGENT LIABILITIES AND ASSETS

	2010	2009
	\$	\$
No contingent assets or liabilities are known to exist as at reporting date.	-	-

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 18: RELATED PARTIES AND RELATED PARTY TRANSACTIONS

a) Directors

The directors of the company in office during the year are disclosed in the directors' report that accompanies these financial statements.

b) Director's compensation

The directors act in an honorary capacity and receive no compensation for their services. During the year travel expenses totalling \$762 (2009: \$1,499) incurred by the directors in fulfilling their role were paid directly by the company.

c) Key management personnel compensation

Those persons having the authority for planning, directing and controlling the company's activities, directly or indirectly, are disclosed at Note 5.

NOTE 19: CASH FLOW INFORMATION

	Note	2010 \$	2009 \$
a. Reconciliation of Cash			
Cash at bank		908,712	841,803
Other cash		750	750
	4	909,462	842,553
b. Reconciliation of Cash Flows from/(used in) Operations with Surplus/(Deficit) after Income Tax			
Surplus (Deficit) for year		(11,967)	4,113
Non cash flows			
Depreciation and amortisation		40,302	34,449
Unrealised gain on fair value through profit and loss financial assets		-	-
Loss on sale of property, plant and equipment		-	1,177
Impairment losses		-	465
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		37,668	(96,930)
(Increase)/ decrease in other assets		41,917	55,021
Increase/(decrease) in trade and other payables		52,155	(20,730)
Increase/ (decrease) in provisions		14,151	(176,226)
		174,226	(198,661)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 20: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 \$	2009 \$
Financial Assets			
Cash and cash equivalents	4	909,462	842,553
Receivables	5	174,151	211, 819
Available-for-sale financial assets:			
- At fair value		-	-
- shares in listed corporations	9 b	-	238
Total Financial Assets		1,083,613	1,054,610
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	12a	79,270	73,018
Total Financial Liabilities		79,270	73,018

Financial Risk Management Policies

The Board of Directors together with the Chief Executive Officer determines the company's overall risk management strategy and seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board and the CEO on a regular basis. These include credit risk policies and future cash flow requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT)

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risks.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of membership obligations that could lead to a financial loss for the company.

The company does not have any material credit risk exposure as the major source of revenue is the receipt of members' subscriptions as well as College royalties; national awards revenues as well as marketing income.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5.

The company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the CEO and the Accounting Manager in accordance with approved Board policy.

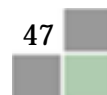
b. Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave and deferred income)	79,270	73,018	-	-	-	-	79,270	73,018
Finance lease liabilities (excluding future finance lease charges)	-	-	-	-	-	-	-	-
Total expected outflows	79,270	73,018	-	-	-	-	79,270	73,018
Financial Assets — cash flows realisable								
Cash and cash equivalents	909,462	842,553	-	-	-	-	909,462	842,553
Trade, term and loans receivables	174,151	211,819	-	-	-	-	174,151	211,819
Other investments	-	238	-	-	-	-	-	238
Total anticipated inflows	1,083,613	1,054,610	-	-	-	-	1,083,613	1,054,610
Net (outflow)/inflow on financial instruments	1,004,343	981,592	-	-	-	-	1,004,343	981,592

c. **Market Risk**

i. **Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

ii. **Price risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The nature of the investments held by the company is such that there is no exposure to price risk.

The company's investments are held in the following sectors at reporting date:

	2010	2009
	\$	\$
Banking and finance	760,367	760,367
	760,367	760,367

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT)

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates. The table indicates the impact on how profit values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Surplus/ (Deficit)	Surplus/ (Deficit)
	-2%	+2%
	\$	\$
Year ended 31 March 2010		
+/-2% in interest rates	(26,665)	2,729
Year Ended 31 March 2009		
+/-2% in interest rates	(11,089)	19,315

No sensitivity analysis has been performed on foreign exchange risk as the company is not exposed to foreign currency fluctuations.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost (i.e. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT)

		2010		2009	
	Footnote	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	909,462	909,462	842,553	842,553
Trade and other receivables	(i)	174,151	174,151	211,819	211,819
		1,083,613	1,083,613	1,054,372	1,054,372
<i>Available-for-sale financial assets:</i>					
– at fair value		-	-	-	-
– listed investments	(ii)	-	-	238	238
		-	-	238	238
Total financial assets		1,083,613	1,083,613	1,054,610	1,054,610
Financial liabilities					
Trade and other payables	(i)	79,270	79,270	73,018	73,018
Lease liability	(iv)	-	-	-	-
Total financial liabilities		79,270	79,270	73,018	73,018

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

NOTE 21: CAPITAL MANAGEMENT

The CEO and the Board control the equity of the company to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The CEO and Board ensure that the overall risk management strategy is in line with this objective.

The CEO operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's equity consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's equity by assessing the company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by the CEO and the Board to control the equity of the company since the previous year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 22: RESERVES

a. Asset Revaluation Reserve

The asset revaluation reserve records the revaluations of non-current assets.

NOTE 23: COMPANY DETAILS

The registered office of The Australian Federation of Travel Agents Limited is:

Level 3
309 Pitt Street
Sydney, NSW 2000

The principal place of business is:

Level 3
309 Pitt Street
Sydney, NSW 2000

NOTE 24: MEMBERS' GUARANTEE

The Australian Federation of Travel Agents Limited was incorporated in 1977 under the Corporations Act 2001 as a company limited by guarantee. If the Federation is wound up, the constitution states that each member (during the time of membership or within one year after) will be required to contribute a maximum of \$30 towards meeting any outstandings and obligations of the Federation. At 31 March 2010 the number of members was 2439.

DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 1 to 35, are in accordance with the *Corporations Act 2001*:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 31 March 2010 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



M Thompson (Chairman)

Dated this 2nd day of June 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN FEDERATION OF TRAVEL AGENTS LIMITED

I have audited the accompanying financial statements of The Australian Federation of Travel Agents Limited (the company), which comprises the statement of financial position as at 31 March 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are 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

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of The Australian Federation of Travel Agents on 31st March 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditors Opinion

In my opinion, the financial statements of The Australian Federation of Travel Agents Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 31 March 2010 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



T Borella
Chartered Accountant
Registered Company Auditor
ASIC Registered Number: 4176
Level 6 / 100 William Street, Woolloomooloo, 2011

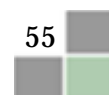
Dated this 2nd day of June 2010

CHAIRMEN

Mike Thompson	2009-
Car Buerckner	2007-2009
Bob Steel	2006-2007
Ian Carew-Reid	2000-2005
Phil Hoffmann	1998-2000
Byron Roberts	1996-1998

PRESIDENTS

Phil Hoffmann	1996-1992
Jim Clements	1992
Adrian Miller	1990-1992
Greg Underdown	1989-1990
Os Pitts	1984-1987
Case Muskens	1981-1984
Eric Grimes	1979-1981
John Webb	1978-1979
Case Muskens	1976-1978
Jim Russell	1974-1976
Jim Jenkins	1972-1974
Murray Quartermaine	1971-1972
Os Pitts	1969-1971
John Tyerman	1967-1969
Max Wilson	1965-1967
Stewart Moffat	1963-1965
Roy King	1962-1963
Stewart Moffat	1959-1961
Frank Johnson	1957-1959

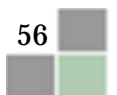


LIFE MEMBERS

Marie Allom
Ian Carew-Reid
Jim Clements
John Dart
Mike Hatton
Phil Hoffmann
Roy King
Peter Lowry
John Masselos
Frank Moore
Mario Perrone
Os Pitts
Bob Steel

PAST LIFE MEMBERS

John Cooper
Jim Jenkins
Frank Johnson
Max Krumbeck
Stewart Moffat
Jim Russell
Beverley Wills



Without a travel agent, you're on your own.



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