



21 July 2022

Stephen Purvinas  
Federal Secretary  
The Australian Licenced Aircraft Engineers Association

Sent via email: [fedsec@alaea.asn.au](mailto:fedsec@alaea.asn.au)

CC: [alaea@alaea.asn.au](mailto:alaea@alaea.asn.au) ; [matthew.green@mazars.com.au](mailto:matthew.green@mazars.com.au)

Dear Stephen Purvinas,

**The Australian Licenced Aircraft Engineers Association  
Financial Report for the year ended 31 December 2021 – (FR2021/321)**

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Australian Licenced Aircraft Engineers Association. The documents were lodged with the Registered Organisations Commission (the ROC) on 16 June 2022 and a corrected Independent Audit Report was lodged on the 13 July 2022.

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

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 31 December 2022 may be subject to an advanced compliance review.

**Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0988 or by email at [Madeleine.Hurrell@roc.gov.au](mailto:Madeleine.Hurrell@roc.gov.au).

Yours sincerely

*Madeleine Hurrell*

**Madeleine Hurrell  
Financial Reporting Officer  
Registered Organisations Commission**

Thursday, 16 June 2022



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ABN: 84 234 747 620

## **Designated Officer's Certificate**

*s268 Fair Work {Registered Organisations} Act 2009*

I *Stephen Purvinas* being the *Federal Secretary* of the *Australian Licenced Aircraft Engineer's Association* certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work {Registered Organisations} Act 2009*; and
- that the full report, was provided to members on *31 May 2022*; and
- that the full report was presented to *a meeting of the committee of management* of the reporting unit on *10 June 2022* in accordance with section 266 of the *Fair Work {Registered Organisations} Act 2009*.

**STEPHEN PURVINAS**  
Federal Secretary  
Date: 16 June 2022

**"Guardians of Air Safety"**



**Australian Licenced Aircraft Engineers Association**  
**ABN 84 234 747 620**

Financial Statements  
For the year ended 31 December 2021

Higgins Tonna & CO  
Public Accountants  
240 NUWARRA ROAD  
MOOREBANK 2170  
Phone: 02 97312414

## Report required under subsection 255 (2A)

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021


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### 2021 Expenditure required under s.255 (2A) RO Act

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31st December 2021.

Descriptive form

Account	2021	2020
<b>1. Categories of expenditure</b>		
Advertising	0	0
Donations	0	0
Legal	166,603	149,486
Operating costs	507,499	528,227
Remuneration and other employment-related costs and expenses - employees	1,216,584	1,164,685
<b>Total categories of expenditure</b>	<b>1,890,686</b>	<b>1,842,398</b>



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Stephen Purvinas

Federal Secretary

Dated: 18.5.2022



# Operating statement

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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The Committee of management presents its operating report of The Australian Licenced Aircraft Engineers Association (hereinafter referred to as 'ALAEA') for the year ended 31 December 2021.

## Committee members:

The names of Committee of Management members who have held office throughout the year and at the date of this report are:

<u>Current committee members</u>	<u>Current committee members</u>
<b>Appointed from 1 July 2002 (continuing)</b>	<b>Appointed from 12 August 2017 (continuing)</b>
<ul style="list-style-type: none"><li>Stephen Purvinas (Federal Secretary)</li></ul>	<ul style="list-style-type: none"><li>Brett McClenahan to 19 January 2021 (resigned)</li></ul>
<b>Appointed from 1 July 2004 (continuing)</b>	<ul style="list-style-type: none"><li>Mike Davies</li></ul>
<ul style="list-style-type: none"><li>Michael Weitenberg (Senior Vice President)</li></ul>	<b>Appointed from 1 July 2018 (continuing)</b>
<b>Appointed from 1 July 2006 (continuing)</b>	<ul style="list-style-type: none"><li>Rodney Wyse (Federal President)</li></ul>
<ul style="list-style-type: none"><li>Mark Gant (Trustee)</li></ul>	<ul style="list-style-type: none"><li>Christopher Burleigh to 2 February 2021 (resigned)</li></ul>
<ul style="list-style-type: none"><li>Stephen Re (Trustee)</li></ul>	<b>Appointed from 19 January 2021</b>
<b>Appointed from 24 June 2009 (continuing)</b>	<ul style="list-style-type: none"><li>Michael Ward</li></ul>
<ul style="list-style-type: none"><li>Bradley Cox to 1 February 2021 (resigned)</li></ul>	<b>Appointed from 1 February 2021</b>
<b>Appointed from 3 April 2013 (continuing)</b>	<ul style="list-style-type: none"><li>Kevin Baldacchino</li></ul>
<ul style="list-style-type: none"><li>Mathew Rea</li></ul>	<b>Appointed from 2 February 2021</b>
<b>Appointed from 1 July 2014 (continuing)</b>	<ul style="list-style-type: none"><li>Patrick Hildebrandt</li></ul>
<ul style="list-style-type: none"><li>Wayne Derndorfer (Vice President)</li></ul>	<b>Appointed from 2 March 2021</b>
from 8 March 2021	<ul style="list-style-type: none"><li>Matthew Whiley</li></ul>
<ul style="list-style-type: none"><li>Peter Gill (Vice President) to 2 March 2021</li></ul>	<ul style="list-style-type: none"><li>Christopher Burleigh</li></ul>
(Assistant Federal Secretary) from 2 March 2021	<b>Appointed from 8 March 2021</b>
<b>Appointed from 11 March 2017 (continuing)</b>	<ul style="list-style-type: none"><li>Stephen Fotoulis</li></ul>
<ul style="list-style-type: none"><li>Christian Tamblyn</li></ul>	<b>Appointed from 10 April 2021</b>
	<ul style="list-style-type: none"><li>Eddy Azzopardi</li></ul>

# Operating statement

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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

ALAEA has many stakeholders, including the members we care for and their families, our staff and volunteers, the broader community who use air travel, the government agencies that regulate air travel industry and our suppliers. ALAEA sees its position as being the peak body to advise government and assist in advising on the effective regulation of the air travel industry in respect of maintenance and safety issues which are paramount not only to those who use the air travel but to those who may be impacted by that air travel — notably the wider Australian community. There have been no significant changes in the nature of these activities.

In keeping with this philosophy, the principal activities of ALAEA during the financial year achieved the following results:

- provided welfare and support facilities and other services including information on technical developments in the aircraft industry, journals and employment related information to members of ALAEA.
- provided legal representation for workplace related matters and negotiating Enterprise Agreements (EA's) as well as contract assessments and advice on behalf of members of ALAEA
- promoted and enforced high standards in aircraft maintenance.
- provided a means of liaison between the Australian Government, the Civil Aviation Safety Authority, National Training Authorities and Licenced Aircraft Maintenance Engineers in connection with all matters involving Licenced Aircraft Engineers and the general promotion of safety standards in the aircraft industry.

## **Significant changes in financial affairs**

In the opinion of the Committee of Management, there were no significant changes in the state of affairs of ALAEA that occurred during the financial year under review not otherwise disclosed in this report.

## **Number of members**

At balance date there were 2,873 members of ALAEA. This number consisted of 919 members that have chosen not to resign from the Association but have taken associate status, meaning they pay no dues and have relinquished voting rights but are entitled to ongoing representation and association benefits if required.

## **Number of employees**

At balance date there were 7.9 equivalent full-time employees (2020:7.9).

# Operating statement

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## Rights of members to resign

Part 6 of ALAEA's constitution provides the following:

1. A member of the Association may resign from membership by written notice addressed and delivered to the Federal secretary or addressed and delivered to the officer performing the duties of the Federal Secretary at the Registered Office of the Association.
2. A member ceases to be eligible for membership if he ceases to be employed:
  - a. in or in connection with an industry or industrial pursuit in respect of which ALAEA has constitutional coverage.
3. A notice of resignation from membership of the Association takes effect:
  - a. where the member ceases to be eligible to become a member of the Association:
    - i. on the day on which the notice is received by the Association; or
    - ii. on the day specified in the notice, which is a day not earlier than the day when the member ceases to become a member;whichever is later.
  - b. in any other cases, a member's notice of resignation shall take effect:
    - i. at the end of two weeks after the notice is received by the Association; or
    - ii. on the day specified in the notice;whichever is later.
4. Any dues payable but not paid by the former member, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
5. A notice delivered to the person mentioned in (1) above shall be taken to have been received by the Association when it is delivered.
6. A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with (1) above.
7. A resignation from membership is valid even if it is not effected in accordance with this Rule if the member is informed in writing by or on behalf of the Association that his resignation has been accepted.

## Operating statement

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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### Contingencies and commitments

There are no contingencies or commitments other than stated at Notes 21 & 23.

**Officers or members who are a Trustee of a superannuation entity or Director of a company that is a Trustee of a superannuation entity where being a member or officer of a registered organisation is a criterion for them holding such position.**

There are no officers or members holding such position.

Signed in accordance with a resolution of the Members of the Committee of Management

Mark Gant (Trustee)



Dated

Stephen Re (Trustee)



Dated

18/5/2022

## Committee of management statement

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

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On 18 / 05 / 2022 Australian Licenced Aircraft Engineers Association ("ALAEA") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2021:

The Committee of Management declares that in its opinion:

- a. the financial statements and notes comply with the Australian Accounting Standards;
- b. the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e. during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
  - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management of ALAEA.

Designated Officer:

**Stephen Purvinas**

Title of Office held:

**Federal Secretary**

Signature:



Dated:

18.5.2022

# Statement of comprehensive income

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

Account	Notes	2021	2020
<b>Income</b>			
<b>Revenue</b>			
Membership subscriptions	3	1,574,421	1,900,425
Capitation fees & other revenue from another reporting unit**		0	0
Investment income	3	16,701	35,385
Rental revenue	3	(23,074)	2,957
Other revenue	3	78,238	117,564
Grants and/or donations**		0	0
Revenue from recovery of wages activity**		0	0
Levies**		0	0
Other gains and losses	3	0	37,405
<b>Total revenue</b>		<b>1,646,286</b>	<b>2,093,736</b>
<b>Total income</b>		<b>1,646,286</b>	<b>2,093,736</b>
<b>Expenses</b>			
Employee benefit expenses	4	1,216,584	1,164,685
Capitation fees & other expense to another reporting unit**		0	0
Affiliation fees	5	44,454	47,538
Administration expenses	6	93,906	119,471
Grants and donations	7	10,000	5,000
Depreciation and amortisation	8	37,650	36,438
Legal costs	9	166,603	149,486
Industrial and management expenses	10	306,489	305,780
Audit Fees	11	15,000	14,000
<b>Total expenses</b>		<b>1,890,686</b>	<b>1,842,398</b>
Surplus (deficit) for the year		(244,400)	251,338
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		0	0
<b>Total comprehensive income for the year</b>		<b>(244,400)</b>	<b>251,338</b>

# Statement of financial position

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

As at 31 December 2021

Account	Notes	2021	2020
<b>Account</b>			
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	1,792,821	2,580,475
Trade and other receivables	14	66,861	11,312
Other current assets	15	27,778	40,584
<b>Total current assets</b>		<b>1,887,460</b>	<b>2,632,371</b>
<b>Non-current assets</b>			
Property, plant & equipment	16	232,792	254,573
Investment property	17	1,350,000	1,350,000
Intangible assets	18	14,820	19,760
Financial assets	19	532,523	3,778
<b>Total non-current assets</b>		<b>2,130,135</b>	<b>1,628,111</b>
<b>Total assets</b>		<b>4,017,595</b>	<b>4,260,482</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	20(a)	64,964	71,444
Other payables	20(a)	81,092	211,359
Contract liabilities	20(b)	64,583	0
Employee provisions	21	291,705	218,028
<b>Total current liabilities</b>		<b>502,344</b>	<b>500,831</b>
<b>Total liabilities</b>		<b>502,344</b>	<b>500,831</b>
<b>Net assets</b>		<b>3,515,251</b>	<b>3,759,651</b>
<b>Equity</b>			
Retained earnings (accumulated deficit)		3,515,251	3,759,651
<b>Total equity</b>		<b>3,515,251</b>	<b>3,759,651</b>

# Statement of changes in equity

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

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Account	Retained Earnings	Total
<b>Balance at 1 January 2020</b>		
Opening balance equity	3,508,313	3,508,313
Surplus / (deficit)	251,338	251,338
Total other comprehensive income for the year	0	0
<b>Balance at 31 December 2020</b>		
Opening balance equity	3,759,651	3,759,651
Surplus / (deficit)	(244,400)	(244,400)
<b>Balance at 31 December 2021</b>	<b>3,515,251</b>	<b>3,515,251</b>



# Statement of cash flows

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

Account	Notes	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (incl. members)		1,736,647	2,154,584
Receipts from other reporting unit/controlled entity(s)		0	0
Interest		18,250	36,158
Rental receipts		1,700	23,826
Other		15,000	117,500
<b>Net cash provided by (used in) operating activities</b>			
<b>Cash used</b>			
Employees		(1,203,287)	(1,063,080)
Suppliers		(816,292)	(951,790)
<b>Net cash provided by (used in) operating activities</b>	22	<b>(247,982)</b>	<b>317,198</b>
<b>Cash used</b>			
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
<b>Cash used</b>			
Purchase of plant and equipment	16	(10,930)	(21,735)
Purchase of land and buildings	16,17	0	(13,450)
Net movement in financial assets	19	(524,804)	0
Other		(3,938)	0
<b>Net cash from (used by) investing activities</b>		<b>(539,672)</b>	<b>(35,185)</b>
<b>FINANCING ACTIVITIES</b>			
Net cash from (used by) financing activities		0	0
<b>Net Increase (decrease) in cash held</b>			
Net Increase (decrease) in cash held	22	(787,654)	282,013
Cash & cash equivalents at the beginning of the reporting period		2,580,475	2,298,462
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	13,19	<b>1,792,821</b>	<b>2,580,475</b>

Reclassification: financial assets included at note 13, Cash and cash equivalents: \$356,213 (2020)

# Index to the notes of the financial statements

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

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Note 1	Summary of significant accounting policies
Note 2	Events after reporting period
Note 3	Revenue and income
Note 4 – 12	Expenses
Note 13 – 15	Current assets
Note 16 – 18	Non-current assets
Note 19	Financial assets
Note 20	Current liabilities
Note 21	Provisions
Note 22	Cash flow
Note 23	Contingent liabilities, assets & commitments
Note 24	Related party disclosures
Note 25	Financial risk management
Note 26	Fair value measurements
Note 27	Fighting fund
Note 28	Mortality and other benefits
Note 29	Recovery of wages activity
Note 30	Acquisitions through amalgamations
Note 31	Business combinations
Note 32	Administration of financial affairs by a third party
Note 33	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>
Note 34	Association details
Note 35	Authorisation of financial statements

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1. Summary of significant accounting policies

The financial report covers The Australian Licenced Aircraft Engineers Association (hereinafter also referred to as "ALAEA") as an individual not for profit entity. ALAEA is a Trade Union registered under the *Fair Work (Registered Organisations) Act 2009* and is domiciled in Australia and affiliated to the ACTU.

### 1.1 Basis of preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009* (RO Act). For the purpose of preparing the general purpose financial statements, ALAEA is a not-for-profit entity.

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

### 1.2 Comparative amounts

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

### 1.3 Significant accounting estimates and judgements

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

The Committee evaluates estimates and judgements 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 ALAEA.

#### Impairment - general

ALAEA assesses impairment at the end of each reporting period by evaluation of conditions and events specific to ALAEA that may be indicative of impairment triggers. Recoverable amounts of relevant assets are re-assessed using estimates of sale values.

Impairment of intangible assets has been recognised over 5 years commencing in 2020.

#### Key judgements

Provision for employee benefits (short term)

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.3 Significant accounting estimates and judgements (continued)

Provision for employee benefits (long term)

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in Note 1.15. The amount of these provisions would change should any of these factors change in the next 12 months.

The fair value of liabilities and ALAEA's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, detailed in the respective note to the financial statements

## 1.4 New and amended accounting policies adopted by the association

No accounting standard has been adopted earlier than the application date stated in the standard.

**The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:**

### **AASB 2020-1 Amendments to Australian Accounting Standards -Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023.

Earlier application is permitted. These amendments had no impact on the financial statements of ALAEA.

## 1.5 Changes in accounting, estimates & errors AASB 140 Investment Properties

In 2020 there was a change in accounting policy from the cost model to adoption of the fair value model under AASB 140. The change in accounting policy in restating the investment property at fair value provides reliable and more relevant information for users in evaluating the economic benefits of the asset. The amount of the adjustment is as follows:

	2021	2020
22 Kyabra Street Newstead QLD		
<b>At Cost</b>		1,310,937
Additions		1,658
		<b>1,312,595</b>
<b>Adjustment to fair value</b>		<b>37,405</b>
<b>Fair Value</b>	<b>1,350,000</b>	<b>1,350,000</b>

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.6 New accounting standards for application in future periods

Future Australian Accounting Standards requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on ALAEA include:

### ***AASB 2021-2 Amendments to Australian Accounting Standards: Disclosure of Accounting Policies and Definition of Accounting Estimates***

This standard amends a number of accounting standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates.

This standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier adoption is permitted. ALAEA does not expect the adoption of this amendment to have a financial impact on its financial statements.

## 1.7 Current versus non-current classification

ALAEA presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

## 1.8 Revenue and other income

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

ALAEA enters into arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, joining fees and grants.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

### **Revenue from contracts with customers**

Where ALAEA has a contract with a customer, ALAEA recognises revenue when or as it transfers control goods or services to the customer. ALAEA accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.8 Revenue and other income (continued)

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of ALAEA.

If there is only one distinct membership service promised in the arrangement, ALAEA recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect ALAEA's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, ALAEA allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that ALAEA charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), ALAEA recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, ALAEA has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from ALAEA at their standalone selling price, ALAEA accounts for those sales as a separate contract with a customer. Membership fees received relating to future financial periods are recognised as deferred income.

### Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of profit or loss when the asset) is derecognised.

### Interest income

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial asset.

### Rental income

Leases in which ALAEA as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Rents are recognised as income in the period in which they are earned.

### Volunteer services

As ALAEA does not engage volunteers there are no services donated by volunteers which require inclusion in the financial statements.

### Government grants

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to ALAEA with no future related costs are recognised in profit or loss in the period in which they are received.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.9 Land and buildings, plant and equipment

### Land and buildings

Freehold land and buildings are measured on the cost basis less subsequent depreciation for buildings and impairment losses.

ALAEA does not believe that it is necessary to revalue land and buildings at this time

### Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a valuation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Notes 1.11 and 1.12 for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

### Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to ALAEA commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of fixed asset	Depreciation rate	Depreciation basis
Buildings	5% - 10%	Prime cost
Office equipment & furniture	10% - 33.3%	Prime cost
Motor vehicles	12.5%-15%	Prime cost

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Each asset class's carrying amount is written down immediately to its recoverable amount if the class'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 Statement of comprehensive income when the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.10 Investment property

Investment properties are held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on the derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period in which the property is derecognised.

## 1.11 Financial instruments

### Initial recognition & measurement

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

Financial instruments (except for trade receivables) 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.

Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.

### Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- Amortised cost; or
- Fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liability is subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.



# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.11 Financial instruments (continued)

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition. A financial liability is held for trading if:

- It is incurred for the purpose of repurchasing or repaying in the near term;
- it is part of a portfolio where there is an actual pattern of short-term profit taking or;
- it is a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

### Financial assets

Financial assets are subsequently measured at:

- Amortised cost; or
- Fair value through other comprehensive income; or fair value through profit and loss

on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

### Fair value through profit or loss

By default, all other financial assets that do not meet the conditions of amortised cost and fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.11 Financial instruments (continued)

The entity initially designates a financial instrument as measured at fair value through profit and loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the entity was documented appropriately, so that the performance of the financial liability that was part of an entity's financial liabilities of financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

### Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

### Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

#### Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. no practical ability to make a unilateral decision to sell the asset to a third party)

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.12 Impairment of non-financial assets

At the end of each reporting period, ALAEA assesses whether there is any indication that an asset may be impaired. The assessment will consider both external 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 that asset, being the higher of the asset's fair value less costs of disposal and its value in use, to the asset's carrying amount. For non-cash generating specialised assets measured using the cost basis, the recoverable amount is determined using current replacement cost in AASB 13 *Fair Value Measurement*. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

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

## 1.13 Liabilities relating to contracts with customers

### Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before ALAEA transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when ALAEA performs under the contract (i.e., transfers control of the related goods or services to the customer).

### Refund liabilities

A refund liability is recognised for the obligation to refund some consideration received (or receivable) from a customer. ALAEA's refund liabilities arise from customers' right of return. The liability is measured at the amount ALAEA ultimately expects it will have to return to the customer. ALAEA updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

## 1.14 Contingent liabilities and contingent assets

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

## 1.15 Employee benefits

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

### Short-term employee benefits

Provision is made for ALAEA's obligation for short-term employee benefits. Short-term employee benefits are benefits (as defined in AASB 119 *Employee Benefits*), (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

ALAEA's obligations for short-term employee benefits such as wages, salaries and annual leave are recognised as a part of other payables in the statement of financial position.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.15 Employee benefits (continued)

### Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Any re-measurements of obligations of other long-term employee benefit-obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

ALAEA's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

ALAEA makes contributions to employee superannuation plans (not controlled by ALAEA, its Trustees or its Committee members). Such contributions are charged as expenses as incurred. ALAEA has no legal obligation to cover any shortfall in those superannuation plans' obligations to provide benefits to employees on retirement.

## 1.16 Cash and cash equivalents

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

## 1.17 Leases

ALAEA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### ALAEA as a lessee

ALAEA applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. ALAEA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Short-term leases and leases of low-value assets

ALAEA's short-term leases are those that have a lease term of 12 months or less from commencement. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### ALAEA as a lessor

ALAEA enters into lease agreements as a lessor with respect to its investment property. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the association is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. ALAEA is not an intermediate lessor.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.17 Leases (continued)

Amounts due from lessees under finance leases are recognised as receivables at the amount of the association's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the association's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the association applied AASB 15 to allocate the consideration under the contract to each component.

## 1.18 Fair value measurement

ALAEA measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

'Fair value' is the price ALAEA would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to ALAEA at reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and ALAEA's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, detailed in the respective note to the financial statements.

## 1.19 Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Notes 1.11 and 1.12 for further discussion on the determination of impairment losses.

## 1.20 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 Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.21 Income tax and Fringe Benefit Tax (FBT)

ALAEA is a registered Trade Union and exempt from income tax under Section 50-1 of the Income Tax Assessment Act 1997. ALAEA has obligations for Fringe Benefits Tax (FBT).

## 1.22 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

ALAEA acquired certain education manuals in prior years. The expected useful life for amortisation of these manuals is 5 years. ALAEA has determined that due to this useful life these assets will be carried at cost less accumulated impairment.

## Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

## 1.23 Provisions

Provisions are recognised when ALAEA 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

## 1.24 Affiliation fee

ALAEA is required to pay an annual affiliation fee to the ACTU. Other voluntary affiliation fees are also paid to other relevant organisations.

## 1.25 Accounts payable and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by ALAEA during the reporting period and employee RDO's which remain unpaid. The balance (including employee RDO's as these may be taken at any time by employees or requested to be paid out at any time by employees) is recognised as a current liability with amounts other than all RDO's normally paid within 60 days of recognition of the liability.

## 1.26 Comparative figures

Where required by Accounting Standards or the reporting requirements of the *Fair Work (Registered Organisations) Act 2009* comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

## 1.27 Going concern

ALAEA is not reliant on any agreed financial support of another reporting unit to continue on a going concern basis.

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

The Management Committee has determined that the going concern basis of preparation of the financial report is appropriate, (Refer to note 2 for subsequent events)

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 1.28 Additional information required by the Fair Work Commission by way of reporting guidelines made under Section 255 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act)

The reporting guidelines became effective so as to apply to each financial year of a reporting unit that ends on or after 30 June 2016. The major effect was to stipulate that all reporting units apply Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 *Application of Tiers of Australian Accounting Standards*.

In addition to the aforementioned, the guidelines list information to be provided beyond that necessary to comply with the presentation of Tier 1 General Purpose Financial Statements (GPFS). As such items do not form part of GPFS that additional information has generally been suffixed by (\*\*).

## 2. Events after the reporting period

With the exception of legal expenses to be incurred as shown in Note 23 and damages or other claims as a result of future unsuccessful defence of legal matters which claims are unable to be quantified at this time, there has not been any matter or circumstances in the opinion of the Committee of Management subsequent to the end of the financial year that has significantly affected or may significantly affect the operations of ALAEA, the results of those operations or the state of affairs of ALAEA in subsequent accounting periods.

3. Revenue and income	2021	2020
Membership subscriptions**		
- Generally applied	1,558,633	1,881,451
- Welfare Fund applied	15,788	18,974
<b>Total membership Subscriptions**</b>	<b>1,574,421</b>	<b>1,900,425</b>
Interest earned (from cash on deposit)	16,701	35,385
Rental revenue		
Rent received	1,545	21,660
Rental expenses	(24,619)	(18,703)
<b>Total rental revenue</b>	<b>(23,074)</b>	<b>2,957</b>
Other income		
Litigation Receipts for members	78,100	0
Government grants – cash flow boosts	0	100,000
Government grants – Revenue WA	0	17,500
Commissions	138	64
<b>Total Other Income</b>	<b>78,238</b>	<b>117,564</b>
Other gains and losses		
Revaluation gain – Investment property	0	37,405
<b>Total other gains and losses</b>	<b>0</b>	<b>37,405</b>
<b>Total revenue</b>	<b>1,646,286</b>	<b>2,093,735</b>

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

<b>4. Employee benefits expense</b>	<b>2021</b>	<b>2020</b>
<b>Employee expenses**</b>		
Employee expenses officeholders**		
Wages and salaries	360,924	349,225
Superannuation	42,939	37,733
Leave and other entitlements	13,705	38,153
Other employee expenses	19,875	0
<b>Total Employee expenses Officeholders**</b>	<b>437,443</b>	<b>425,111</b>
Employee expenses non officeholders		
Wages and salaries	673,959	624,312
Superannuation	63,814	66,989
Leave and other entitlements	7,547	22,345
Separation and redundancies	0	0
Other employee expenses	0	0
<b>Total employee expenses non-officeholders</b>	<b>745,320</b>	<b>713,646</b>
<b>Total employee expenses**</b>	<b>1,182,763</b>	<b>1,138,757</b>
<b>Other employee costs</b>		
Payroll tax	7,874	4,714
Staff training	25,947	21,214
<b>Total other employee costs</b>	<b>33,821</b>	<b>25,928</b>
<b>Total employee benefits expense</b>	<b>1,216,584</b>	<b>1,164,685</b>
<b>5. Affiliation fees</b>	<b>2021</b>	<b>2020</b>
ACTU	19,094	18,716
Unions NSW	4,645	5,170
Victoria Trades Hall Council	4,964	4,811
Aircraft Engineers International	8,733	9,213
International Transport Workers Federation	7,018	9,628
<b>Total affiliation fees</b>	<b>44,454</b>	<b>47,538</b>



# Notes to the financial statements

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

<b>6. Administration</b>	<b>2021</b>	<b>2020</b>
Total paid to employers for payroll deductions of membership subscriptions**	0	0
Compulsory levies ***	0	0
Property expenses	30,654	35,949
Seminars	390	2,902
Postage, printing and stationery	10,455	11,188
Information communications technology	31,580	32,552
Finance cost - bank fees & currency charges	14,300	17,644
Industrial library	6,527	19,236
<b>Total administration</b>	<b>93,906</b>	<b>119,471</b>
<b>7. Grants and donations</b>	<b>2021</b>	<b>2020</b>
<b>Grants**</b>		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	0	0
<b>Donations - paid generally**</b>		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	0	0
<b>Total donations - paid generally**</b>	<b>0</b>	<b>0</b>
<b>Donations - paid from Welfare Fund **</b>		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	10,000	5,000
<b>Total donations - paid from Welfare Fund **</b>	<b>10,000</b>	<b>5,000</b>
<b>8. Depreciation</b>	<b>2021</b>	<b>2020</b>
<b>Depreciation</b>		
Land and buildings	5,402	4,883
Office equipment	25,577	24,884
Motor vehicles	1,731	1,731
<b>Total depreciation</b>	<b>32,710</b>	<b>31,498</b>
<b>Amortisation</b>		
Intangibles	4,940	4,940
<b>Total depreciation and amortisation</b>	<b>37,650</b>	<b>36,438</b>
<b>9. Legal costs</b>	<b>2021</b>	<b>2020</b>
Litigation	165,698	147,331
Other legal matters	904	2,155
<b>Total legal costs</b>	<b>166,603</b>	<b>149,486</b>

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

<b>10. Industrial and management expenses</b>	<b>2021</b>	<b>2020</b>
Conference and meeting expenses**	53,160	62,741
Fees/allowances - meeting and conferences**	0	4,500
Other industrial & management expenses	253,329	238,539
<b>Total industrial and management expenses</b>	<b>306,489</b>	<b>305,780</b>
<b>11. Audit fees</b>	<b>2021</b>	<b>2020</b>
Remuneration of auditor for:		
- Auditing or review of financial report	15,000	14,000
<b>Total remuneration of auditor for:</b>	<b>15,000</b>	<b>14,000</b>
<b>Total audit fees - no other services were provided by the auditors of the financial statements</b>	<b>15,000</b>	<b>14,000</b>
<b>12. Penalties</b>	<b>2021</b>	<b>2020</b>
Penalties - via RO Act or the <i>Fair Work Act 2009</i> **	0	0
Other fines or penalties**	0	0
<b>13. Cash and cash equivalents</b>	<b>2021</b>	<b>2020</b>
Short term deposits	1,402,726	1,910,500
Cash at bank	390,095	669,975
<b>Total cash and cash equivalents</b>	<b>1,792,821</b>	<b>2,580,475</b>
<b>14. Trade and other receivables</b>	<b>2021</b>	<b>2020</b>
Receivables from other reporting entities **	0	0
Less allowance for expected credit losses **	0	0
Subscription's receivable	66,861	11,312
Other receivables	0	0
<b>Total trade and other receivables</b>	<b>66,861</b>	<b>11,312</b>
There are no impaired receivables in the current or previous financial year.		
<b>15. Other current assets</b>	<b>2021</b>	<b>2020</b>
Accrued interest	4,328	8,382
Prepayments	23,450	32,202
<b>Total other current assets</b>	<b>27,778</b>	<b>40,584</b>

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

<b>16. Property, plant &amp; equipment</b>		<b>2021</b>	<b>2020</b>
<b>Land and buildings</b>			
	Land at cost	110,000	110,000
<b>Buildings</b>			
	Buildings at cost	492,259	492,259
	Accumulated depreciation of buildings	(416,149)	(410,747)
<b>Total buildings</b>		<b>76,110</b>	<b>81,512</b>
<b>Total Land and buildings</b>		<b>186,110</b>	<b>191,512</b>
<b>Plant and equipment</b>			
	Plant & equipment at cost	111,368	109,968
	Accumulated amortisation of plant and equipment	(70,620)	(54,573)
<b>Total plant and equipment</b>		<b>40,748</b>	<b>55,395</b>
<b>Motor vehicles</b>			
	Motor vehicles (at cost)	13,844	13,844
	Accumulated depreciation of motor vehicles	(7,910)	(6,179)
<b>Total motor vehicles</b>		<b>5,934</b>	<b>7,665</b>
<b>Total property, plant &amp; equipment</b>		<b>232,792</b>	<b>254,572</b>

## Movement 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 are set out below:

	Freehold land	Buildings	Office equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Net book value at 1 January 2020	110,000	74,602	58,544	9,396	252,542
Additions by purchase		11,793	21,735		33,528
Disposals:	-	-	-	-	-
* From disposal of entities (including restructuring)	-	-	-	-	-
* Other	-	-	-	-	-
Depreciation expense	-	(4,883)	(24,884)	(1,731)	(31,498)
Balance as at 31 December 2020	110,000	81,512	55,395	7,665	254,572
Additions by purchase			10,930		10,930
Disposals					
* From disposal of entities (including restructuring)	-	-	-	-	-
* Other	-	-	-	-	-
Depreciation expense	-	(5,402)	(25,577)	(1,731)	(32,710)
Net book value as at 31 December 2021	110,000	76,110	40,748	5,934	232,792

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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<b>17. Investment property</b>	<b>2021</b>	<b>2020</b>
22 Kyabra Street, Newstead QLD – at Cost	0	1,310,937
Cost model applied 2019		
Additions 2020	0	1,658
Balance @ cost	0	1,312,595
Opening balance at fair value	1,350,000	0
Fair value adjustment	0	37,405
<b>Fair value</b>	<b>1,350,000</b>	<b>1,350,000</b>

The property was purchased in June 2019. The 2020 fair value was not based on a valuation by a qualified independent valuer. Fair value was determined by directors' assessment with consideration of a market appraisal by the managing agent undertaken with due regard to current market conditions and comparable sales and listings. The directors have determined the fair value remains materially unchanged. Fair value on a market basis is determined every three years with the previous valuation calculated as at 31 December 2020. The highest and best use of the investment property is not considered to be different from its current use.

Rental income earned and received from the investment property during the year was \$1,545 (2020: \$21,660).

Direct expenses incurred in relation to the investment property that generate rental income during the year was \$24,619 (2020:\$18,703).

In consideration of expenditure undertaken by the tenant, rent of \$22,140 was waived from the commencement of the lease in August 2021 until year end.

During the year and as at year end, no restrictions on the realisation of investment property or remittance of income and proceeds of disposal were present.

ALAEA does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

<b>18. Intangibles</b>	<b>2021</b>	<b>2020</b>
Copywrite editions	24,700	24,700
Accumulated amortisation	(9,880)	(4,940)
<b>Total intangibles</b>	<b>14,820</b>	<b>19,760</b>

Intangible asset

ALAEA acquired certain education manuals in prior years. The expected useful life of these manuals is 5 years. Amortisation of these costs commenced in the 2020 year.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

19. Financial assets	2021	2020
<b>Bank Deposits</b>		
Bank deposits > 12 months	524,804	0
<b>Total bank deposits</b>	<b>524,804</b>	<b>0</b>
<b>Loans to subsidiaries</b>		
Aviation Recruitment Australia Pty Ltd	7,446	3,778
Professional Aviation Recruitment Pty. Ltd. (Dormant)	273	0
<b>Total loans to subsidiaries</b>	<b>7,719</b>	<b>3,778</b>
<b>Total financial assets</b>	<b>532,523</b>	<b>3,778</b>

Reclassification: bank deposits > 12 months included at note 13 Cash and cash equivalents: \$356,213 (2020).

The loan amounts relate to annual fees and advance payments for set up of a job listing website for aviation maintenance engineering jobs. ALAEA wholly owns and controls the company.

Aviation Recruitment Australia Pty. Ltd. has not commenced trading and no further activity was undertaken during the year.

20. (a) Trade and other payables	2021	2020
<b>(i) Trade payables</b>		
Trade payables	62,571	62,856
Payables to other reporting units**	0	0
Legal fees payable-litigation**	2,393	0
Legal fees payable-other**	0	8,588
<b>Total trade payables</b>	<b>64,964</b>	<b>71,444</b>
Settlement is usually made within 60 days.	0	0
<b>(ii) Other payables</b>		
Employee benefits payable - office holders	34,453	59,603
Employee benefits payable – non office holders	14,702	50,663
Payable to employers for making payroll deductions of memberships**	0	0
Membership fees received in advance	0	67,350
GST payable	16,071	23,788
Welfare Fund contributions payable	13,862	8,074
Fighting Fund contributions payable	2,004	1,881
<b>Total (ii) other payables</b>	<b>81,092</b>	<b>211,359</b>
<b>20 (b) Contract liabilities</b>		
Membership fees received in advance	64,583	0
<b>Total contract liabilities</b>	<b>64,583</b>	<b>0</b>
<b>Other payables are expected to be settled in no more than 12 months</b>	<b>210,639</b>	<b>282,803</b>

Reclassification: Contract liabilities included in 20 (a) (ii) Other payables: \$67,350 (2020)

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

<b>21. Provisions</b>	<b>2021</b>	<b>2020</b>
<b>Employee benefits</b>		
<b>Employee benefits - non office holders**</b>		
Long service leave	20,548	28,519
Annual leave	95,421	72,596
Separations & redundancies	0	0
Other	22,104	0
<b>Total employee benefits - non office holders**</b>	<b>138,073</b>	<b>101,115</b>
<b>Employee benefits - office holders**</b>		
Long service leave	92,328	75,351
Annual leave	39,827	41,562
Separations & redundancies	0	0
Other	21,477	0
<b>Total employee benefits - office holders</b>	<b>153,632</b>	<b>116,913</b>
<b>Total employee benefits</b>	<b>291,705</b>	<b>218,028</b>
<b>Analysis of total provisions</b>		
Current	291,705	218,028
Non current	0	0
<b>Total analysis of total provisions</b>	<b>291,705</b>	<b>218,028</b>
<b>Total employee benefits</b>	<b>291,705</b>	<b>218,028</b>
<b>Analysis of provisions</b>		
<b>Annual leave</b>		
Opening balance at beginning of year	114,158	84,700
Additional provisions raised during year	62,888	64,131
Amounts used	(41,798)	(34,673)
Adjustment	0	0
<b>Total annual leave</b>	<b>135,248</b>	<b>114,158</b>
<b>Long service leave</b>		
Opening balance at beginning of year	103,870	79,694
Additional provisions raised during year	11,427	42,518
Amounts used	(2,421)	(18,342)
Adjustments	0	0
<b>Total long service leave</b>	<b>112,876</b>	<b>103,870</b>

## Notes to the financial statements

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

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<b>21. Provisions (continued)</b>	<b>2021</b>	<b>2020</b>
<b>Other - RDO</b>		
Opening balance at beginning of year	52,425	
Additional provisions raised during year	30,385	
Amounts used	(39,229)	
<b>Total RDO</b>	<b>43,581</b>	
<b>Total analysis of provisions</b>	<b>291,705</b>	<b>218,028</b>
Reclassification: Provisions other included at note 20(a) (ii) Other payables: employee benefits payable		
Payable – officeholders: \$22,315; non-officeholders: \$29,109 (2020)		
Number of employees at year end		
- Non office holders	9	7
- Office holders	14	15

### Movements in provisions

#### Provision for employee benefits

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience ALAEA does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since ALAEA does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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 upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.15.

#### Provision for conferences and training

ALAEA no longer provides for estimated conference and training expenses. ALAEA will incur costs in the future in connection with the federal conference. It is estimated that ALAEA may incur costs of approximately \$60,000 in the year ending 31 December 2022 in the holding of the federal conference.

## Notes to the financial statements

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

### 22. Cash flow

#### (a) Cash flow reconciliation:

Reconciliation of cash and cash flow equivalent as per balance sheet to Cash flow statement:

Cash and cash equivalent as per:	2021	2020
Balance sheet	1,792,821	2,580,475
Cash flow statement	1,792,821	2,580,475
Difference	0	0
<b>Reconciliation of profit/(deficit) to net cash from operating activities</b>		
Profit/(deficit) for the year	(244,400)	251,338
<b>Adjustments for non-cash items</b>		
Depreciation / amortisation	37,650	36,438
Fair value adjustments in investment property	0	(37,405)
Gain on disposal of asset	0	0
<b>Total adjustments for non-cash items</b>	<b>37,650</b>	<b>(967)</b>
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	(51,565)	4,578
(Increase)/decrease in prepayments	8,821	8,198
Increase/(decrease) in supplier payments	(27,208)	(42,336)
Increase/(decrease) in other payables	51,049	(9,672)
Increase/(decrease) in employee provisions	(22,329)	106,059
<b>Total changes in assets/liabilities</b>	<b>(41,232)</b>	<b>66,827</b>
<b>Total reconciliation of profit/(deficit) to net cash from operating activities</b>	<b>(247,982)</b>	<b>317,198</b>
<b>(b) Cash flow information</b>		
Cash inflows - ALAEA	1,771,597	2,332,068
Cash outflows - ALAEA	(2,034,447)	(2,050,055)
Net movement in financial asset due to reclassification	(524,804)	0
<b>Total cash flow information</b>	<b>(787,654)</b>	<b>282,013</b>



# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 23. Contingent liabilities, assets & commitments

Estimates of the potential financial effect of contingent liabilities that may become payable:

### a) Contingent liabilities

Claims:

ALAEA is unable to quantify the cost of legal actions which may be commenced in the next 12 months in respect of members or in defending actions taken against members and ALAEA.

Based on past experience ALAEA has estimated that it may incur expenses for legal actions of \$175,000 during the 12 months to 31 December 2022.

ALAEA is unable to quantify the additional cost to the association from the possible claims for damages by third parties in the event of losing any of the above legal actions.

### b) Operating lease arrangements

**ALAEA as lessor.**

**Disclosure required by AASB16.**

Operating leases, in which ALAEA is the lessor, relate to a commercial investment property owned by ALAEA with lease terms of between 1 to 3 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Due to the effects of COVID-19 the property was untenanted for the period from April 2020 to August 2021.

The lease values year 1 (2021) are for the lease of the carpark. In consideration of repairs and refurbishment undertaken by the tenant, rent of \$22,140 was waived from the commencement of the lease in August 2021 until 31 December 2021.

The property has been leased for a term of three years. Maturity analysis of operating lease payments:

	31/12/2021	31/12/2020
Year 1	1,545	21,660
Year 2	58,000	0
Year 3	58,000	0
Year 4	35,860	0
Year 5		0
<b>Total</b>	<b>153,405</b>	<b>21,660</b>

The following table present the amounts reported in profit and loss:

	31/12/2021	31/12/2020
Lease income on operating leases	1,545	21,660

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

<b>24. Related party disclosures</b>	<b>2021</b>	<b>2020</b>
<b>(i) Related part transactions for the reporting period</b>		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.		
<b>Revenue received from officeholders includes:</b>		
Membership subscriptions received from officeholders	15,518	14,445
<b>Total revenue received from officeholders includes:</b>	<b>15,518</b>	<b>14,445</b>
<b>Expenses paid to officeholders includes:</b>		
Committee and other meeting attendance fees paid to officeholders in compensation of daily pay not received from employers	104,268	46,031
<b>Total expenses paid to officeholders includes:</b>	<b>104,268</b>	<b>46,031</b>
<b>Amounts owed by officeholders includes:</b>		
Funds advanced against un-vouched expenses	0	0
Membership subscriptions due at year end	0	0
<b>Loans to Aviation Recruitment Australia Pty Ltd</b>		
Incorporation costs	0	1,946
Website construction	3,667	1,833
<b>Total loans to Aviation Recruitment Australia Pty Ltd</b>	<b>3,667</b>	<b>3,779</b>
<b>Loans to Professional Aviation Recruitment Pty Ltd</b>		
Annual return	273	0
<b>Total loans to Professional Aviation Recruitment Pty Ltd</b>	<b>273</b>	<b>0</b>
<b>Amounts owed to officeholders includes:</b>		
Expense re-imbursements payable	0	0
Loans from/to officeholders	0	0
<b>Total Amounts owed to officeholders includes:</b>	<b>0</b>	<b>0</b>
<b>Expenses paid to ACTU:</b>		
Affiliation fees paid to the ACTU which amount is included in the determination of operating profit before income tax	19,094	18,715
<b>Total expenses paid to ACTU:</b>	<b>19,094</b>	<b>18,715</b>

## Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Amounts owed and amounts owing at the year-end are unsecured and interest free and settlement occurs in cash. Expenses remaining un-vouched after 2 weeks are deducted from any future expense reimbursement claim. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2021, ALAEA has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: \$ Nil). This assessment is undertaken each financial year through assessing the exposure and history of settlements with the related party and the market in which the related party operates.

The loan provided to Aviation Recruitment Australia Pty Ltd is currently interest free and has no set end date for repayment at the reporting date. The company is in the preliminary set-up phase and has not commenced trading.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

## 24. Related party disclosures (continued)

<b>(ii) Key management personnel remuneration for the reporting period</b>	<b>2021</b>	<b>2020</b>
<b>Short-term employee benefits</b>		
Salary (including annual leave & RDO taken)	357,096	338,050
Annual leave & RDO accrued	10,089	12,020
Performance bonus	0	0
<b>Total short-term employee benefits</b>	<b>367,185</b>	<b>350,070</b>
Post employment benefits	0	0
<b>Other long-term benefits</b>		
Long service leave	16,978	36,504
<b>Total other long-term benefits</b>	<b>16,978</b>	<b>36,504</b>
Termination benefits	0	0
<b>Total benefits</b>	<b>384,163</b>	<b>386,574</b>
<b>(iii) Transactions with key management personnel and their close family members</b>	<b>2021</b>	<b>2020</b>
Loan to/from management personnel	0	0
<b>Other transactions with key management personnel</b>		
Membership subscription fees paid by officeholders	15,518	14,445
<b>Total other transactions with key management personnel</b>	<b>15,518</b>	<b>14,445</b>
<b>Total transactions with key management personnel and their close family members</b>	<b>15,518</b>	<b>14,445</b>
<b>(iv) Transactions with former related parties</b>	<b>2021</b>	<b>2020</b>
Transactions with former related parties	0	0
<b>Total transactions with former related parties</b>	<b>0</b>	<b>0</b>

## 25. Financial risk management

ALAEA's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:-

<b>Financial instruments</b>	<b>2021</b>	<b>2020</b>
<b>Financial assets</b>		
Cash and cash equivalents	1,792,821	2,580,475
Trade and other receivables	66,861	11,312
Financial assets – non-current	524,804	0
<b>Total financial assets</b>	<b>2,384,486</b>	<b>2,591,787</b>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	146,056	215,453
<b>Total financial liabilities at amortised cost</b>	<b>146,056</b>	<b>215,453</b>

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 25. Financial risk management(continued)

### Financial risk management policies

The Delegated Officers and Employees of the Committee of Management ("DOECOM") are responsible for monitoring and managing ALAEA's compliance with its risk management strategy and consists of senior DOECOM members.

The finance committee's overall risk management strategy is to assist ALAEA in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

### Specific financial risk exposures and management

The main risks ALAEA is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. There have been no substantive changes in the types of risks ALAEA is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

#### (a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter-parties of their obligations to ALAEA that could lead to a financial loss to ALAEA.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counter parties to transactions are of sound credit worthiness.

#### 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.

In respect of trade and other receivables, ALAEA is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables may consist of membership subscriptions collected by employers at year end and remitted to ALAEA in the following month. Based on historical information about member default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

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

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. The carrying amounts disclosed above are ALAEA's maximum possible credit risk exposure in relation to these instruments.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

## 25. Financial risk management (continued)

### (a) Liquidity risk

Liquidity risk arises from the possibility that ALAEA might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. ALAEA 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;
- proactively monitoring the recovery of unpaid subscriptions;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. ALAEA does not hold directly any derivative 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.

### Financial liability and financial asset maturity analysis

Financial liability and financial asset maturity analysis	Within 1 Year		1 to 5 years		Over 5 years	
	2021	2020	2021	2020	2021	2020
		\$	\$	\$	\$	\$
Financial liabilities due for payment:	-	-	-	-	-	-
Accounts payable and other payables (excluding estimated annual leave and deferred income)	146,056	215,453	-	-	-	-
<b>Total expected outflows</b>	<b>146,056</b>	<b>215,453</b>	-	-	-	-
Financial assets	-	-	-	-	-	-
Cash flows realisable	-	-	-	-	-	-
Cash on hand	1,792,821	2,224,262	524,804	356,213	-	-
Accounts receivable and other debtors	66,861	11,312	-	-	-	-
Other financial assets	-	-	-	-	-	-
<b>Total anticipated inflows</b>	<b>1,859,682</b>	<b>2,235,574</b>	<b>524,804</b>	<b>356,213</b>		
<b>Net/(outflow)/inflow on financial instruments</b>	<b>1,713,626</b>	<b>2,020,121</b>	<b>524,804</b>	<b>356,213</b>	-	-

Financial assets pledged as collateral: No financial assets have been pledged as security for any financial liability

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 25. Financial risk management (continued)

### (c) Market risk

#### 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 financial instruments which expose ALAEA to Interest rate risk are limited to fixed interest securities and cash on hand assets.

ALAEA's investments in short term deposits all pay fixed interest rates.

ALAEA also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

#### *Interest rate sensitivity analysis*

The following table illustrates sensitivities to ALAEA's exposures to changes in interest rates. The table indicates the impact on how profit and equity 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.

	Profit	Equity
Year ended 31 December 2021	\$	\$
+/- 0.5% in interest rates	+/- 2,440	+/- 2,440
	Profit	Equity
Year ended 31 December 2020	\$	\$
+/- 0.5% in interest rates	+/-2,211	+/-2,211

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 26. Fair value measurements

### 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.

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying value as presented in the statement of financial position.

		2021		2020	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	1,792,821	1,792,821	2,580,475	2,580,475
Financial assets – non-current	(i)	524,804	524,804		
Accounts receivable and other debtors	(i)	66,861	66,861	11,312	11,312
Total financial assets		2,384,486	2,384,486	2,591,787	2,591,787
Financial liabilities					
Accounts payable and other payables	(ii)	189,636	189,636	215,453	215,453
Total financial liabilities		189,636	189,636	215,453	215,453

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

- I. Cash and cash equivalents, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.
- II. Accounts payable and other payables exclude amounts relating to the provision for annual leave and deferred income, which are outside the scope of AASB 9.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

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## 27.Fighting fund

This Fund commenced 22 November 2010 and is applied solely for the financial assistance of members of ALAEA who are affected by loss of wages during negotiations with employers and at the direction of the COM for union related assistance. The fund is administered by the Federal Executive of ALAEA. No contributions were received into the fighting fund during the years ended 31 December 2016, 2017, 2018, 2019, 2020 and 2021.

A summary of the Fighting Fund position follows:

### Income & expenditure statement

for the year ended 31 December 2021

<b>Fighting Fund</b>	<b>2021</b>	<b>2020</b>
Income		
Contributions from members	0	0
Interest received	123	302
<b>Total income</b>	<b>123</b>	<b>302</b>
Expenses		
Bank fees	0	0
<b>Total expenses</b>	<b>0</b>	<b>0</b>
<b>Surplus/(deficit) for the year</b>	<b>123</b>	<b>302</b>
Accumulated funds at beginning of year	21,171	20,869
<b>Accumulated funds at end of year</b>	<b>21,294</b>	<b>21,171</b>

### Balance sheet

for the year ended 31 December 2021

	<b>2021</b>	<b>2020</b>
<b>Current assets</b>		
Cash & cash equivalents		
Cash at bank	0	0
Term deposit	19,290	19,290
Receivables - ALAEA	2,004	1,881
<b>Total cash &amp; cash equivalents</b>	<b>21,294</b>	<b>21,171</b>
<b>Net assets</b>	<b>21,294</b>	<b>21,171</b>
<b>Accumulated funds</b>	<b>21,294</b>	<b>21,171</b>



# Notes to the financial statements

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

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## 28. Mortality and other benefits

ALAEA contributes to a Welfare Fund for members of ALAEA. The fund is administered by the Federal Executive of ALAEA. ALAEA contributed \$15,788 into the Welfare Fund during the year (2020 \$18,974).

Summary of the Welfare Fund position:

### Income & expenditure statement

for the year ended 31 December 2021

Mortality and other benefits	2021	2020
<b>Income</b>		
Contributions from general fund	15,788	18,974
Interest Received: Bendigo T/D Welfare Fund	2,505	4,917
<b>Total income</b>	<b>18,293</b>	<b>23,891</b>
<b>Expenses</b>		
Welfare donations to members	10,000	5,000
<b>Total expenses</b>	<b>10,000</b>	<b>5,000</b>
<b>Surplus for the year</b>	<b>8,293</b>	<b>18,891</b>
Accumulated funds at the beginning of the year	236,147	217,256
<b>Accumulated funds at end of year</b>	<b>244,440</b>	<b>236,147</b>

### Balance sheet

for the year ended 31 December 2021

Mortality and other benefits	2021	2020
<b>Current assets</b>		
Investments		
Term deposit	230,578	228,074
Receivables - ALAEA	13,862	8,074
<b>Total investments</b>	<b>244,440</b>	<b>236,148</b>
<b>Total current assets</b>	<b>244,440</b>	<b>236,148</b>
<b>Current liabilities</b>		
<b>Total current liabilities</b>	<b>0</b>	<b>0</b>
<b>Net assets</b>	<b>244,440</b>	<b>236,147</b>
<b>Accumulated funds</b>	<b>244,440</b>	<b>236,147</b>

## 29. Recovery of wages activity\*\*

ALAEA did not undertake any recovery of wages activities during the year ending 31 December 2021.

# Notes to the financial statements

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## 30. Acquisitions through amalgamations, restructures or general manager determinations \*\*

ALAEA has not acquired an asset or a liability during the financial year as a result of:

- a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit forms part) was the amalgamated organisation; or
- b) a restructure of the branches of the organisation; or
- c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1),

## 31. Business combinations \*\*

ALAEA has not acquired assets and liabilities during the financial year as part of a business combination.

## 32. Administration of financial affairs by a third party\*\*

ALAEA did not engage a third party to administer its financial Affairs.

## 33. Section 272 Fair Work (Registered Organisation) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 which reads as follows:

Information to be provided to members or Commissioner:

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

## 34. Association details

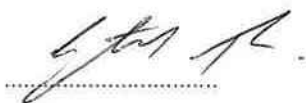
The principal place of business and registered office of ALAEA is:  
25 Stoney Creek Rd Bexley, NSW 2207

## 35. Authorisation of financial statements

The financial statements for the year ended 31 December 2021 (including comparatives) were approved by the Committee on 18 / 5 / 2022.



Mark Gant (Trustee)



Stephen Re (Trustee)

# Income and expenditure report

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

	Account	2021	2020
<b>Income</b>			
	Members contributions	1,574,421	1,900,425
	Rental revenue	(23,074)	2,957
	Gain on revaluation investment property	0	37,405
<b>Other income</b>			
	Other	78,238	117,565
	Interest income	16,701	35,385
<b>Total other income</b>		<b>94,939</b>	<b>152,950</b>
<b>Total income</b>		<b>1,646,286</b>	<b>2,093,736</b>
<b>Expenditure</b>			
<b>Employee costs</b>			
<b>Employees:</b>			
	Salary & annual leave	1,047,130	1,009,859
	Superannuation	106,753	104,722
	Long service leave	9,005	24,176
	Honoraria	19,875	0
<b>Total employees:</b>		<b>1,182,763</b>	<b>1,138,757</b>
<b>Other:</b>			
	Staff training	25,947	21,214
	Payroll tax	7,874	4,714
	Temporary staffing & placements	0	0
<b>Total other:</b>		<b>33,821</b>	<b>25,928</b>
<b>Total employee costs</b>		<b>1,216,584</b>	<b>1,164,685</b>
<b>Industrial</b>			
	Telephone	29,728	32,417
	Professional services	261,103	249,499
	Industrial & travel expenses	46,081	60,686
<b>Total industrial management</b>		<b>336,913</b>	<b>342,602</b>
<b>Management</b>			
	Executive and representative training & conference	390	8,517
	Federal executive expenses	34,189	14,319
	Affiliation fees	44,454	47,538
<b>Total management</b>		<b>79,033</b>	<b>70,373</b>

# Income and expenditure report

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

Account	2021	2020
<b>Overhead expenses</b>		
Amortisation-copyright editions	4,940	4,940
Bank charges	14,300	17,644
Computer expenses	84,412	80,174
Depreciation - building	5,402	4,883
Depreciation - equipment	25,577	24,884
Depreciation - motor vehicle	1,731	1,731
Donations	0	0
Electricity	2,484	3,688
Fringe Benefits Tax	12,925	(423)
Insurance	21,622	19,810
Library	6,527	19,236
Membership recruitment costs	5,796	7,003
Motor vehicle expenses	2,779	2,821
Net currency losses/(gains)	871	(742)
Postage & delivery	7,856	6,453
Printing & stationery	2,599	4,736
Rates & property expenses	33,732	37,544
Repairs & maintenance	3,148	2,947
Staff amenities	3,163	3,520
Welfare Fund contribution and transfers	18,292	23,891
<b>Total Overhead Expenses</b>	<b>258,156</b>	<b>264,738</b>
<b>Total Expenditure</b>	<b>1,890,686</b>	<b>1,842,398</b>
<b>Operating surplus/ (deficit) before income tax adjustments</b>	<b>(244,400)</b>	<b>251,338</b>
<b>Current year surplus/(deficit) before income tax</b>	<b>(244,400)</b>	<b>251,338</b>
<b>Net current year surplus before income tax</b>	<b>(244,400)</b>	<b>251,338</b>
<b>Accumulated funds at beginning of year</b>	<b>3,759,651</b>	<b>3,508,313</b>
<b>Accumulated funds at end of year</b>	<b>3,515,251</b>	<b>3,759,651</b>

# Compilation report

Australian Licenced Aircraft Engineers Association  
ABN 84 234 747 620  
For the year ended 31 December 2021

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## Compilation report to Australian Licenced Aircraft Engineers Association.

We have compiled the accompanying:

1. General purpose financial statements for the year ended 31 December 2021 comprising the statement of Comprehensive Income, statement of financial position, statement of changes in equity, statement of cash flows and the notes to the financial statements (GPFS); and,
2. The income and expenditure statement, Welfare Fund Income and expenditure statement and balance sheet, and Fighting Fund income and expenditure statement and balance sheet (the "Additional Financial Information") in accordance with *APS 315: Compilation of Financial Information*.

The specific purpose for which GPFS were prepared was to assist the Committee in their reporting requirements as required under *the Fair Work (Registered Organisations) Act 2009* and ALAEA's constitution. The specific purpose for which the Additional Financial Information was prepared was to provide information relating to the performance of ALAEA that satisfies the information needs of the Committee members.

### The Responsibility of the committee members

The Committee of Management and Trustees are solely responsible for the information contained in the general purpose financial statements and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the Additional Financial Information, which has been prepared to satisfy the information requirements of the Committee of Management.

### Our responsibility

On the basis of information provided by the Delegated Officers and Employees of the Committee of Management ("DOECOM") we have compiled the accompanying general purpose financial statements in accordance with the basis of accounting adopted and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the DOECOM provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. Whilst ALAEA is independently audited, no audit or review has been performed by our Firm and accordingly no assurance is expressed by us.

The GPFS and Additional Information were compiled exclusively for the benefit of the Committee of Management and Trustees. We do not accept responsibility to any other person for the contents of the GPFS or the Additional Information. No person should rely on the Additional Financial Information without having an audit or review conducted. The audit conducted of the GPFS does not include an audit of the Additional Information.

# Compilation report

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2021

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## Assurance disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the committee who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.



Higgins Tonna & Co

Belinda Tonna

Dated 18/5/2022

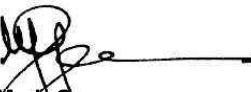
**Auditor's Independence Declaration  
to the Committee of The Australian Licenced Aircraft Engineers Association**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in APES 110 *Code of Ethics for Professional Accountants* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Mazars**

**Mazars Assurance Pty Limited**  
**Authorised Audit Company: 338599**

  
**M. J. Green**  
Director

Brisbane, 18 May 2022

## Independent Audit Report to the members of the Australian Licenced Aircraft Engineers Association

### Opinion

We have audited the accompanying financial report of the Australian Licenced Aircraft Engineers Association (the Entity), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the Section 255(2A) Expenditure Report, and the statement by the Committee of Management.

In our opinion, the financial report of Australian Licenced Aircraft Engineers Association is in accordance with the requirements of the Reporting Guidelines and Chapter 8, Part 3, of the *Fair Work (Registered Organisations) Act 2009*, including:

- (a) giving a true and fair view of the Entity's financial position as at 31 December 2021 and of its performance for the year ended on that date; and
- (a) complying with Australian Accounting Standards and the requirements of the Reporting Guidelines and Chapter 8, Part 3, of the *Fair Work (Registered Organisations) Act 2009*.

In accordance with the *Fair Work (Registered Organisations) Act 2009*, we report as follows:

- (a) The Branch has kept satisfactory accounting records for the financial year including records of:
  - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
  - (ii) the nature of and reasons for the Union's expenditure.
- (b) All the information and explanations that officers or employees of the Branch were required to provide have been provided.
- (c) There was no deficiency, failure or shortcoming in any matters referred to.
- (d) No recovery of wages activity occurred during the reporting period.
- (e) The use of the going concern assumption in the basis of accounting remains appropriate.

### Basis for Opinion

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

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



## Other Information

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and *Fair Work (Registered Organisations) Act 2009*, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

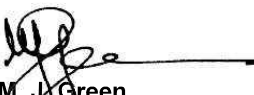
We are independent of the Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia.

### **Declarations**

I declare that I am an approved auditor as registered by the RO Commissioner (Reg. No. AA2017/147) as defined in the *Fair Work (Registered Organisations) Act 2009*.

**Mazars**

**Mazars Assurance Pty Limited**  
**Authorised Audit Company: 338599**

  
**M. J. Green**  
Director

Brisbane, 18 May 2022

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