



24 January 2024

Louise Pole  
President  
Australian Federation of Air Pilots

Sent via email: [admin@afap.org.au](mailto:admin@afap.org.au)

CC: [info@eddypartners.com.au](mailto:info@eddypartners.com.au)

Dear Louise Pole

**Australian Federation of Air Pilots  
Financial Report for the year ended 30 June 2023 – FR2023/113**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Australian Federation of Air Pilots (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 14 December 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 call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**



## AUSTRALIAN FEDERATION OF AIR PILOTS

s.268 *Fair Work (Registered Organisations) Act 2009*

### Certificate By Prescribed Designated Officer

Certificate for the period ended 30 June 2023

I, Louise Pole, being the President of the Australian Federation of Air Pilots certify:

- that the documents lodged herewith are copies of the full report for the Australian Federation of Air Pilots for the period 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 29 November 2023; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 13 December 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Captain Louise Pole  
President  
Australian Federation of Air Pilots  
14 December 2023

**AUSTRALIAN FEDERATION OF AIR PILOTS**  
**ABN 63 230 452 036**

**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**AUSTRALIAN FEDERATION OF AIR PILOTS**  
**ABN 63 230 452 036**

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This financial report covers the Australian Federation of Air Pilots as an individual entity. The financial report is presented in the Australian currency.

The Australian Federation of Air Pilots is a registered body under the *Fair Work (Registered Organisations) Act 2009* and is domiciled in Australia. The objectives of the Federation include the protection and furthering of the interests of Air Pilots and to safeguard and improve the interests and rights of the members of the Federation.

*The principal place of business is:*

Australian Federation of Air Pilots  
Level 4  
132 -136 Albert Road  
SOUTH MELBOURNE VIC 3205

The financial report was authorised for issue by the committee of management on the 28<sup>th</sup> day of November 2023.

**AUSTRALIAN FEDERATION OF AIR PILOTS**  
**ABN 63 230 452 036**

**OPERATING REPORT**

Your Committee of Management present its report on the Australian Federation of Air Pilots (The Federation) for the financial year ended 30 June 2023.

**Members of finance committee**

<b><i>Name</i></b>	<b><i>Position</i></b>	
L Pole	President	
G Kailis	Vice President Membership	Retired 7 October 2022
M McGinnis	Vice President Membership	Appointed 24 April 2023
B Bollen	Vice President Administration and Finance	
R Nicholson	Trustee	
B Murray	Trustee	
G Brown	Trustee	

**Significant changes in financial affairs**

After being adversely impacted in the 2020/2021 financial year due to the Covid 19 pandemic and the associated Committee decision to waive subscriptions for part of the year, revenue broadly returned to pre-pandemic levels for the year ended 30 June 2023.

**Review of Principal activities and results of those activities and any significant changes in the nature of those activities during the year**

The principal activities of The Federation during the financial year were the protection and improvement of employment conditions for its members. No significant change in the nature of these activities occurred during the year.

A review of the operations of The Federation indicate that it continued to engage in its principal activity of representing commercial pilots in industrial, technical and operational matters. In pursuing these activities, The Federation has sought to protect and enhance the profession of air pilots through representation of individuals in grievances and disputes and by representing pilot groups in collective bargaining. In pursuing such, The Federation has initiated and activated legal and industrial action when appropriate. In enhancing the professional aspects of air pilotage, representations have been made to regulatory bodies, government inquiries and international forums when so required.

**Union details**

The number of equivalent full-time employees at 30 June 2023 was 17 (2022: 17.4)

The number of members at 30 June 2023 was 5,232 (2022: 5,341).

**OPERATING REPORT (Continued)**

**Right of members to resign**

Rule 2.7 sets out the terms under which a member of the Federation may resign. Any member may resign from membership by written notice addressed to and delivered to the Vice President (Administration and Finance). The notice of resignation takes effect:

(i) where the member ceases to be eligible to become a member of the Federation: (i) on the day on which the notice is received by the Federation, or (ii) on the day specified in the notice, whichever is later.

(ii) in any case, (i) at the end of 2 weeks after the notice is received by the Federation, or (ii) on the day specified in the notice, whichever is later.

**Directorships of Superannuation Fund**

To the best of our knowledge and belief, no officers or employees of the Federation are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee.

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

Signature of designated officer: Louise Pole

Name of designated officer: Louise Pole

Title of designated officer: President

Dated: 28<sup>th</sup> November 2023

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Revenue from contracts with customers</b>	4	<b>4,691,794</b>	4,258,086
<b>Other income</b>	5	<b>298,723</b>	200,662
<b>Total revenue</b>		<b><u>4,990,517</u></b>	<b><u>4,458,748</u></b>
<b>Expenses</b>			
Administration		(154,952)	(119,158)
Audit fee	7	(17,600)	(16,800)
Interest, bank charges and merchant fees		(43,733)	(41,664)
Communication		(29,493)	(26,001)
Depreciation and amortisation	8	(308,492)	(315,149)
Capitation and affiliation fees	9	(77,683)	(58,891)
Industrial		(127,755)	(42,757)
Legal costs	10	(31,478)	(36,904)
Meeting and conferences	11	(150,326)	(93,665)
Occupancy		(149,124)	(136,218)
Publications, advertising and marketing		(31,238)	(8,996)
Employee expenses	12	(3,011,105)	(2,595,180)
Technical		(187,376)	(24,223)
Welfare, grant and donation expenses	13	(62,783)	(101,949)
		<b><u>(4,383,138)</u></b>	<b><u>(3,617,555)</u></b>
<b>Surplus for the year</b>		<b><u>607,379</u></b>	<b><u>841,193</u></b>
<b>Surplus attributable to the members</b>	23	<b>607,379</b>	841,193
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year attributable to the members</b>		<b><u>607,379</u></b>	<b><u>841,193</u></b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**AUSTRALIAN FEDERATION OF AIR PILOTS**  
**ABN 63 230 452 036**

**BALANCE SHEET**  
**AS AT 30 JUNE 2023**

	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	<b>6,738,347</b>	5,834,040
Trade and other receivables	15	<b>85,743</b>	57,287
Other assets	16	<b>95,017</b>	46,084
<b>Total current assets</b>		<b>6,919,107</b>	5,937,411
<b>Non-current assets</b>			
Property, plant and equipment	17	<b>3,923,621</b>	4,111,452
Intangible assets	18	<b>3,051</b>	16,399
<b>Total non-current assets</b>		<b>3,926,672</b>	4,127,851
<b>Total assets</b>		<b>10,845,779</b>	10,065,262
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	19	<b>364,678</b>	363,017
Borrowings	20	<b>126,836</b>	124,326
Employee benefit obligations	21	<b>1,130,713</b>	1,088,565
Other liabilities	22	<b>1,444,857</b>	1,193,717
<b>Total current liabilities</b>		<b>3,067,084</b>	2,769,625
<b>Non-current liabilities</b>			
Borrowings	20	<b>384,750</b>	511,586
Employee benefit obligations	21	<b>19,965</b>	17,450
<b>Total non-current liabilities</b>		<b>404,715</b>	529,036
<b>Total liabilities</b>		<b>3,471,799</b>	3,298,661
<b>Net assets</b>		<b>7,373,980</b>	6,766,601
<b>EQUITY</b>			
Accumulated surplus	23	<b>7,373,980</b>	6,766,601
<b>Total equity</b>		<b>7,373,980</b>	6,766,601

The above balance sheet should be read in conjunction with the accompanying notes.



**AUSTRALIAN FEDERATION OF AIR PILOTS**  
**ABN 63 230 452 036**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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	<b>Accumulated surplus \$</b>	<b>Reserves \$</b>	<b>Total \$</b>
Balance at 1 July 2021	5,925,408	-	5,925,408
Surplus for the year	<u>841,193</u>	<u>-</u>	<u>841,193</u>
Balance at 30 June 2022	<u>6,766,601</u>	<u>-</u>	<u>6,766,601</u>
<b>Balance at 1 July 2022</b>	<b>6,766,601</b>	<b>-</b>	<b>6,766,601</b>
Surplus for the year	<u>607,379</u>	<u>-</u>	<u>607,379</u>
<b>Balance at 30 June 2023</b>	<u><b>7,373,980</b></u>	<u><b>-</b></u>	<u><b>7,373,980</b></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

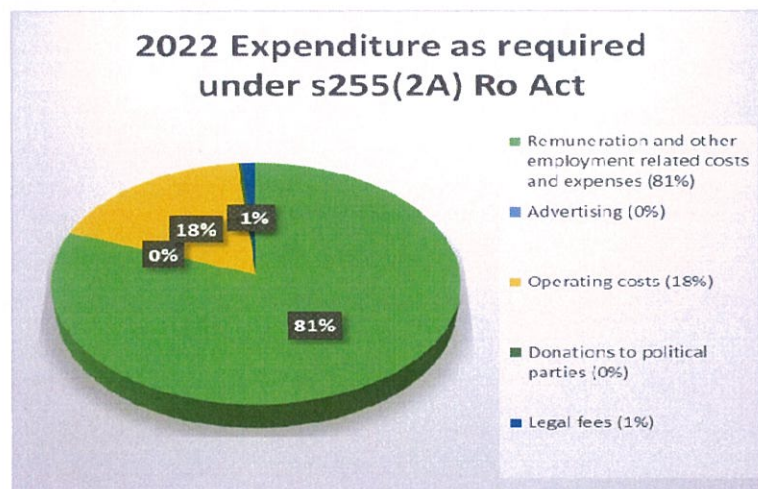
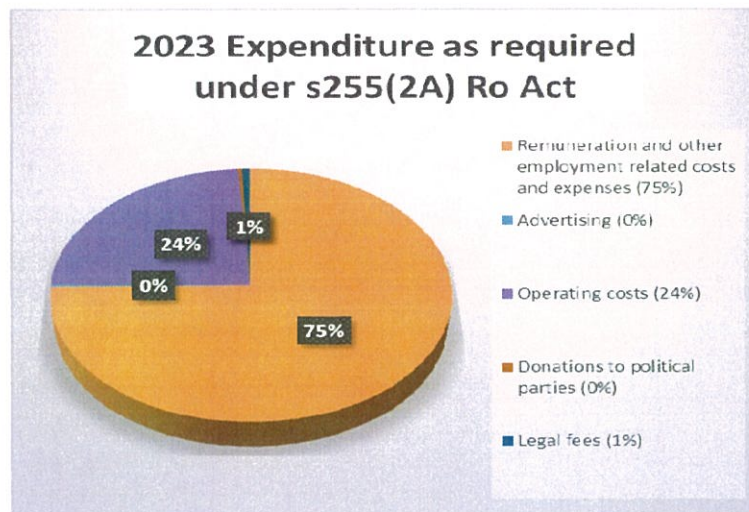
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from operations (inclusive of GST)		5,613,382	5,379,664
Receipts from other reporting units (inclusive of GST)		-	-
Receipts from controlled entities (inclusive of GST)		-	-
Interest received		65,014	3,712
<b>Cash used</b>			
Payments to suppliers and employees (inclusive of GST)		(4,546,955)	(4,151,471)
Payment of interest		(11,583)	(14,042)
Payments to other reporting units (inclusive of GST)		-	-
Payments to controlled entities (inclusive of GST)		-	-
<b>Net cash inflow from operating activities</b>	28	<u>1,119,858</u>	<u>1,217,863</u>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		21,363	-
Payment for property, plant and equipment and software		(112,588)	(957)
<b>Net cash (outflow) from investing activities</b>		<u>(91,225)</u>	<u>(957)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash used</b>			
Payment of lease liabilities		(124,326)	(121,866)
<b>Net cash (outflow) from investing activities</b>		<u>(124,326)</u>	<u>(121,866)</u>
<b>Net increase in cash and cash equivalents</b>		904,307	1,095,040
Cash and cash equivalents at beginning of financial year		5,834,040	4,739,000
<b>Cash and cash equivalents at end of financial year</b>	14(a)	<u>6,738,347</u>	<u>5,834,040</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

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) of the *Fair Work (Registered Organisations) Act 2009* on the Reporting Unit for the year ended 30 June 2023.



Due to the specific requirements under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009*, there will likely be some other costs incurred by the reporting unit which do not fall within the above categories. Accordingly, the expenditure reported in this report may not represent 100% of the expenditure actually incurred by the reporting unit.

Signature of designated officer: Louise Pole

Name of designated officer: Louise Pole

Title of designated officer: President

Dated: 28<sup>th</sup> November 2023.

The above report should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1: Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes the separate financial statements for the Australian Federation of Air Pilots (The Federation).

**(a) Basis of preparation**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. The Australian Federation of Air Pilots is a not-for-profit entity for the purpose of preparing financial statements. Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 Application of Tiers of Australian Accounting Standards have been applied in the preparation of this report as required under the Reporting Guidelines for the purpose of section 253 of the *Fair Work (Registered Organisations) Act 2009*.

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

*Early adoption of standards*

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

*Statement of compliance*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of full compliance with IFRS cannot be made due to the entity applying the not for profit sector requirements contained in AIFRS.

*New and amended standards adopted by the Federation*

The Federation adopts all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the operations and effective for the current annual reporting period.

The Federation has assessed the impact of other new and amended standards that came into effect for the first time for the annual reporting period commencing 1 July 2022.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1: Summary of significant accounting policies (Continued)**

**(a) Basis of preparation (Continued)**

*Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial assets and liabilities at fair value through profit or loss.

*Critical accounting estimates*

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying The Federation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

**(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Federation recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Federation's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The Federation bases its estimates on historical results, taking into consideration the type of member, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

*Membership Subscriptions*

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 entity.

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

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

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

When a member subsequently purchases additional goods or services from the entity at their standalone selling price, the entity accounts for those sales as a separate contract with a customer.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1: Summary of significant accounting policies (Continued)**

**(b) Revenue recognition (Continued)**

*Interest income*

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Federation reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

*Other revenue*

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

**(c) Taxation**

No provision for income tax has been raised as the entity is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997. The Federation still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

**(d) Cash and cash equivalents**

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(e) Financial assets**

***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 Federation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Federation 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 Federation'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 Federation commits to purchase or sell the asset.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1: Summary of significant accounting policies (Continued)**

**(e) Financial assets (Continued)**

***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 Federation only has the following financial assets: Financial assets at amortised cost.

***Financial assets at amortised cost***

The Federation 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 (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 Federation's financial assets at amortised cost includes other receivables.

**Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Federation 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 Federation has transferred substantially all the risks and rewards of the asset, or
  - b) the Federation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Federation 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 Federation continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1: Summary of significant accounting policies (Continued)**

**(e) Financial assets (continued)**

**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.

**Impairment**

**(i) Trade receivables**

For trade receivables that do not have a significant financing component, the Federation applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Federation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Federation 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.

**ii) Debt instruments other than trade receivables**

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Federation recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Federation expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where 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 debt, irrespective of the timing of the default (a lifetime ECL).

The Federation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Federation may also consider a financial asset to be in default when internal or external information indicates that the Federation 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.

**(f) Financial instruments**

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1: Summary of significant accounting policies (Continued)**

**(g) Property, plant and equipment**

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

*Depreciation*

The depreciable amount of all fixed assets including buildings are depreciated over their estimated useful lives to The Federation commencing from the time the asset is held ready for use.

<b>Class of fixed asset</b>	<b>Depreciation rate</b>	<b>Depreciation basis</b>
Fit out	10%	Straight Line
Motor vehicles	15%	Straight Line
Furniture and equipment	7.5% - 15%	Straight Line
Computer equipment	33%	Straight Line
Buildings	2%	Straight Line
Right-of-use assets	Over lease term	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

**(h) Intangible assets**

Costs incurred in developing the website and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to either the software or website intangible assets. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project.

Costs are amortised at the point at which the asset is ready for use. Amortisation is calculated on a straight-line basis over a period of 3 years

**(i) 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 Federation's financial liabilities include trade and other payables.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1: Summary of significant accounting policies (Continued)**

**(i) Financial Liabilities (Continued)**

**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.

**(j) Contingent liabilities and contingent assets**

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**(k) Welfare payments**

In accordance with a Convention Resolution, ex gratia payments may be made to dependents of members at the discretion of the trustees. These payments are expensed as incurred.

**(l) Goods and Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow.

Commitments and contingencies are disclosed inclusive of GST.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1: Summary of significant accounting policies (Continued)**

**(m) Employee benefits**

*(i) Short term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

*(ii) Other long-term employee benefit obligations*

The liability for long service leave and annual leave are not expected to be settled wholly within 12 months after the period in which the employees rendered the related services. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

*(iii) Termination benefits*

Termination benefits are payable when employment is terminated by the Federation before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Federation recognises termination benefits at the earlier of the following dates: (a) when the Federation can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1: Summary of significant accounting policies (Continued)**

**(o) Functional and presentation currency**

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is The Federation's functional and presentation currency.

**(p) Leases**

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

*Federation as a lessee*

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

*Right-of-use assets*

The federation recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the federation at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

*Lease liabilities*

At the commencement date of the lease, the federation recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the federation and payments of penalties for terminating the lease, if the lease term reflects the federation exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the federation uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(q) Comparative figures**

Comparative figures have been adjusted to conform with changes in presentation for the current financial year. Prior year comparatives have been adjusted to reflect a reclassification of lease interest from Administration to Interest Bank and Merchant Fee expenses and member assistance from Industrial to Welfare expenses.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1: Summary of significant accounting policies (Continued)**

**(r) New accounting standards and interpretations**

In the current year, the Federation has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operation and effective for the accounting period that begins on or after 1 July 2022.

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments
- AASB 2022-3 Amendments to AASs – COVID-19-Related Rent Concessions beyond 30 June 2021

The amendments are not expected to have a material impact on the Federation.

**(s) Future accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

Title of Standard	<b>AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</b>
Nature of change	This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.
Application date	This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**2: Critical accounting estimates and judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Federation and that are believed to be reasonable under the circumstances.

**(a) Critical accounting estimates and assumptions**

The Federation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(b) Critical judgments in applying the entity's accounting policies**

*Employee entitlements*

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries
- future on-cost rates; and
- experience of employee departures and period of service

*Intangible and other assets*

Management's judgement is applied to depreciation / amortisation rates, useful and residual values.

**3: 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 subsection (1) to (3) of section 272 which read as follows:

Information to be provided to members or the General Manager:

(1) 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.

(2) the application must be made in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) a reporting unit must comply with an application made under subsection (1).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**4: Revenue from contracts with customers**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
The table below also sets out a disaggregation of revenue by type of customer and funding source		
Membership subscriptions	<b>4,691,794</b>	4,258,086
Capitation fees from other reporting units	-	-
Levies	-	-
	<b><u>4,691,794</u></b>	<b><u>4,258,086</u></b>

**5: Other income**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Financial support from another reporting unit	-	-
Grants	-	-
Donations	-	5,000
Interest	<b>85,988</b>	8,625
MBF	<b>180,750</b>	171,250
Profit on disposal of property plant and equipment	<b>16,087</b>	-
Other revenue	<b>15,898</b>	15,787
Other revenue from other reporting units	-	-
Revenue from recovery of wages activity	-	-
	<b><u>298,723</u></b>	<b><u>200,662</u></b>

**6: Expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
The results for the year includes the following specific expenses:		
<i>Compulsory levies</i>	-	-
<i>Consideration to employers for payroll deductions</i>	-	-
<i>Penalties - via RO Act or RO Regulations</i>	-	-
<i>Right-of-use interest</i>	<b>11,583</b>	14,042
<i>Net (gain) on disposal of property, plant and equipment</i>	<b>(16,087)</b>	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**7: Auditors remuneration**

	2023 \$	2022 \$
During the year the following fees were paid or payable for services provided by the auditor and its related practices:		
Audit of the financial report	17,600	16,800
Other services	-	-
	<u>17,600</u>	<u>16,800</u>

**8: Depreciation and amortisation**

	2023 \$	2022 \$
<i>Depreciation of non-current assets</i>		
- Fit out	83,839	86,110
- Motor vehicles	28,297	27,770
- Furniture and equipment	21,140	21,392
- Computer equipment	6,960	9,068
- Buildings	34,158	34,158
- Right-of-use assets - building	120,750	120,750
	<u>295,144</u>	<u>299,248</u>
<i>Amortisation of non-current assets</i>		
- Software	13,348	13,348
- Website	-	2,553
	<u>13,348</u>	<u>15,901</u>
	<u>308,492</u>	<u>315,149</u>

**9: Capitation and affiliation fees**

	2023 \$	2022 \$
<i>Capitation fees</i>		
IFALPA	77,683	58,891
<i>Affiliation fees</i>	-	-
	<u>77,683</u>	<u>58,891</u>

**10: Legal costs**

	2023 \$	2022 \$
Litigation	30,881	13,742
Other legal matters	597	23,162
	<u>31,478</u>	<u>36,904</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

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**11: Meeting and conferences**

	2023 \$	2022 \$
Fees and allowances	-	-
Other expenses	150,326	93,665
	<u>150,326</u>	<u>93,665</u>

**12: Employee expenses**

	2023 \$	2022 \$
<b>Holders of office:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>-</u>	<u>-</u>

In terms of the rules of the Federation all holders of officer serve in an honorary capacity.

**Employees other than holders of office:**

Wages and salaries	2,467,688	2,183,280
Superannuation	263,194	218,216
Leave and other entitlements	44,663	371
Separation and redundancies	-	-
Other employee expenses	(a) 235,560	193,313
	<u>3,011,105</u>	<u>2,595,180</u>
<b>Total employee expenses</b>	<u>3,011,105</u>	<u>2,595,180</u>

(a) Other expenses primarily comprise of payroll tax, fringe benefits tax and workcover.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**13: Welfare payments, grant and donations**

	2023 \$	2022 \$
<b>Grants</b>		
Total paid that were \$1,000 or less	750	-
Total paid that exceeded \$1,000	6,000	10,500
<b>Donations</b>		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000		
- Donations	-	7,000
- Bereavement payments	10,000	50,000
<b>Welfare meetings</b>	1,501	882
<b>Member assistance</b>	44,532	33,567
	<u>62,783</u>	<u>101,949</u>

**14: Current assets – Cash and cash equivalents**

	2023 \$	2022 \$
Cash on hand	6	6
Cash at bank	2,562,318	2,722,537
Term deposits	4,176,023	3,111,497
	<u>6,738,347</u>	<u>5,834,040</u>

**(a) Reconciliation to cash at the end of the year**

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	<u>6,738,347</u>	5,834,040
Balances per statement of cash flows	<u>6,738,347</u>	<u>5,834,040</u>

The following bank deposits are held as security:

- term deposits totalling \$111,776 (2022: \$111,497) are used as security for bank issued credit cards.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**15: Current assets – Trade and other receivables**

	2023 \$	2022 \$
Receivables from other reporting units	-	-
Less loss allowance	-	-
Net receivables from other reporting units	-	-
Other receivables	85,743	57,287
	<u>85,743</u>	<u>57,287</u>

**16: Current assets – Other assets**

	2023 \$	2022 \$
Prepayments	<u>95,017</u>	<u>46,084</u>

**17: Non-current assets – Property, plant and equipment**

	2023 \$	2022 \$
<b>Land</b>		
At cost	<u>1,300,000</u>	<u>1,300,000</u>
<b>Buildings</b>		
At cost	1,366,324	1,366,324
Less accumulated depreciation	<u>(96,110)</u>	<u>(61,952)</u>
	<u>1,270,214</u>	<u>1,304,372</u>
<b>Fit out</b>		
At cost	865,425	865,425
Less accumulated depreciation	<u>(265,332)</u>	<u>(181,493)</u>
	<u>600,093</u>	<u>683,932</u>
<b>Motor vehicles</b>		
At cost	198,402	185,124
Less accumulated depreciation	<u>(92,257)</u>	<u>(96,247)</u>
	<u>106,145</u>	<u>88,877</u>
<b>Computer equipment</b>		
At cost	102,715	88,056
Less accumulated depreciation	<u>(45,887)</u>	<u>(85,082)</u>
	<u>56,828</u>	<u>2,974</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**17: Non-current assets – Property, plant and equipment (Continued)**

	2023	2022
	\$	\$
<b>Furniture and equipment</b>		
At cost	229,025	228,092
Less accumulated depreciation	<u>(111,627)</u>	<u>(90,488)</u>
	<u>117,398</u>	<u>137,604</u>
<b>Right-of-use assets</b>		
At cost	1,086,759	1,086,759
Less accumulated depreciation	<u>(613,816)</u>	<u>(493,066)</u>
	<u>472,943</u>	<u>593,693</u>
<b>Total property, plant and equipment</b>	<u><u>3,923,621</u></u>	<u><u>4,111,452</u></u>

**(a) Land and Buildings**

The Federation has acquired land and buildings in Brisbane primarily for its own use. The buildings are held in the name of the nominee company, AFAP Holdings Pty Ltd (The Company). The trustees consider that the Federation has beneficial ownership of the assets and liabilities of the Company as the Company's sole purpose is to act as nominee, holding land and buildings of the Federation.

**(b)** None of the non-current assets have been pledged as security.

**(c) Movements in carrying amounts**

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

2023	Land	Buildings	Fit out	Motor vehicles	Computer equipment	Furniture and equipment	Right-of-use Assets - building	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening net book amount	1,300,000	1,304,372	683,932	88,877	2,974	137,604	593,693	4,111,452
Additions	-	-	-	50,742	60,912	934	-	112,588
Disposals	-	-	-	(5,177)	(98)	-	-	(5,275)
Depreciation	-	(34,158)	(83,839)	(28,297)	(6,960)	(21,140)	(120,750)	(295,144)
Closing net book amount	<u>1,300,000</u>	<u>1,270,214</u>	<u>600,093</u>	<u>106,145</u>	<u>56,828</u>	<u>117,398</u>	<u>472,943</u>	<u>3,923,621</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

**17: Non-current assets – Property, plant and equipment (Continued)**

**(c) Movements in carrying amounts (Continued)**

2022	Land	Buildings	Fit out	Motor vehicles	Computer equipment	Furniture and equipment	Right-of-use Assets - building	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening net book amount	1,300,000	1,338,530	769,789	116,647	11,897	158,437	714,443	4,409,743
Additions	-	-	253	-	145	559	-	957
Depreciation	-	(34,158)	(86,110)	(27,770)	(9,068)	(21,392)	(120,750)	(299,248)
Closing net book amount	<u>1,300,000</u>	<u>1,304,372</u>	<u>683,932</u>	<u>88,877</u>	<u>2,974</u>	<u>137,604</u>	<u>593,693</u>	<u>4,111,452</u>

**18: Non-current assets – Intangible assets**

	2023 \$	2022 \$
<b>Website</b>		
At cost	77,635	77,635
Less accumulated amortisation	<u>(77,635)</u>	<u>(77,635)</u>
	<u>-</u>	<u>-</u>
<b>Software</b>		
At cost	40,044	40,044
Less accumulated amortisation	<u>(36,993)</u>	<u>(23,645)</u>
	<u>3,051</u>	<u>16,399</u>
<b>Total intangibles</b>	<u><u>3,051</u></u>	<u><u>16,399</u></u>

**(a) Movements in carrying amounts**

Movement in the carrying amounts for each class of intangibles between the beginning and the end of the year:

2023	Website \$	Software \$	Total \$
Opening net book amount	-	16,399	16,399
Amortisation charge	-	(13,348)	(13,348)
Closing net book amount	<u>-</u>	<u>3,051</u>	<u>3,051</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**18: Non-current assets – Intangible assets (Continued)**

**Movements in carrying amounts (Continued)**  
**2022**

	<b>Website</b>	<b>Software</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening net book amount	2,553	29,747	32,300
Amortisation charge	(2,553)	(13,348)	(15,901)
Closing net book amount	<u>-</u>	<u>16,399</u>	<u>16,399</u>

**19: Current liabilities – Trade and other payables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Payables to other reporting units	-	-
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs (other matters)	-	13,732
Legal costs (litigation)	320	-
Other trade creditors and accruals	<u>364,358</u>	<u>349,285</u>
	<u><b>364,678</b></u>	<u><b>363,017</b></u>

**20: Borrowings**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current</i>		
Right-of-use liabilities	<u>126,836</u>	<u>124,326</u>
<i>Non-current</i>		
Right-of-use liabilities	<u>384,750</u>	<u>511,586</u>
Total	<u><b>511,586</b></u>	<u><b>635,912</b></u>

The movement of the carrying amounts of the lease liabilities associated with the right of use assets:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
As at 1 July	635,912	757,778
Interest	11,583	14,042
Payments	<u>(135,909)</u>	<u>(135,908)</u>
	<u><b>511,586</b></u>	<u><b>635,912</b></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**21: Employee benefit obligations**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Employee provisions:</b>		
<i>Office holders:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<i>Employees other than office holders:</i>		
Annual leave	<b>487,231</b>	555,161
Long service leave	<b>663,447</b>	550,854
Separations and redundancies	-	-
Other	-	-
	<u><b>1,150,678</b></u>	<u>1,106,015</u>
<b>Total employee provisions</b>	<u><b>1,150,678</b></u>	<u><b>1,106,015</b></u>
Current	<b>1,130,713</b>	1,088,565
Non-current	<u><b>19,965</b></u>	<u>17,450</u>
	<u><b>1,150,678</b></u>	<u><b>1,106,015</b></u>

**(a) Employee benefits – long service leave**

Included in the employee benefits provision is a provision that has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits has been included in Note 1.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Federation does not have an unconditional right to defer settlement.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**22: Current liabilities – Other liabilities**

	2023 \$	2022 \$
Subscriptions received in advance	<u>1,444,857</u>	<u>1,193,717</u>

**(a) Contract balances**

The following table provides information about receivables and contract liabilities from contracts with customers

	2023 \$	2022 \$
Receivables	<u>-</u>	<u>-</u>
Subscription fees received in advance	<u>1,444,857</u>	<u>1,193,717</u>

*Subscription fees in advance represent advance consideration received from customers for which revenue is recognised in accordance with the satisfaction of performance obligations.*

Significant changes in contract balances during the period are as follows:

Revenue recognised that would include in the subscription and fees received in advance balances at beginning of period.	<u>1,193,717</u>	<u>1,143,971</u>
Increase due to cash received, excluding amounts recognised as revenue during the period	<u>(1,444,857)</u>	<u>(1,193,717)</u>

**23: Accumulated surplus**

	2023 \$	2022 \$
Balance 1 July	6,766,601	5,925,408
Surplus for the year	<u>607,379</u>	<u>841,193</u>
Balance 30 June	<u>7,373,980</u>	<u>6,766,601</u>

No specific funds or accounts have been operated in respect of compulsory levies or voluntary contributions.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**24: Related party disclosures**

(a) The officers during the financial year and to the date of signing the report were:

<b>Name</b>	<b>Position</b>	
L Pole	President	
G Kailis	Vice President Membership	Retired 7 October 2022
M McGinnis	Vice President Membership	Appointed 24 April 2023
B Bollen	Vice President Administration and Finance	
R Nicholson	Trustee	
B Murray	Trustee	
G Brown	Trustee	

(a) In terms of the rules of the Federation all officers serve in an honorary capacity. No remuneration was paid to members of the committee of management during the year for the administration of the Federation.

(b) Officers are reimbursed for reasonable business expenses as incurred when carrying out business on behalf of the Federation.

<b>(c) Key management personnel remuneration</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	<b>427,102</b>	314,706
Annual leave accrued	<b>(19,193)</b>	(9,917)
<b>Total short-term employee benefits</b>	<b>407,909</b>	304,789
<b>Post-employment benefits:</b>		
Superannuation	<b>54,481</b>	53,055
<b>Total post-employment benefits</b>	<b>54,481</b>	53,055
<b>Other long-term benefits:</b>		
Long-service leave	<b>26,579</b>	(1,568)
<b>Total other long-term benefits</b>	<b>26,579</b>	(1,568)
<b>Severance benefits</b>	-	-
	-	-
<b>Total</b>	<b>488,969</b>	356,276

(d) There were no loans between the key management personnel or the committee of management and the Federation.

(e) There were no transactions between key management personnel or the committee of management and the Federation other than those relating to their membership of the Federation and reimbursement by the Federation in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**24: Related party disclosures (Continued)**

(f) There were no payments made to a former related party of the Federation.

<b>(g) Transactions with related parties</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
The Federation receives income from the Australian Air Pilots Mutual Benefit Fund (MBF) for the marketing and promotional services		
Income received for year	<b>180,750</b>	171,250
The Federation leases premises from the Australian Air Pilots Mutual Benefit Fund (MBF) on normal commercial terms and conditions.		
Lease payments for year	<b>(210,971)</b>	(190,469)
Amounts due from the MBF included in other receivables	<b>53,625</b>	43,175

**25: Contingencies**

There are no known contingent assets or liabilities at 30 June 2023.

**26: Events subsequent to reporting date**

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 Federation, the results of those operations, or the state of affairs of the Federation in subsequent financial periods.

**27: Other information**

*(i) Going Concern*

The Federation's ability to continue as a going concern is not reliant on financial support from another reporting unit.

*(ii) Financial Support*

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

*(iii) Acquisition of assets and liability under specific sections*

The Federation did not acquire any asset or a liability during the financial year as a result of:

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the Branches of the organisation;
- a determination or revocation by the General Manager, Fair Work Commission;

*(iv) No other entity administers the financial affairs of the reporting unit*

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**28: Cash flow information**

	2023 \$	2022 \$
<b>(a) Reconciliation of cash flow from operations with surplus for the year</b>		
Surplus for the year	607,379	841,193
<i>Non-cash flows in surplus</i>		
Depreciation and amortisation	308,492	315,149
Net (gain) on disposal of property, plant and equipment	(16,087)	-
<i>Changes in assets and liabilities</i>		
(Decrease) in receivables	(77,390)	(6,190)
Increase in payables	1,661	17,595
Increase in subscriptions in advance	251,140	49,746
Increase in provisions	44,663	370
Cash flows from operations	<u>1,119,858</u>	<u>1,217,863</u>

**(b) Liabilities from financing activities**

2023	1 July 2022	Cash outflows	Others	30 June 2023
	\$	\$	\$	\$
Current interest-bearing loans and borrowings	124,326	(124,326)	126,836	126,836
Non-current interest-bearing loans and borrowings	511,586	-	(126,836)	384,750
Total liabilities from financing activities	<u>635,912</u>	<u>(124,326)</u>	<u>-</u>	<u>511,586</u>
2022	1 July 2021	Cash outflows	Others	30 June 2022
	\$	\$	\$	\$
Current interest-bearing loans and borrowings	121,867	(121,866)	124,325	124,326
Non-current interest-bearing loans and borrowings	635,911	-	(124,325)	511,586
Total liabilities from financing activities	<u>757,778</u>	<u>(121,866)</u>	<u>-</u>	<u>635,912</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

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**29: Financial risk management**

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by the Finance Committee. The Finance Committee identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

**(a) Market risk**

*(i) Foreign exchange risk*

The Federation is not exposed to foreign exchange risk.

*(ii) Price risk*

The Federation is not exposed to commodity price risk.

*(iii) Cash flow and fair value interest rate risk*

The Federation has no borrowings other than right-of-use liabilities and is therefore not exposed to interest rate risk on liabilities. The Federation has investments in a variety of interest-bearing assets which have fixed interest rates and therefore are not subject to interest rate volatility.

**(b) Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks.

The Federation has no significant concentrations of credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	2023	2022
	\$	\$
Cash at bank		
AA- Rating	2,562,318	2,722,537
Deposits at call		
AA- Rating	4,176,023	3,111,497
	<u>6,738,341</u>	<u>5,834,034</u>

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

29: Financial risk management (Continued)

(d) Sensitivity analysis

As at 30 June the effect on the (deficit)/surplus as a result of changes in interest rates, with all other variables remaining constant would be as follows:

	2023 \$	2022 \$
Effect on results:		
Increase of interest rates by 2%	134,767	116,681
Decrease of interest rates by 2%	(134,767)	(116,681)

(e) Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

2023	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non- Interest bearing \$	Total \$
<b>Financial Assets</b>								
Cash on hand		-	-	-	-	-	6	6
Cash at bank	0	2,562,318	-	-	-	-	-	2,562,318
Deposits at bank	4	-	4,176,023	-	-	-	-	4,176,023
Other receivables		-	-	-	-	-	85,743	85,743
		<u>2,562,318</u>	<u>4,176,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,749</u>	<u>6,824,090</u>
<b>Financial Liabilities</b>								
Other payables		-	-	-	-	-	364,678	364,678
Borrowings - ROU	2	-	126,836	129,396	255,354	-	-	511,586
		<u>-</u>	<u>126,836</u>	<u>129,396</u>	<u>255,354</u>	<u>-</u>	<u>364,678</u>	<u>876,264</u>
<b>Net Financial Assets (Liabilities)</b>		<u>2,562,318</u>	<u>4,049,187</u>	<u>(129,396)</u>	<u>(255,354)</u>	<u>-</u>	<u>(278,929)</u>	<u>5,947,826</u>
<b>2022</b>	<b>Weighted Average Interest rate %</b>	<b>Floating Interest rate \$</b>	<b>1 year or less \$</b>	<b>1 to 2 years \$</b>	<b>2 to 5 years \$</b>	<b>Over 5 years \$</b>	<b>Non- Interest bearing \$</b>	<b>Total \$</b>
<b>Financial Assets</b>								
Cash on hand		-	-	-	-	-	6	6
Cash at bank	0	2,722,537	-	-	-	-	-	2,722,537
Deposits at bank	0.4	-	3,111,497	-	-	-	-	3,111,497
Other receivables		-	-	-	-	-	57,287	57,287
		<u>2,722,537</u>	<u>3,111,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,293</u>	<u>5,891,327</u>
<b>Financial Liabilities</b>								
Other payables		-	-	-	-	-	363,017	363,017
Borrowings - ROU	2	-	124,326	126,836	384,750	-	-	635,912
		<u>-</u>	<u>124,326</u>	<u>126,836</u>	<u>384,750</u>	<u>-</u>	<u>363,017</u>	<u>998,929</u>
<b>Net Financial Assets (Liabilities)</b>		<u>2,722,537</u>	<u>2,987,171</u>	<u>(126,836)</u>	<u>(384,750)</u>	<u>-</u>	<u>(305,724)</u>	<u>4,892,398</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**30: Fair Value Measurements**

**(a) Financial assets and liabilities**

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

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Federation's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2023 was assessed to be insignificant
- Fair value of certain financial assets is derived from quoted market prices in active markets
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2023 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	<b>2023</b>		<b>2022</b>	
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	6,738,347	6,738,347	5,834,040	5,834,040
Trade and other receivables	85,743	85,743	57,287	57,287
<b>Total financial assets</b>	<b>6,824,090</b>	<b>6,824,090</b>	<b>5,891,327</b>	<b>5,891,327</b>
<b>Financial liabilities</b>				
Trade and other payables	364,678	364,678	363,017	363,017
Right-of-use liabilities	511,586	511,586	635,912	635,912
<b>Total financial liabilities</b>	<b>876,264</b>	<b>876,264</b>	<b>998,929</b>	<b>998,929</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

30: Fair Value Measurements (Continued)

b) Financial and Non-financial Assets and Liabilities Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

*Valuation techniques*

- *Market approach*: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach*: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- *Cost approach*: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2023 and 30 June 2022:

Financial Assets	Level 1 \$	Level 2 \$	Level 3 \$
<b>30 June 2023</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-
<b>30 June 2022</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
Net fair value	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**30: Fair Value Measurements (Continued)**

**b) Financial and Non-financial Assets and Liabilities Fair Value Hierarchy (Continued)**

<b>Non-financial Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2023</b>			
Assets at fair value – Land	-	1,300,000	-
Assets at fair value - Buildings	-	1,270,214	-
Liabilities at fair value	-	-	-
Net fair value	-	2,570,214	-
<b>30 June 2022</b>			
Assets at fair value – Land	-	1,300,000	-
Assets at fair value – Buildings	-	1,304,372	-
Liabilities at fair value	-	-	-
Net fair value	-	2,604,372	-

The land and buildings were acquired during the year ended 30 June 202 and therefore their fair value for that year is assumed to be the purchase price. These have been transferred to level 2 for the reporting period (2022: no transfers).

**c) Disclosed fair value measurements**

The following assets and liabilities are not measured at fair value in the balance sheet, but their fair values are disclosed in the notes:

- Accounts receivable and other debtors;
- accounts payable and other payables

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

**31: Capital management**

The Federation manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Committee of Management ensure that the overall risk management strategy is in line with this objective.

The capital structure of the entity consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings.

The Committee of Management effectively manages the Federation's capital by assessing the Federation's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Committee of Management to control capital of the entity since the previous year. No operations of the entity are subject to external imposed capital requirements.



**AUSTRALIAN FEDERATION OF AIR PILOTS**  
**ABN 63 230 452 036**

**COMMITTEE OF MANAGEMENT STATEMENT**

On 28 November 2023, the Committee of Management of the Australian Federation of Air Pilots 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;

1. the financial statements and notes comply with Australian Accounting Standards;
2. 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);
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
  - a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
  - b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
  - e. where information has been sought in any request by a member of the reporting unit or the General Manager duly made under section 272 of the RO Act has been provided to the member or the General Manager; and
  - f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance

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

Signature of designated officer: Louise Pole

Name of designated officer: Louise Pole

Title of designated officer: President

Dated: <sup>th</sup>28 November 2023.



## **Eddy Partners** Accountants

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Accountants and Auditors  
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### **Independent Auditor's Report to the Committee of Management and Members of the Australian Federation of Air Pilots General Purpose Financial Report – Year Ended 30<sup>th</sup> June 2023**

#### **Report on the Audit of the Financial Report**

##### **Audit Opinion**

We have audited the accompanying General Purpose Financial Report of the Australian Federation of Air Pilots ("the Registered Organisation") comprising Balance Sheet as at 30<sup>th</sup> June 2023, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows all for the year ended 30<sup>th</sup> June 2023 together with Notes to the Financial Statements, Committee of Management Statement and the subsection 255(2A) report.

In our opinion, the accompanying General Purpose Financial Report presents fairly, in all material aspects, the financial position of the Australian Federation of Air Pilots as at 30<sup>th</sup> June 2023 and its financial performance and its cash flows for the year ended on that date in accordance with –

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

We declare that the Committee of Management's use of the going concern basis in the preparation of the financial report of the Registered Organisation is appropriate.

##### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Partners:**

David J. Eddy CPA  
Stephen J. Eddy CPA  
Suzanne J. Eddy CPA



## **Audit Independence**

We are independent of the Registered Organisation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also complied with and fulfilled all applicable independence requirements and other ethical responsibilities in accordance with the Code and the RO Act.

## **Information Other than the Financial Report and the Auditor's Report**

The Committee of Management is responsible for the other information. The other information comprises the information included in the annual report of the Registered Organisation for the year ended 30<sup>th</sup> June 2023 and includes the Operating Report. Our opinion on the financial report does not cover the other information and accordingly we do not express any opinion or any form of assurance conclusion thereon.

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

## **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Registered Organisation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements of the RO Act and for such internal controls as the Committee of Management determines 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 ability of the Registered Organisation to continue as a going concern and 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 Registered Organisation or to cease operate or have no realistic alternative but to do so. The Committee of Management is responsible for overseeing the financial reporting process.

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

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

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

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations and/or the override of internal controls.

We 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 internal controls of the Registered Organisation.

We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

We conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial report or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However future events or conditions may cause the Registered Organisation to cease to continue as a going concern.

We 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.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Registered Organisation to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the audit of the Registered Organisation. We remain solely responsible for our audit opinion.

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

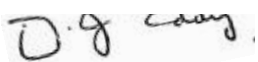
We declare that the auditor is an Approved Auditor registered under the RO Act, a member of CPA Australia, and the holder of a current Public Practising Certificate.

**Eddy Partners**

**Accountants and Auditors**

Certified Practising Accountants

Level 8, 501 Latrobe Street, Melbourne, Victoria



**David Eddy CPA**

Registered Organisations Approved Auditor AA2017/89

Holder of a Current Public Practice Licence - CPA Australia

**Melbourne 29<sup>th</sup> November 2023**