



Fair Work
Commission

16 November 2023

John Pavlou
Secretary
Australian and International Pilots Association

Sent via email: office@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 2023 – FR2023/150**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Australian and International Pilots Association (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 13 November 2023.

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

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 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.

If you have any queries regarding this letter, please contact me on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely

KEN MORGAN
Assistant Director, Financial Analysis
Registered Organisations Services Branch



Australian and International Pilots Association and Controlled Entity

Financial Statements 2022-2023

Contents	Page
Independent Audit Report	1
Report required under subsection 255(2A)	4
Operating Report	5
Committee of Management Statement	8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Consolidated Financial Statements	13
Officer Declaration Statement	36
Certificate by Prescribed Designated Officer	37



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 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2023, 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 2023, 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.

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.



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.

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

Dated at Sydney, this 16th of October 2023

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2023**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Association for the year ended 30 June 2023.

Categories of expenditures	2023	2022
	\$	\$
Remuneration and other employment-related costs and expenses - employees	1,989,779	1,593,502
Advertising	-	-
Operating costs	1,403,595	1,191,990
Donations to political parties	-	-
Legal costs	396,115	196,020

Signature of prescribed designated officer:



Name of prescribed designated officer:

John Pavlou

Title of prescribed designated officer:

Secretary

Dated:

10 October 2023

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The Committee of Management presents its report on the Association for the financial year ended 30 June 2023.

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 \$682,359 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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

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 2,234 (2022: 2,022).

Number of employees

The number of persons who were, at the end of the reporting period, employees of the Association was 15 (2022: 13) 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 2023

Surname	Name	Attended	Held	Office bearer position
Anderson	Steven	0	2	Retired 30/8/22
Armstrong	Brook	1	7	Resigned 10/2/23
Arthur	Darren	2	8	
Aspinall	Michael	2	3	
Backhouse	David	1	4	Secretary (1/7/22 to 7/11/22)
Beer	Corey	9	12	
Bluston	David	4	8	Resigned 10/3/23
Brown	Cathy	8	12	Vice President (1/7/22 to 7/11/22)
Busby	Theron	6	12	Vice President ('A' Pilots)
Chetelat	Nicolas	3	8	
Conlon	Kieran	0	4	
Cornell	Steven	8	12	
Daniels	Paul	2	2	Resigned 23/12/22
Doran	Christopher	7	12	
Foo	Kristan	1	4	
Gill	Ryan	2	8	
Gould	Simon	4	12	Vice President (Group Airlines)
Herson	Eytan	4	12	
Hewett	Chris	12	12	
Hodson	Brad	3	4	
Hofmeyer	Mark	8	12	Vice President (8/11/22 to 30/6/23)
Holt	David	6	8	
Hunter	Glen	12	12	Treasurer
Ince	Shane	8	12	
Jackson	Barry	4	12	Vice President (1/7/22 to 7/11/22)
Kennedy	Shannon	2	4	
Lavee	Tal	3	4	
Lipson	Jason	9	12	Vice President (8/11/22 to 30/6/23)
Loney	Shane	9	12	
Lucas	Tony	12	12	President
Marshall	Andrew	5	8	
Massey-Gree	James	10	12	
Moir	Jack	6	12	
Pavlou	Greg	12	12	

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

Surname	Name	Attended	Held	Office bearer position
Pavlou	John	10	12	Secretary (8/11/22 to 30/6/23)
Peatfield	Philip	5	8	Vice President (8/11/22 to 30/6/23)
Roche	Stewart	1	3	
Ruedegger	Marc	1	3	
Rogers	Gareth	1	4	
Salt	Adrian	9	12	
Schweighoffe	Kurt	1	4	
Smith	Benjamin	10	12	
Smith	Matthew	8	8	
Stahl	Andrew	6	12	Vice President (1/7/22 to 7/11/22)
Taylor	Andrew	1	1	
Trethowan	Ashley	2	4	
Turton	Jason	5	12	
Watling	Chris	8	12	
Williams	Mark	3	4	
Winslow	Alex	12	12	Assistant Secretary
Wirth	James	10	12	

Steven Anderson held a position from 1 July 2022 to 30 August 2022

Brook Armstrong held a position from 1 July 2022 to 10 February 2023

Michael Aspinall held a position from 9 August 2022 to 7 November 2022

David Bluston held a position from 1 July 2022 to 10 March 2023

Paul Daniels held a position from 8 November 2022 to 23 December 2022

Stewart Roche and Marc Ruedegger held a position from 26 April 2023 to 30 June 2023

Andrew Taylor held a position from 20 June 2023 to 30 June 2023

David Backhouse, Kieran Conlon, Kristan Foo, Brad Hodson, Shannon Kennedy, Tal Lavee, Gareth Rogers, Kurt Schweighoffer, Ashley Trethowan and Mark Williams held a position from 1 July 2022 to 7 November 2022

Darren Arthur, Nicolas Chetelat, Ryan Gill, David Holt, Andrew Marshall, Philip Peatfield and Matthew Smith held a position from 8 November 2022 to 30 June 2023.

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: 10 October 2023



Glen Hunter, Treasurer
Dated 10 October 2023

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

On 10 October 2023 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 2023:

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 General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance;

This declaration is made in accordance with a resolution passed by the Committee of Management of the Association at its meeting dated 10 October 2023.



Signature of designated officer:

Name and title of designated officer:

John Pavlou, Secretary

Dated this

10 October 2023

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
Revenue from contracts with customers	3		
Membership subscriptions		4,518,427	3,404,905
Capitation fee and other revenue from another reporting unit	3A	-	-
Compulsory levies	3B	-	-
Revenue from recovery of wages activity	3C	-	-
Total revenue from contracts with customers		4,518,427	3,404,905
Income for furthering objectives	3		
Grants and/or donations	3D	-	-
Income recognised from volunteer services	3E	-	-
Total income for furthering objectives		-	-
Other income			
Interest received on bank deposits	3F	150,354	26,613
Other income	3G	536	136,116
Total other income		150,890	162,729
Total income		4,669,317	3,567,634
Expenses			
Employee expenses	4A	1,989,779	1,593,502
Capitation fees and other expense to another reporting unit	4B	-	-
Affiliation fees	4C	79,383	59,798
Administration expenses	4D	1,220,656	1,080,342
Grants or donations	4E	68,736	20,750
Depreciation and amortisation	4F	197,469	162,631
Legal costs	4G	396,115	196,020
Audit fees	16	34,820	31,100
Other expenses	4H	-	-
Total expenses		3,986,958	3,144,143
Surplus for the year		682,359	423,491
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss:			
- Asset revaluation increment		383,003	-
Total comprehensive income for the year		1,065,362	423,491

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

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Notes	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	9,489,205	8,474,781
Trade and other receivables	6	114,533	10,045
Other current assets	7	47,437	43,013
TOTAL CURRENT ASSETS		9,651,175	8,527,839
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,841,201	1,606,847
TOTAL NON-CURRENT ASSETS		1,841,201	1,606,847
TOTAL ASSETS		11,492,376	10,134,686
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	9	1,182,485	1,091,054
Other payables	10	193,854	15,000
Provisions - employee benefits	11	328,121	282,112
TOTAL CURRENT LIABILITIES		1,704,460	1,388,166
NON-CURRENT LIABILITIES			
Provisions - employee benefits	11	69,086	93,052
TOTAL NON-CURRENT LIABILITIES		69,086	93,052
TOTAL LIABILITIES		1,773,546	1,481,218
NET ASSETS		9,718,830	8,653,468
EQUITY			
General funds	13A	9,335,827	8,653,468
Reserve	13B	383,003	-
TOTAL EQUITY		9,718,830	8,653,468

The above statement should be read in conjunction with the notes

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Asset revaluation reserve	General funds	Total
	\$	\$	\$
Balance as at 1 July 2021	-	8,229,977	8,229,977
Surplus for the year	-	423,491	423,491
Other comprehensive income	-	-	-
Balance as at 30 June 2022	-	8,653,468	8,653,468
Surplus for the year	-	682,359	682,359
Other comprehensive income	383,003	-	383,003
Balance as at 30 June 2023	383,003	9,335,827	9,718,830

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

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and others		4,847,451	3,875,951
Interest		45,615	16,821
Receipts from other reporting units	12(b)	-	-
		<u>4,893,066</u>	<u>3,892,772</u>
Cash used			
Payments to employees		(1,989,779)	(1,466,749)
Payments to suppliers		(1,840,043)	(1,478,554)
Payments to other reporting units	12(b)	-	-
		<u>(3,829,822)</u>	<u>(2,945,303)</u>
Net cash provided by operating activities	12(a)	<u>1,063,244</u>	<u>947,469</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		<u>(48,820)</u>	<u>(8,629)</u>
Net cash used in investing activities		<u>(48,820)</u>	<u>(8,629)</u>
Net increase in cash held		1,014,424	938,840
Cash and cash equivalents at the beginning of the reporting period		8,474,781	7,535,941
Cash and cash equivalents at the end of the reporting period	5	<u>9,489,205</u>	<u>8,474,781</u>

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

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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 2023. 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 2023. 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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

(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 and cash equivalents

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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

(q) Property, 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.

Building, plant and equipment

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

Land

Following initial recognition at cost, land is carried at cost. Fair value of land estimated based on values provided by the NSW Land Registry Services based on the Valuer General NSW for rating purposes.

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

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

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:

	2023	2022
Building	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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

(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 as 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.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 2 Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Institute, the results of those operations, or the state of affairs of the Institute in subsequent financial periods.

Note 3 Income

2023	2022
\$	\$

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

Type of customer

Members	4,518,427	3,404,905
	4,518,427	3,404,905

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	-	-
	-	-

3A Capitation fees and other revenue from another reporting unit

Capitation fees	-	-
Other revenue from another reporting unit	-	-
	-	-

3B Compulsory levies

Total compulsory levies	-	-
	-	-

3C Revenue from recovery of wages activity

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
	-	-

3D Grants and / or donations

Grants	-	-
Donations	-	-
	-	-

3E Income recognised from volunteer services

Amounts recognised from volunteer services	-	-
Total income recognised from volunteer services	-	-

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 3 Income (Cont'd)

	2023 \$	2022 \$
3F Interest received		
Term deposits	<u>150,354</u>	<u>26,613</u>
3G Other income		
Government subsidy	-	136,116
Other income	<u>536</u>	<u>-</u>
	<u>536</u>	<u>136,116</u>

Note 4 Expenses

4A Employee expenses	2023 \$	2022 \$
Holders of office:		
Salaries and wages (includes honorariums)	218,560	220,000
Superannuation	9,598	22,000
Leave and other entitlements	635	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>228,793</u>	<u>242,000</u>
Employees other than office holders:		
Salaries and wages	1,582,130	1,195,802
Superannuation	157,447	112,590
Leave and other entitlements	21,409	43,110
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>1,760,986</u>	<u>1,351,502</u>
Total employee expenses	<u>1,989,779</u>	<u>1,593,502</u>
4B Capitation fees and other expense to another reporting unit		
Capitation fees	-	-
Other expense to another reporting unit	-	-
	<u>-</u>	<u>-</u>
4C Affiliation fees		
Australian Council of Trade Unions	11,999	11,760
International Federation of Air Line Pilots Associations (IFALPA)	67,384	48,038
Total Affiliation fees	<u>79,383</u>	<u>59,798</u>

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 4 Expenses (Cont'd)

	2023	2022
	\$	\$
4D Administration expenses		
Total paid to employers for payroll deductions	-	-
Compulsory Levies	-	-
Conference and meeting expenses	63,658	62,713
Contractors/consultants	429,789	354,803
Media, public and government relations	65,766	50,840
Payroll tax	37,298	1,455
Printing, postage, stationary and promotional items	35,248	9,830
Property expenses	64,313	55,264
Reimburse lost flying	-	180,000
Information communications technology	225,931	178,300
Insurance	55,725	53,428
Other administration expenses	242,928	133,709
Total administration expense	1,220,656	1,080,342
4E Grants or donations		
Grants		
- total paid that were \$1000 or less	-	-
- total paid that exceeded \$1000	-	-
Donations		
- total paid that were \$1000 or less	-	-
- total paid that exceeded \$1000	68,736	20,750
Total grants or donations	68,736	20,750
4F Depreciation and amortisation		
Depreciation		
Building	85,286	56,054
Plant and equipment	112,183	106,577
Total Depreciation	197,469	162,631
4G Legal costs		
Litigation	396,115	196,020
Other legal costs	-	-
Total legal costs	396,115	196,020
4H Other expenses		
Penalties - via RO Act or the <i>Fair Work Act 2009</i>	-	-

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 5 Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank	4,878,649	6,129,259
Cash on hand	100	290
Short term deposits	4,610,456	2,345,232
	<u>9,489,205</u>	<u>8,474,781</u>

Note 6 Trade and other receivables

	2023 \$	2022 \$
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Trade debtors	-	252
Accrued interest income	114,533	9,793
Total trade and other receivables	<u>114,533</u>	<u>10,045</u>

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

Receivables - current	-	252
Receivables - non-current	-	-
	<u>-</u>	<u>252</u>

Note 7 Other assets

	2023 \$	2022 \$
Prepayments	47,437	43,013
Total other current assets	<u>47,437</u>	<u>43,013</u>

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 8 Property, plant and equipment

	2023 \$	2022 \$
Strata property- Land		
At Valuer General NSW valuation	507,554	124,551
Strata property- Building	2,117,615	2,117,615
At cost	<u>(1,005,867)</u>	<u>(920,581)</u>
Less accumulated depreciation	<u>1,111,748</u>	<u>1,197,034</u>
Net strata property		
Plant and equipment		
At cost	419,927	382,552
Less accumulated depreciation	<u>(324,594)</u>	<u>(260,309)</u>
Net plant and equipment	<u>95,333</u>	<u>122,243</u>
Office Fit Out		
At cost	364,536	364,536
Less accumulated depreciation	<u>(237,970)</u>	<u>(201,517)</u>
Net office fit out	<u>126,566</u>	<u>163,019</u>
	<u>1,841,201</u>	<u>1,606,847</u>

Fair value of the Association's land is estimated based on values provided by the NSW Land Registry Services based on the Valuer General NSW for rating purposes. The value of land is based on the basis of freehold value excluding any structural improvement.

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

2023	Land	Building \$	Plant and Equipment \$	Office Fit Out \$	Total \$
Opening balance at cost	124,551	2,117,615	336,830	364,536	2,943,532
Accumulated depreciation	-	(920,581)	(214,587)	(201,517)	(1,336,685)
Net value	<u>124,551</u>	<u>1,197,034</u>	<u>122,243</u>	<u>163,019</u>	<u>1,606,847</u>
Revaluation	383,003	-	-	-	383,003
Additions	-	-	48,820	-	48,820
Disposals	-	-	-	-	-
Depreciation	-	(85,286)	(75,730)	(36,453)	(197,469)
Carrying amount at the end of the year	<u>507,554</u>	<u>1,111,748</u>	<u>95,333</u>	<u>126,566</u>	<u>1,841,201</u>
2022	Land	Building \$	Plant and Equipment \$	Office Fit Out \$	Total \$
Opening balance at cost	124,551	2,117,615	328,201	364,536	2,934,903
Accumulated depreciation	-	(864,527)	(144,464)	(165,063)	(1,174,054)
Net value	<u>124,551</u>	<u>1,253,088</u>	<u>183,737</u>	<u>199,473</u>	<u>1,760,849</u>
Additions	-	-	8,629	-	8,629
Disposals	-	-	-	-	-
Depreciation	-	(56,054)	(70,123)	(36,454)	(162,631)
Carrying amount at the end of the year	<u>124,551</u>	<u>1,197,034</u>	<u>122,243</u>	<u>163,019</u>	<u>1,606,847</u>

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 9 Trade payables

	2023 \$	2022 \$
Trade creditors and accruals	1,182,485	1,091,054
Payables to other reporting units	-	-
	1,182,485	1,091,054

Note 10 Other payables

	2023 \$	2022 \$
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Other Legal costs on behalf of members	95,667	15,000
Litigation	-	-
Other legal costs	-	-
Withholding Tax	34,878	-
GST Payable	63,309	-
	193,854	15,000

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

Note 11 Provisions - employee benefits

	2023 \$	2022 \$
Office holders		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	-	-
Employees other than office holders		
Annual leave	264,254	228,720
Long service leave	132,953	146,444
Separations and redundancies	-	-
Other	-	-
	397,207	375,164
Total employee provisions	397,207	375,164
Current	328,121	282,112
Non-current	69,086	93,052
Total employee provisions	397,207	375,164

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 12 Cash Flow

(a) Cash flow reconciliation

	2023 \$	2022 \$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per		
Statement of cash flow	9,489,205	8,474,781
Statement of financial position	9,489,205	8,474,781
Difference	-	-
Reconciliation of surplus to net cash from operating activities		
Surplus for the year	682,359	423,491
Adjustments for non-cash items		
Depreciation/amortisation	197,469	162,631
Changes in assets/liabilities		
(Increase) decrease in receivables	(104,488)	(10,038)
(Increase) decrease in other assets	(4,424)	64,431
Increase (decrease) in other creditors and provisions	113,474	334,942
Increase (decrease) in other liabilities	178,854	(27,988)
Net cash provided by operating activities	1,063,244	947,469
(b) Cash inflow information		
Cash inflows		
Receipts/Transfers from other reporting units	-	-
Cash outflows		
Payments/Transfers to other reporting units	-	-

Note 13 Equity

	2023 \$	2022 \$
13A General funds		
Balance at the beginning of the year	8,653,468	8,229,977
Surplus for the year	682,359	423,491
Balance at the end of the year	9,335,827	8,653,468
13B Reserve		
Asset Revaluation Reserve		
Opening balance	-	-
Asset revaluation decrement on sale of freehold land and buildings	-	-
Transfer of gain on properties previously sold	-	-
Asset revaluation increment	383,003	-
Closing balance	383,003	-
13C Other specific disclosures - funds		
Compulsory levy/Voluntary contribution fund - if invested in assets	-	-
Other funds required by rules	-	-

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 14 Commitments and contingencies

As at 30 June 2023 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 2023. (2022: NIL)

15B Key Management Personnel Remuneration for the Reporting Period

	2023 \$	2022 \$
Short-term employee benefits		
Salary (including annual leave taken)	218,561	223,384
Performance bonus	-	-
Total short-term employee benefits	<u>218,561</u>	<u>223,384</u>
Post-employment benefits		
Superannuation	9,598	22,355
Total post-employment benefits	<u>9,598</u>	<u>22,355</u>
Other long-term benefits		
Long-service leave	635	5,584
Total other long-term benefits	<u>635</u>	<u>5,584</u>
Termination benefits	-	-
Total	<u>228,794</u>	<u>251,323</u>

Honorariums paid to selected officials are not included in the above remuneration figures. The honorariums are voluntary payments intended to cover the costs of holding office and are not considered remuneration. Honorariums are disclosed under other employee expenses (note 4A).

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**

The Association held funds in bank accounts (including a Term deposit) with Qudos Mutual Limited (trading as Qudos Bank) during the current period, an entity with which Barry Jackson, a Committee of Management member of the Association holds a paid position on the board of directors as Chair and Non-Executive Director.

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 16 Remuneration of Auditors

	2023	2022
	\$	\$
Value of the services provided		
Financial statement audit services	29,520	26,000
Other services	5,300	5,100
Total remuneration of auditors	34,820	31,100

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

	2023	2022
	\$	\$
Financial assets		
Cash	4,989,205	6,237,311
Held to maturity investments		
- Term deposits	4,500,000	2,237,470
Trade and other receivables	114,533	10,045
Carrying amount of financial assets	9,603,738	8,484,826
Financial liabilities		
Trade payables	1,182,485	1,091,054
Other payables	193,854	15,000
Carrying amount of financial liabilities	1,376,339	1,106,054

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 17B Net income and expense from financial assets

	2023 \$	2022 \$
Cash and cash equivalents		
- Interest	<u>150,354</u>	<u>26,613</u>
Net gain from financial assets	<u><u>150,354</u></u>	<u><u>26,613</u></u>

Note 17C Net income and expense from financial liabilities

There were no income and expense from financial liabilities for the year ended 30 June 2023. (2022: NIL)

Note 17D Credit risk

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

	2023 \$	2022 \$
Financial assets		
Cash and cash equivalents	4,989,205	6,237,311
Held to maturity investments	4,500,000	2,237,470
Receivables	114,533	10,045
Total	<u><u>9,603,738</u></u>	<u><u>8,484,826</u></u>
Financial liabilities		
Trade payables	1,182,485	1,091,054
Other payables	193,854	15,000
	<u><u>1,376,339</u></u>	<u><u>1,106,054</u></u>

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 2023 \$	Past due or impaired 2023 \$	Not past due or impaired 2022 \$	Past due or impaired 2022 \$
Cash and cash equivalents	4,989,205	-	6,237,311	-
Held to maturity investments	4,500,000	-	2,237,470	-
Receivables	114,533	-	10,045	-
	<u><u>9,603,738</u></u>	<u><u>-</u></u>	<u><u>8,484,826</u></u>	<u><u>-</u></u>

Ageing of financial assets that were past due but not impaired 2023:

	0-30 days \$	31-60 days \$	61-90 days \$	90+ days \$	Total \$
Cash and cash equivalents	4,989,205	-	-	-	4,989,205
Held to maturity investments	4,500,000	-	-	-	4,500,000
Receivables	114,533	-	-	-	114,533
	<u><u>9,603,738</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>9,603,738</u></u>

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

	0-30 days \$	31-60 days \$	61-90 days \$	90+ days \$	Total \$
Cash and cash equivalents	6,237,311	-	-	-	6,237,311
Held to maturity investments	2,237,470	-	-	-	2,237,470
Receivables	10,045	-	-	-	10,045
	<u><u>8,484,826</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>8,484,826</u></u>

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 17E Liquidity risk

Contractual maturities for financial liabilities 2023:

	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	1,182,485	-	-	-	1,182,485
Other payables	193,854	-	-	-	193,854
Total	1,376,339	-	-	-	1,376,339

Contractual maturities for financial liabilities 2022:

	< 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

Note 17F Interest rate risk

Sensitivity analysis of the risk that the Association is exposed to for 2023

	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	1%	45,000	45,000
Interest rate risk	-1%	(45,000)	(45,000)

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%	22,374	22,374
Interest rate risk	-1%	(22,374)	(22,374)

Note 17G Changes in liabilities arising from financing activities

	1 July 2022 \$	Cash flows \$	30 June 2023 \$
Trade payables	1,091,054	91,431	1,182,485
Other payables	15,000	178,854	193,854
	1,106,054	270,285	1,376,339
	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

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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 2023 \$	Fair Value 2023 \$	Carrying Amount 2022 \$	Fair Value 2022 \$
Financial assets				
Cash and cash equivalents	4,989,205	4,989,205	6,237,311	6,237,311
Held to maturity investments	4,500,000	4,500,000	2,237,470	2,237,470
Receivables	114,533	114,533	10,045	10,045
Total	9,603,738	9,603,738	8,484,826	8,484,826
Financial liabilities				
Trade payables	1,182,485	1,182,485	1,091,054	1,091,054
Other payables	193,854	193,854	15,000	15,000
Total	1,376,339	1,376,339	1,106,054	1,106,054

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

Fair value hierarchy – 30 June 2023

	Date of valuation 30/06/2023	Level 2 \$
Assets measured at fair value		
Land		507,554
Total		507,554

Except for the land which is measured at level 2 of fair value hierarchy as disclosed above, 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

	2023 \$	2022 \$
Statement of financial position		
Current assets	11,270,477	9,849,424
Non-current assets	221,899	285,262
Total assets	11,492,376	10,134,686
Current liabilities	1,704,460	1,388,166
Non-current liabilities	69,086	93,052
Total liabilities	1,773,546	1,481,218
Net assets	9,718,830	8,653,468
Statement of comprehensive income		
Surplus for the year	682,359	423,491

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 20 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 general manager:

- (i) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (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).

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
OFFICER DECLARATION STATEMENT**

I, John Pavlou, being the Secretary of the Australian and International Pilots Association, declare that the following activities did not occur during the year ending 30 June 2023.

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
- 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:

John Pavlou

Title of prescribed designated officer:

Secretary

Dated:

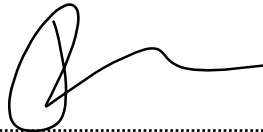
10 October 2023

**AUSTRALIAN AND INTERNATIONAL PILOTS ASSOCIATION
AND CONTROLLED ENTITY
S268 Fair Work (Registered Organisations) Act 2009
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 30 JUNE 2023**

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 2023 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 2 November 2023; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 7 November 2023 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:

7 November 2023