



Australian Government
Registered Organisations Commission

15 November 2022

John Pavlou
Secretary
Australian and International Pilots Association

Sent via email: john.pavlou@aipa.org.au
CC: vincent.poon@hayesknight.com.au

Dear John Pavlou,

Australian and International Pilots Association
Financial Report for the year ended 30 June 2022 – (FR2022/154)

I acknowledge receipt of the financial report for the year ended 30 June 2022 for the Australian and International Pilots Association. The documents were lodged with the Registered Organisations Commission (the ROC) on 8 November 2022.

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.

Please note that next year's financial report 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.

Yours sincerely

Madeleine Hurrell

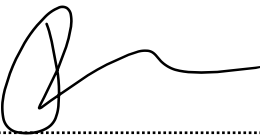
Madeleine Hurrell
Financial Reporting Officer
Registered Organisations Commission

s268 *Fair Work (Registered Organisations) Act 2009*
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
Certificate for the year ended 30 June 2022

I, John Pavlou, being the Secretary of the Australian and International Pilots Association, certify:

- that the documents lodged herewith are copies of the full report for the Australian and International Pilots Association and consolidated entity for the year ended 30 June 2022 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 31 October 2022; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 8 November 2022 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:


.....

Name of prescribed designated officer:

John Pavlou

Title of prescribed designated officer:

Secretary

Dated:

8 November 2022



Australian and International Pilots Association and Consolidated Entity

Financial Statements 2021-2022

Contents	Page
Independent Audit Report	1
Certificate by Prescribed Designated Officer	4
Report required under subsection 255(2A)	5
Operating Report	6
Committee of Management Statement	9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Financial Statements	14
Officer Declaration Statement	36

INDEPENDENT AUDITOR'S REPORT

for the year ended 30 June 2022



Hayes Knight Audit (NSW) Pty Ltd
ABN 52 142 320 590

Level 2, 115 Pitt St, Sydney NSW 2000
GPO Box 4565 Sydney NSW 2001

T: 02 9221 6666 F: 02 9221 6305

www.hayesknight.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION AND CONSOLIDATED ENTITY

Report on the Audit of the Financial Report

Opinion

I have audited the consolidated financial report of Australian and International Pilots Association and Consolidated Entity (the Reporting Unit), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2022, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian and International Pilots Association and Consolidated Entity as at 30 June 2022, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis of Opinion

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

for the year ended 30 June 2022



Hayes Knight Audit

Hayes Knight Audit (NSW) Pty Ltd
ABN 52 142 320 590

Level 2, 115 Pitt St, Sydney NSW 2000
GPO Box 4565 Sydney NSW 2001

T: 02 9221 6666 F: 02 9221 6305

www.hayesknight.com.au

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

INDEPENDENT AUDITOR'S REPORT

for the year ended 30 June 2022



Hayes Knight Audit (NSW) Pty Ltd
ABN 52 142 320 590

Level 2, 115 Pitt St, Sydney NSW 2000
GPO Box 4565 Sydney NSW 2001
T: 02 9221 6666 F: 02 9221 6305

www.hayesknight.com.au

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

I declare that I am an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

In my opinion, no such matters were noted.

A handwritten signature in black ink, appearing to read 'Vincent Poon'.

Vincent Poon - Director Audit Services
Registered Company Auditor - Registration Number AA2018/23

Dated at Sydney, this 13th of September 2022

s268 *Fair Work (Registered Organisations) Act 2009*

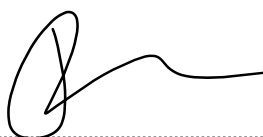
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2022

I, John Pavlou, being the Secretary of the Australian and International Pilots Association, certify:

- that the documents lodged herewith are copies of the full report for the Australian and International Pilots Association and consolidated entity for the year ended 30 June 2022 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 31 October 2022; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 8 November 2022 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

John Pavlou

Title of prescribed designated officer:

Secretary

Dated:

8 November 2022

REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 30 June 2022

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Association for the year ended 30 June 2022.

Categories of expenditures	2022 \$	2021 \$
Remuneration and other employment-related costs and expenses - employees	1,466,749	1,526,697
Advertising	-	-
Operating costs	1,318,743	1,400,932
Donations to political parties	-	-
Legal costs	196,020	486,150

Signature of prescribed designated officer:



Name of prescribed designated officer:

David Backhouse

Title of prescribed designated officer:

Secretary

Dated:

13 September 2022

OPERATING REPORT

for the year ended 30 June 2022

The Committee of Management presents its report on the Association for the financial year ended 30 June 2022.

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

The principal activities of the Association during the reporting period were to provide industrial and organising services to the members consistent with the objects of the Association and particularly the object of protecting and improving the interests of the members.

The Association's principal activities resulted in maintaining and improving the wages and conditions of employment of the membership.

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

Significant changes in financial affairs

The Association incurred a net surplus of \$423,491 for the year.

Right of members to resign

Members may resign from the Association in accordance with rule 48, which reads as follows:

- a) A member may resign from membership by written notice addressed to the Secretary and posted or delivered to that officer or the person performing the duties of that officer at the registered office of the Organisation.
- b) Where a member ceases to be eligible to be a member of the Organisation, the notice of resignation shall take effect:
 - (i) on the day on which the notice is received by the Organisation; or
 - (ii) on the day specified in the notice, which is the day not earlier than the day when the member ceases to be eligible to become a member;whichever is later.
- c) In any case a member's notice of resignation shall take effect:
 - (i) at the end of two weeks after the notice is received by the Organisation;
 - (ii) or on the day specified in the notice;whichever is later;
- d) Any dues payable but not paid by a former member, in relation to the period before the member's resignation from the Organisation took effect, may be sued for and recovered in the name of the Organisation, in a court of competent jurisdiction, as a debt due to the Organisation.
- e) A notice delivered to the person nominated in (a) above shall be taken to have been received by the Organisation when it was delivered.
- f) A notice of resignation that has been received by the Organisation is not invalid because it was not addressed and delivered in accordance with (a) above.
- g) 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 Organisation that the resignation has been accepted.

OPERATING REPORT continued

for the year ended 30 June 2022

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

No officer or member of the Association holds a position as a trustee, or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of members

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Association was 2,022 (2021: 2,032).

Number of employees

The number of persons who were, at the end of the reporting period, employees of the Association was 13 (2021: 14) as measured on a full-time equivalent basis.

Names of Committee of Management members and period positions held during the financial year ended 30 June 2022

Surname	Name	Attended	Held	Office bearer position
Armessen	Michael	1	6	
Armstrong	Brook	0	5	
Arthur	Darren	6	6	
Backhouse	David	6	11	Secretary
Beer	Corey	3	5	
Bluston	David	4	5	
Bond	Paul	5	6	Treasurer (1/7/21 to 7/2/22)
Brown	Cathy	9	11	Vice President
Busby	Theron	5	11	Vice President ('A' Pilots)
Butt	Murray	6	6	President (1/7/21 to 7/2/22)
Cameron	Juan	0	2	Resigned 13/9/21
Castellino	Brolin	7	11	
Coates	Andrew	1	6	
Conlon	Kieran	1	11	
Cornell	Steven	4	5	
Doran	Christopher	5	5	
Duncan	Rodney	5	6	
Evans	Mathew	6	6	Assistant Secretary (1/7/21 to 7/2/22)
Foo	Kristan	4	11	
Gilmour	Mark	2	6	
Gould	Simon	1	5	Vice President (Group Airlines) (8/2/22 to 30/6/22)
Herson	Eytan	3	5	
Hewett	Chris	9	11	
Hodson	Brad	9	11	
Hofmeyer	Mark	5	5	
Hunter	Glen	5	5	Treasurer (8/2/22 to 30/6/22)
Ince	Shane	9	11	
Jackson	Barry	10	11	Vice President
Jones	Gerard	4	8	Resigned 9/3/22
Kennedy	Shannon	8	11	
Lavee	Tal	10	11	

OPERATING REPORT continued
for the year ended 30 June 2022

Lipson	Jason	10	11	
Loney	Shane	10	11	
Lucas	Tony	10	11	President (8/2/22 to 30/6/22)
Mascaro	Franco	4	6	
Massy-Green	James	4	5	
McCallum	Andrew	1	6	
Moir	Jack	4	5	
Munro	Jeffrey	5	6	
Pavlou	Greg	5	5	
Pavlou	John	11	11	
Peatfield	Philip	5	6	Vice President (Group Airlines) (1/7/21 to 7/2/22)
Roche	Stewart	4	6	
Rogers	Gareth	3	11	
Rooke	Brent	1	6	
Salt	Adrian	4	5	
Schweighoffer	Kurt	3	11	
Smith	Benjamin	4	5	
Stahl	Andrew	5	11	Vice President
Trethowan	Ashley	6	9	
Turton	Jason	0	5	
Watling	Chris	9	11	
Williams	Mark	10	11	
Winslow	Alex	10	11	Assistant Secretary (8/2/22 to 30/6/22)
Wirth	James	5	11	
Woodbury	Robert	5	11	Resigned 13/5/22

Ashley Trethowan held a position from 1 July 2021 to 7 February 2022 and from 5 April 2022 to 30 June 2022.

Michael Armessen, Darren Arthur, Paul Bond, Murray Butt, Andrew Coates, Rodney Duncan, Mathew Evans, Mark Gilmour, Franco Mascaro, Andrew McCallum, Jeffery Munro, Philip Peatfield, Stewart Roche and Brent Rooke held a position from 1 July 2021 to 7 February 2022.

Brook Armstrong, Corey Beer, David Bluston, Steven Cornell, Christopher Doran, Simon Gould, Eytan Herson, Mark Hofmeyer, Glen Hunter, James Massy-Greene, Jack Moir, Greg Pavlou, Adrian Salt, Benjamin Smith and Jason Turton held a position from 8 February 2022 to 30 June 2022.

Unless otherwise specified, all other committee members and office bearers held their positions for the entire financial year.

Name title and signature of designated officer/s who prepared this report:



Tony Lucas, President
Dated: 13 September 2022



Glen Hunter, Treasurer
Dated: 13 September 2022

COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 30 June 2022

On 13 September 2022 the Committee of Management of the Australian and International Pilots Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2022:

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 Association for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the Association have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the Association have been kept and maintained in accordance with the RO Act; and
 - (iv) 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 Association or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance;

This declaration is made in accordance with a resolution passed by the Committee of Management of the Association at its meeting dated 13 September 2022.

Signature of designated officer:



Name and title of designated officer:

David Backhouse, Secretary

Dated:

13 September 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue from contracts with customers	3		
Membership subscriptions		3,404,905	1,511,344
Capitation fees		-	-
Levies		-	-
Revenue from recovery of wages activity		-	-
Total revenue from contracts with customers		3,404,905	1,511,344
Income for furthering objectives	3		
Grants and/or donations	3A	-	5,000
Income recognised from volunteer services		-	-
Total income for furthering objectives		-	5,000
Other income			
Interest received on bank deposits	3B	26,613	95,303
Other income	3C	136,116	379,509
Total other income		162,729	474,812
Total income		3,567,634	1,991,156
Expenses			
Employee expenses	4A	1,466,749	1,526,697
Capitation fees		-	-
Affiliation fees	4B	59,798	44,950
Administration expenses	4C	1,207,095	1,321,929
Grants or donations	4D	20,750	2,455
Depreciation and amortisation	4E	162,631	167,032
Legal costs	4F	196,020	486,150
Audit fees	16	31,100	31,598
Other expenses	4G	-	-
Total expenses		3,144,143	3,580,811
Surplus/(Deficit) for the year		423,491	(1,589,655)
Other comprehensive income		-	-
Total comprehensive income for the year		423,491	(1,589,655)

The above statement should be read in conjunction with the notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

		2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	8,474,781	7,535,941
Trade and other receivables	6	252	-
Other current assets	7	52,806	107,451
TOTAL CURRENT ASSETS		8,527,839	7,643,392
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,606,847	1,760,849
TOTAL NON-CURRENT ASSETS		1,606,847	1,760,849
TOTAL ASSETS		10,134,686	9,404,241
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	9	1,091,054	799,223
Other payables	10	15,000	42,988
Provisions - employee benefits	11	282,112	224,755
TOTAL CURRENT LIABILITIES		1,388,166	1,066,966
NON-CURRENT LIABILITIES			
Provisions - employee benefits	11	93,052	107,298
TOTAL NON-CURRENT LIABILITIES		93,052	107,298
TOTAL LIABILITIES		1,481,218	1,174,264
NET ASSETS		8,653,468	8,229,977
EQUITY			
Retained earnings	13	8,653,468	8,229,977
TOTAL EQUITY		8,653,468	8,229,977

The above statement should be read in conjunction with the notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	Retained Earnings
	\$
Balance as at 1 July 2020	9,819,632
Deficit for the year	(1,589,655)
Closing balance as at 30 June 2021	8,229,977
Surplus for the year	423,491
Closing balance as at 30 June 2022	<u>8,653,468</u>

The above statement should be read in conjunction with the notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

		2022 \$	2021 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and others		3,875,951	2,144,529
Interest		16,821	69,370
Receipts from other reporting units/controlled entities		-	-
		3,892,772	2,213,900
Cash used			
Employees		(1,466,749)	(1,526,697)
Suppliers		(1,478,554)	(1,925,962)
Payments to other reporting and controlled entities		-	-
		(2,945,303)	(3,452,659)
Net cash provided by/(used in) operating activities	12	947,469	(1,238,759)
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		(8,629)	(21,836)
Net cash used in investing activities		(8,629)	(21,836)
Net increase/(decrease) in cash held		938,840	(1,260,595)
Cash and cash equivalents at the beginning of the reporting period		7,535,941	8,796,536
Cash and cash equivalents at the end of the reporting period	5	8,474,781	7,535,941

The above statement should be read in conjunction with the notes.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 1 Summary of Significant Accounting Policies

Basis of preparation of the Financial Statements

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

The consolidated 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 debt and equity financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment and investment properties, 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.

The following is a summary of the material policies adopted in the preparation of the financial statements.

(a) Going Concern

The Association ability to continue as a going concern is not reliant on the financial support of another reporting unit.

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

(b) Comparative Amounts

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

(c) Significant accounting judgements and estimates

No accounting assumptions or estimates, except for accrual for loss of flying, have been identified that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the reporting period.

(d) New Australian Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2022. The Association's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Association, is considered not significant.

(e) New and Amended Accounting Standards Adopted by the Entity

There are no new or amended accounting standards which had an impact on the Entity during this reporting period.

(f) Basis of consolidation

The consolidated financial statements consolidate those of the Parent Entity, Australian and International Pilots Association and its only wholly owned subsidiary, 247 Coward Street Pty Limited as of 30 June 2022. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All transactions and balances between Group companies are eliminated on consolidation.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(g) Revenue

The Association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

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 Association has a contract with a customer, it recognises revenue when or as it transfers control of goods or services to the customer. Association 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.

Membership Subscription

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 the Association.

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

Interest Income

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

Income of the Australian and International Pilots Association as a Not-for-Profit Entity

Consideration is received by the Association to enable the entity to further its objectives. The Association recognises each of these amounts of consideration as income when the consideration is received (which is when the Association obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Association's recognition of the cash contribution does not give to any related liabilities.

During the year, the Association received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government grants - subsidies

Volunteer Services

During the year, the Association did not recognise any volunteer services as revenue because it could not reliably measure the fair value of those services.

Membership levies

Membership levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(h) Employee benefits

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

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

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

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

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

(i) Current versus non-current classification

The Association 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
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Association classifies all other liabilities as non-current.

(j) 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 Tax Office.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(k) Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(l) Financial instruments

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

(m) Financial Assets

Contract assets and receivables

A contract asset is recognised when the Association's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Association's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Australian and International Pilots Association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Association initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Association's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Association commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

The entity's financial assets comprise receivables only and are recognised at amortised cost.

Note 1 Summary of Significant Accounting Policies (Cont'd)

Financial assets at amortised cost

The Association measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Association's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through other comprehensive income

The Association measures debt instruments at fair value through other comprehensive income (OCI) if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Association's debt instruments at fair value through other comprehensive income includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Association can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Union benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Association elected to classify irrevocably its listed and non-listed equity investments under this category.

Note 1 Summary of Significant Accounting Policies (Cont'd)

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Association has transferred substantially all the risks and rewards of the asset, or
 - b) the Association has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Association has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Association continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Note 1 Summary of Significant Accounting Policies (Cont'd)

Impairment

Expected credit losses

(i) Debt instruments other than trade receivables

The Association recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. :

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Association considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, Association may also consider a financial asset to be in default when internal or external information indicates that Association is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Trade receivables

For trade receivables that do not have a significant financing component, the Association applies a simplified approach in calculating ECLs. Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(n) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Association's financial liabilities include trade and other payables.

Note 1 Summary of Significant Accounting Policies (Cont'd)

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(o) 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 Association transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when Association 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 or all of the consideration received (or receivable) from a customer. Association's refund liabilities arise from customers' right of return. The liability is measured at the amount Association's ultimately expects it will have to return to the customer. Association updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(p) 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.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(q) Land, Buildings, Plant and Equipment

Asset Recognition Threshold

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

Land and Buildings

Following initial recognition at cost, land and buildings are carried at cost less subsequent accumulated depreciation and accumulated impairment losses. Fair value of land and buildings was assessed at \$3,500,000 by Valuecorp, an accredited independent valuer, in June 2017.

As uncertainty in the valuation exists due to limited comparable sales and rental evidence in the area, market values may change significantly and unexpectedly over a relatively short period, and there is no assurance the assessed market estimate could be realised if the property were offered for sale in an uncertain market. For these reasons a more conservative approach is taken and a revaluation adjustment has not been made.

Depreciation

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

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

	2022	2021
Land and Buildings	40 years	40 years
Plant and equipment (including Fit Outs)	3 to 10 years	3 to 10 years

Derecognition

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

(r) Impairment of non-financial Assets

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

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Association was deprived of the asset, its recoverable amount is its fair value.

In other cases, for the purposes of determining recoverable amount, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(s) Taxation

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

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

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

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

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

(t) Fair Value Measurement

The Australian and International Pilots Association measures financial instruments, such as, financial assets at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 18A.

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Association determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

- (i) 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.
- (ii) 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.
- (iii) A reporting unit must comply with an application made under subsection (1).

Note 3 Income

2022	2021
\$	\$

Disaggregation of revenue from contracts with customers

A disaggregation of Association's revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

Type of customer

Members	3,404,905	1,511,344
	<u>3,404,905</u>	<u>1,511,344</u>

Disaggregation of income for furthering activities

A disaggregation of Association's income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets a disaggregation of income by funding source:

Income funding sources

Other parties	-	5,000
	<u>-</u>	<u>5,000</u>

Note 3 Income (Cont'd)

	2022 \$	2021 \$
3A Grants and / or donations		
Grants	-	-
Donations	-	5,000
	<u>-</u>	<u>5,000</u>
3B Interest received		
Term Deposits	<u>26,613</u>	<u>95,303</u>
3C Other income		
Advertising income	-	-
Government subsidy	136,116	378,850
Commissions received	-	659
	<u>136,116</u>	<u>379,509</u>

Note 4 Expenses
4A Employee expenses
Holders of office:

	2022 \$	2021 \$
Salaries and wages	-	87,390
Superannuation	-	1,192
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>-</u>	<u>88,582</u>

Employees other than office holders:

	2022	2021
Salaries and wages	1,289,049	1,234,734
Superannuation	134,590	124,601
Leave and other entitlements	43,110	78,780
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>1,466,749</u>	<u>1,438,115</u>

Total employee expenses

1,466,749	1,526,697
------------------	------------------

Note 4 Expenses (Cont'd)

4B Affiliation fees

	2022	2021
	\$	\$
Australian Council of Trade Unions	11,760	12,320
International Federation of Air Line Pilots Associations (IFALPA)	48,038	32,630
Total Affiliation fees	59,798	44,950

4C Administration expenses

Total paid to employers for payroll deductions	-	-
Compulsory Levies	-	-
Conference and meeting expenses	62,713	4,760
Contractors/consultants	481,556	446,921
Fees/allowances - meetings and conferences	-	-
Financial support to other reporting units	-	-
Media, public and government relations	50,840	221,321
Payroll tax	1,455	14,857
Printing, postage, stationary and promotional items	9,830	18,784
Property expenses	55,264	49,639
Reimburse lost flying	180,000	180,000
information communications technology	178,300	185,982
Insurance	53,428	82,147
Other administration expenses	133,709	117,518
Total administration expense	1,207,095	1,321,929

4D Grants or donations

Grants

- total paid that were \$1000 or less	-	-
- total paid that exceeded \$1000	-	-

Donations

- total paid that were \$1000 or less	-	455
- total paid that exceeded \$1000	20,750	2,000
Total grants or donations	20,750	2,455

Note 4 Expenses (Cont'd)

4E Depreciation and amortisation

	2022	2021
	\$	\$
Depreciation		
Land and building	56,054	56,054
Plant and equipment	106,577	110,978
Total Depreciation	162,631	167,032

4F Legal costs

Litigation	196,020	486,150
Other legal costs	-	-
Total legal costs	196,020	486,150

4G Other expenses

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

Note 5 Cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank	6,129,259	2,690,796
Cash on hand	290	290
Short term deposits	2,345,232	4,844,855
	8,474,781	7,535,941

Note 6 Trade and other receivables

	2022	2021
	\$	\$
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Trade debtors	252	-
GST receivable	-	-
Government subsidy receivable	-	-
Total trade and other receivables	252	-

Association has recognised the following assets and liabilities related to contracts with customers:

Receivables - current	252	-
Receivables - non-current	-	-
	252	-

Note 7 Other assets

	2022	2021
	\$	\$
Prepayments	43,013	107,444
Accrued Interest	9,793	7
Total other current assets	52,806	107,451

Note 8 Property, plant and equipment

	2022 \$	2021 \$
Strata property		
At cost	2,242,166	2,242,166
Less accumulated depreciation	(920,581)	(864,527)
Net strata property	1,321,585	1,377,639
Plant and equipment		
At cost	382,552	379,765
Less accumulated depreciation	(260,309)	(196,028)
Net plant and equipment	122,243	183,737
Office Fit Out		
At cost	364,536	364,536
Less accumulated depreciation	(201,517)	(165,063)
Net office fit out	163,019	199,473
	1,606,847	1,760,849

Movement in the carrying amounts for each class of property, plant and equipment

2022	Plant and Equipment \$	Strata Property \$	Office Fit Out \$	Total \$
Opening balance at cost	328,201	2,242,166	364,536	2,934,903
Accumulated depreciation	(144,464)	(864,527)	(165,063)	(1,174,054)
Net value	183,737	1,377,639	199,473	1,760,849
Additions	8,629	-	-	8,629
Disposals	-	-	-	-
Depreciation	(70,123)	(56,054)	(36,454)	(162,631)
Carrying amount at the end of the year	122,243	1,321,585	163,019	1,606,847
2021	Plant and Equipment \$	Strata Property \$	Office Fit Out \$	Total \$
Opening balance at cost	328,201	2,242,166	1,391,069	3,961,436
Accumulated depreciation	(86,467)	(808,473)	(1,155,142)	(2,050,082)
Net value	241,734	1,433,693	235,927	1,911,354
Additions	21,836	-	-	21,836
Disposals	(5,309)	-	-	(5,309)
Depreciation	(74,524)	(56,054)	(36,454)	(167,032)
Carrying amount at the end of the year	183,737	1,377,639	199,473	1,760,849

Note 9 Trade payables

	2022 \$	2021 \$
Trade creditors and accruals	1,091,054	799,223
Payables to other reporting units	-	-
	1,091,054	799,223

Note 10 Other payables

	2022 \$	2021 \$
Superannuation	-	12,438
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Other Legal costs on behalf of members	15,000	30,550
Litigation	-	-
Other legal costs	-	-
	15,000	42,988

The settlement for trade and other payable is usually made within 30 days

Note 11 Provisions - employee benefits

	2022 \$	2021 \$
Office holders		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions - office holders	-	-
Employees other than office holders		
Annual leave	228,720	189,507
Long service leave	146,444	142,546
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – employees other than office holders	375,164	332,053
Total employee provisions	375,164	332,053
 Current	 282,112	 224,755
Non-current	93,052	107,298
Total employee provisions	375,164	332,053

Note 12 Cash Flow

Cash flow reconciliation

	2022 \$	2021 \$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per		
Statement of cash flow	8,474,781	7,535,941
Statement of financial position	8,474,781	7,535,941
Difference	-	-
Reconciliation of surplus to net cash from operating activities		
Surplus/(Deficit) for the year	423,491	(1,589,655)
Adjustments for non-cash items		
Depreciation/amortisation	162,631	167,032
Net write-down of non-financial assets	-	5,309
Changes in assets/liabilities		
(Increase) decrease in net receivables	(252)	78,011
(Increase) decrease in accrued interest	(9,786)	21,773
(Increase) decrease in other assets	64,431	28,047
Increase (decrease) in other creditors and provisions	334,942	68,200
Increase (decrease) in other liabilities	(27,988)	(17,476)
Net cash provided by/(used in) operating activities	947,469	(1,238,759)

Note 13 Equity

	2022 \$	2021 \$
13A Retained earnings		
Balance at the beginning of the year	8,229,977	9,819,632
Surplus/(Deficit) for the year	423,491	(1,589,655)
Balance at the end of the year	8,653,468	8,229,977
13B Other specific disclosures - funds		
Compulsory levy/Voluntary contribution fund - if invested in assets	-	-
Other funds required by rules	-	-
	-	-

Note 14 Commitments and contingencies

As at 30 June 2022 the Association:

- did not have any capital commitments
- did not have any lease commitments
- was not aware of any contingent assets or liabilities

Note 15 Related party information

15A Related party transactions for the reporting period

There were no related party transactions for the year ended 30 June 2022. (2021: NIL)

15B Key Management Personnel Remuneration for the Reporting Period

	2022 \$	2021 \$
Short-term employee benefits		
Salary (including annual leave taken)	223,384	112,775
Performance bonus	-	-
Total short-term employee benefits	223,384	112,775
Post-employment benefits		
Superannuation	22,355	3,603
Total post-employment benefits	22,355	3,603
Other long-term benefits		
Long-service leave	5,584	635
Total other long-term benefits	5,584	635
Termination benefits	-	-
Total	251,323	117,013

15C Transactions with Key Management Personnel and their Close Family Members

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing, and controlling the activities of the Association, directly or indirectly, are considered key management personnel.

(b) Transactions with Key Management Personnel and their Families

	2022 \$	2021 \$
RosterSMS subscription fee paid to Mandoon Pty Ltd, a company wholly owned by Committee of Management member Andrew McCallum and his spouse.	-	13,532
Service fee paid to Crosby Textor Group, an entity that employs the spouse of Brad Hodson, a Vice-President of the Association. However, no financial benefits were received by Mr Hodson or his spouse from this entity arising from that arrangement.	-	241,004
	-	254,536

Note 16 Remuneration of Auditors

	2022 \$	2021 \$
Value of the services provided		
Financial statement audit services	26,000	26,000
Other services	5,100	5,598
Total remuneration of auditors	31,100	31,598

Other services include a review of engagement for the six months to 31 December 2021 and a review of the financial report.

Note 17 Financial Instruments

(a) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets is not material. The Association's exposure to interest rate risk is detailed in note 17F.

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying value of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of those financial statements and note 17D.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages that risk by preparing cash flow forecasts and only investing surplus cash. The Association's exposure to liquidity risk is disclosed in note 17E.

(d) Net Fair Values

Assets and liabilities have been valued at their net fair value at balance date. This value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying value exceeds fair net values have not been written down as the Association intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements and at note 17A.

Note 17A Categories of financial instruments

	2022 \$	2021 \$
Financial assets		
Cash	8,474,781	7,535,941
Trade and other receivables	252	-
Carrying amount of financial assets	8,475,033	7,535,941
Financial liabilities		
Trade payables	1,091,054	799,223
Other payables	15,000	42,988
Carrying amount of financial liabilities	1,106,054	842,211

Note 17B Net income and expense from financial assets

	2022 \$	2021 \$
Cash and cash equivalents		
- Interest	26,613	95,303
Net gain from financial assets	26,613	95,303

Note 17C Net income and expense from financial liabilities

There were no income and expense from financial liabilities for the year ended 30 June 2022. (2021: NIL)

Note 17D Credit risk

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

	2022 \$	2021 \$
Financial assets		
Cash and cash equivalents	8,474,781	7,535,941
Receivables	252	-
Total	8,475,033	7,535,941
Financial liabilities		
Trade payables	1,091,054	799,223
Other payables	15,000	42,988
	1,106,054	842,211

No assets have been pledged or held as collateral.

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

	Not past due or impaired 2022 \$	Past due or impaired 2022 \$	Not past due or impaired 2021 \$	Past due or impaired 2021 \$
Cash and cash equivalents	8,474,781	-	7,535,941	-
Receivables	252	-	-	-
	8,475,033	-	7,535,941	-

Ageing of financial assets that were past due by not impaired 2022:

	0-30 days \$	31-60 days \$	61-90 days \$	90+ days \$	Total \$
Cash and cash equivalents	8,474,781	-	-	-	8,474,781
Receivables	252	-	-	-	252
	8,475,033	-	-	-	8,475,033

Ageing of financial assets that were past due by not impaired 2021:

	0-30 days \$	31-60 days \$	61-90 days \$	90+ days \$	Total \$
Cash and cash equivalents	7,535,941	-	-	-	7,535,941
Receivables	-	-	-	-	-
	7,535,941	-	-	-	7,535,941

Note 17E Liquidity risk

Contractual maturities for financial liabilities 2022:

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	1,091,054	-	-	-	-	1,091,054
Other payables	15,000	-	-	-	-	15,000
Total	1,106,054	-	-	-	-	1,106,054

Contractual maturities for financial liabilities 2021:

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	799,223	-	-	-	-	799,223
Other payables	42,988	-	-	-	-	42,988
Total	842,211	-	-	-	-	842,211

Note 17F Interest rate risk

Sensitivity analysis of the risk that the Association is exposed to for 2022

	Change in risk variable %	Effect on	
		Profit and loss	Equity
		\$	\$
Interest rate risk	1%	85,000	85,000
Interest rate risk	-1%	(85,000)	(85,000)

Sensitivity analysis of the risk that the Association is exposed to for 2021

	Change in risk variable %	Effect on	
		Profit and loss	Equity
		\$	\$
Interest rate risk	1%	75,000	75,000
Interest rate risk	-1%	(75,000)	(75,000)

Note 17G Changes in liabilities arising from financing activities

	1 July 2021	Cash flows	30 June 2022
	\$	\$	\$
Trade payables	799,223	291,831	1,091,054
Other payables	42,988	(27,988)	15,000
	842,211	263,843	1,106,054
	1 July 2020	Cash flows	30 June 2021
	\$	\$	\$
Trade payables	809,801	(10,578)	799,223
Other payables	60,464	(17,476)	42,988
	870,265	(28,054)	842,211

Note 18 Fair value measurement

Note 18A Financial assets and liabilities

Management of the Association assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table contains the carrying amounts and related fair values for the Association's financial assets and

	Carrying Amount 2022 \$	Fair Value 2022 \$	Carrying Amount 2021 \$	Fair Value 2021 \$
Financial assets				
Cash and cash equivalents	8,474,781	8,474,781	7,535,941	7,535,941
Receivables	252	252	-	-
Total	8,475,033	8,475,033	7,535,941	7,535,941
Financial liabilities				
Trade payables	1,091,054	1,091,054	799,223	799,223
Other payables	15,000	15,000	42,988	42,988
Total	1,106,054	1,106,054	842,211	842,211

Note 18B Financial and non-financial assets and liabilities fair value hierarchy

All other financial and non-financial assets and liabilities are measured at level 1 of the fair value hierarchy.

Note 19 Parent Entity Information

Information relating to the Australian and International Pilots Association

	2022 \$	2021 \$
Statement of financial position		
Current assets	9,849,424	9,021,031
Non-current assets	285,262	383,210
Total assets	10,134,686	9,404,241
Current liabilities	1,388,166	1,066,966
Non-current liabilities	93,052	107,298
Total liabilities	1,481,218	1,174,264
Net assets	8,653,468	8,229,977
Statement of comprehensive income		
Surplus/(Deficit) for the year	423,491	(1,589,655)

Note 20 Events after the Reporting Period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Australian and International Pilots Association is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the reporting unit. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the reporting unit, the results of those operations, or the state of affairs of the Australian and International Pilots Association in subsequent financial periods.

OFFICER DECLARATION STATEMENT
for the year ended 30 June 2022

I, David Backhouse, being the Secretary of the Australian and International Pilots Association, declare that the following activities did not occur during the year ending 30 June 2022.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Name of prescribed designated officer:

David Backhouse

Title of prescribed designated officer:

Secretary

Dated:

13 September 2022