



Fair Work
Commission

19 May 2026

Luke Murray
Secretary
The Australian Licenced Aircraft Engineers Association

Sent via email: alaea@alaea.asn.au

CC: michael.georghiou@mazars.com.au

Dear Luke Murray

**The Australian Licenced Aircraft Engineers Association
Financial Report for the year ended 31 December 2025 – FR2025/265**

I acknowledge receipt of the financial report for the year ended 31 December 2025 for the Australian Licenced Aircraft Engineers Association (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 14 May 2026.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under 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.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The Commission will confirm these matters have been addressed prior to filing next year's report.

Incorrect legislative references

The Commission has been the regulator for registered organisations since 6 March 2023. All references to the Registered Organisations Commission and Commissioner of the Registered Organisations Commission must be changed to the Fair Work Commission and General Manager of the Fair Work Commission.

I note that item e (v) of the Committee of Management Statement and Note 33 to the General Purpose Financial Report both refer to Commissioner instead of General Manager.

Reporting Requirements

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

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

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Fair Work Commission

Australian Licenced Aircraft Engineers Association

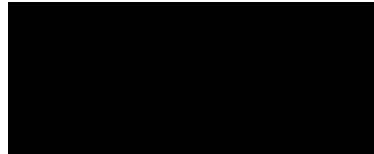
Section 268 Fair Work (Registered Organisations) Act 2009

Certificate for the year ended December 31, 2025.

I Luke Murray being the Federal Secretary of the Australian Licenced Aircraft Engineers Association certify:

- That the documents lodged herewith are copies of the full report for the Australian Licenced Aircraft Engineers Association for the period ended 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 21/4/26; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 13/5/26 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer: Luke Murray

Title of prescribed designated officer: Federal Secretary

Dated: 14/5/26



Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620

Financial Statements
For the year ended 31 December 2025

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

Report required under subsection 255 (2A)

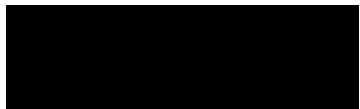
Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

2025 Expenditure required under s.255 (2A) RO Act

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31st December 2025.

Descriptive form

Account	2025	2024
	\$	\$
1. Categories of expenditure		
Advertising	1,729	0
Donations to political parties	0	0
Legal	234,648	33,662
Operating costs	776,856	633,011
Remuneration and other employment-related costs and expenses - employees	1,554,913	1,455,898
Total categories of expenditure	2,568,146	2,122,571



Luke Murray
Federal Secretary

Dated: 21/4/2026

Operating report

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2025

The Committee of management presents its operating report of The Australian Licenced Aircraft Engineers Association (hereinafter referred to as 'ALAEA') for the year ended 31 December 2025.

Committee members:

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

<u>Current committee members</u>	<u>Current committee members</u>
Appointed from 1 July 2006	Appointed from 8 March 2021
<ul style="list-style-type: none"> Mark Gant (Trustee) Stephen Re (Trustee) to 22 May 2025 (resigned) 	<ul style="list-style-type: none"> Stephen Fotoulis
Appointed from 3 April 2013	Appointed from 10 April 2021
<ul style="list-style-type: none"> Mathew Rea 	<ul style="list-style-type: none"> Eddy Azzopardi
Appointed from 1 July 2014	Appointed from 1 July 2022
<ul style="list-style-type: none"> Wayne Derndorfer (Vice President) from 8 March 2021 to 26 Mar 2025 (resigned), (Senior Vice President) from 26 March 2025 to 26 February 2026 (resigned) Peter Gill (Assistant Federal Secretary) from 2 March 2021 to 15 January 2025 (resigned) 	<ul style="list-style-type: none"> Dean Fitzpatrick
Appointed from 1 July 2018 (continuing)	Appointed from 9 November 2023
<ul style="list-style-type: none"> Rodney Wyse (Federal President) 	<ul style="list-style-type: none"> Jamie Edwards Paul Staddon
Appointed from 19 January 2021	Appointed from 11 February 2025
<ul style="list-style-type: none"> Michael Ward 	<ul style="list-style-type: none"> William James Lanting Michael Moyle to 21 April 2025 (resigned)
Appointed from 1 February 2021	Appointed from 19 November 2024
<ul style="list-style-type: none"> Kevin Baldacchino (Assistant Federal Secretary) from 26 March 2025 	<ul style="list-style-type: none"> Luke Murray (Senior Vice President) to 19 March 2025 (resigned), (Federal Secretary (Acting)) from 15 January 2025 to 19 March 2025 (resigned), (Federal Secretary) from 19 March 2025
Appointed from 2 February 2021	Appointed from 26 March 2025
<ul style="list-style-type: none"> Patrick Hildebrandt 	<ul style="list-style-type: none"> Matt Whiley (Vice President) Wesley Miller Matthew Paynter
Appointed from 2 March 2021	Appointed from 2 June 2025
<ul style="list-style-type: none"> Christopher Burleigh (Trustee) from 2 June 2025 	<ul style="list-style-type: none"> Luke Tranter

Operating report

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2025

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

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

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

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

Significant changes in financial affairs

The sale of the Asset held for sale (refer Note 17) was settled in July 2025 and the balance of the sale proceeds were received on transfer. The rental income stream ceased at that time.

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

Number of members

At statement of financial position date there were 3,061 (2024:2,931) members of ALAEA. This number consisted of 1,035 (2024:1,017) members that have chosen not to resign from the Association but have taken associate status, meaning they pay no dues and have relinquished voting rights but are entitled to ongoing representation and association benefits if required.

Number of employees

At balance date there were 7 equivalent full-time employees (2024:6.5).

Operating report

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2025

Rights of members to resign

Part 6 of ALAEA's constitution provides the following:

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

Operating report

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

Contingencies and commitments

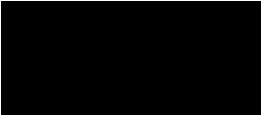
There are no contingencies or commitments other than stated at Note 23.

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

There are no officers or members holding such position.

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

Rodney Wyse
(Federal President)



Dated:

Luke Murray
(Federal Secretary)



Dated: 21 April 2026

Committee of management statement

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

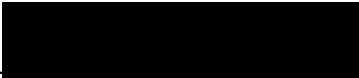
On 20 April 2026, Australian Licenced Aircraft Engineers Association ("ALAEA") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2025:

The Committee of Management declares that in its opinion:

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

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

Designated Officer: **Luke Murray**
Title of Office held: **Federal Secretary**

Signature: 

Dated: 21 April 2026

Statement of comprehensive income

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2025

	Notes	2025	2024
		\$	\$
Revenue from contracts with customers			
Membership subscriptions	3	1,923,634	2,043,523
Capitation fees & other revenue from another reporting unit**		0	0
Levies**		0	0
Revenue from recovery of wages activity**		0	0
Total revenue from contracts with customers		1,923,634	2,043,523
Income for furthering objectives			
Grants and/or donations**	3	0	0
Income recognised from volunteer services**		0	0
Total income for furthering objectives		0	0
Other income			
Investment income	3	80,171	110,229
Rental income	3	258,053	31,715
Other income	3	0	51
Other gains and losses	3	1,775,709	27,643
Total other income		2,113,933	169,638
Total income		4,037,567	2,213,161
Expenses			
Employee expenses	4	1,554,913	1,455,898
Capitation fees & other expense to another reporting unit**		0	0
Affiliation fees	5	46,374	39,794
Administration expenses	6	134,689	117,678
Grants and donations	7	9,493	8,000
Depreciation and amortisation	8	48,040	24,917
Legal costs	9	234,648	33,662
Industrial and management expenses	10	519,339	421,922
Audit Fees	11	20,650	20,700
Total expenses		2,568,146	2,122,571
Surplus/(deficit) for the year		1,469,421	90,590

Statement of comprehensive income

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

	Notes	2025	2024
		\$	\$
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		0	0
Total comprehensive income/(loss) for the year		1,469,421	90,590

Statement of financial position

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2025

Account	Notes	2025	2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	13	1,147,099	1,251,313
Trade and other receivables	14	13,318	5,708
Financial Assets	19	0	279,367
Other current assets	15	68,888	83,129
Asset held for sale	17	0	2,200,000
Total current assets		1,229,305	3,819,517
Non-current assets			
Property, plant & equipment	16	3,036,170	195,078
Investment property	17	0	0
Intangible assets	18	145,440	1,680
Financial assets	19	1,613,049	533,696
Total non-current assets		4,794,659	730,454
Total assets		6,023,964	4,549,971
Liabilities			
Current liabilities			
Trade payables	20(a)	96,452	75,600
Other payables	20(a)	63,128	113,142
Contract liabilities	20(b)	182,662	72,806
Income received in advance	20(c)	5,356	5,683
Employee provisions	21	258,213	315,650
Total current liabilities		605,811	582,881
Non-current liabilities			
Employee provisions	21	31,422	49,780
Total non-current liabilities		31,422	49,780
Total liabilities		637,233	632,661
Net assets		5,386,731	3,917,310
Equity			
Retained earnings/(accumulated deficit)		5,386,731	3,917,310
Other Funds**		0	0
Total equity		5,386,731	3,917,310

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

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Statement of changes in equity

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2025

Account	Retained Earnings	Total
	\$	\$
Balance as at 1 January 2024		
Opening balance equity	3,826,720	3,826,720
Surplus/(deficit)	90,590	90,590
Total other comprehensive income for the year	0	0
<hr/>		
Closing balance as at 31 December 2024	3,917,310	3,917,310
Surplus/(deficit)	1,469,421	1,452,844
Closing balance as at 31 December 2025	5,386,731	5,370,154

Statement of cash flows

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2025

Account	Notes	2025	2024
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers (incl. members)		2,221,431	2,242,301
Receipts from other reporting unit/controlled entity(s)**		0	0
Interest		39,368	87,045
Rental receipts		307,062	72,585
Distributions from managed investments		46,919	33,546
Other – Sale of asset held for sale		2,083,042	25,000
Employees		(1,656,105)	(1,576,216)
Suppliers		(1,421,333)	(879,561)
Payments to other reporting units/controlled entities**		0	0
Net cash provided by/(used in) operating activities	22	1,620,384	4,700
Cash used			
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment	16	(26,984)	(19,058)
Purchase of land and buildings	16,17	(3,027,895)	0
Sale/(purchase) of managed investments or short-term deposits		(796,882)	(123,431)
Sale of property, plant, and equipment		2,255,230	0
Purchase of intangibles		(127,000)	0
Other		(1,067)	(310)
Net cash from/(used by) investing activities		(1,724,598)	(142,799)

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

Statement of cash flows

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

CASH FLOW FROM FINANCING ACTIVITIES

		\$	\$
Net cash provided by/(used in) financing activities		0	0
Net Increase/(decrease) in cash held			
Net Increase/(decrease) in cash held	22	(104,214)	(138,099)
Cash & cash equivalents at the beginning of the financial year		1,251,313	1,389,412
Cash & cash equivalents at the end of the financial year	13,22	1,147,099	1,251,313

Index to the notes of the financial statements

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2025

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Notes to the financial statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

1. Summary of material accounting policies

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

1.1 Basis of preparation

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

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

1.2 Comparative amounts

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

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

1.3 Significant accounting estimates and judgements

The following accounting assumptions or estimates have been identified that have the most significant effect on the amounts recognised in the financial statements.

The Committee evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within ALAEA.

Amortisation

ALAEA assesses impairment at the end of each reporting period by evaluation of conditions and events specific to ALAEA that may be indicative of impairment triggers.

Amortisation of intangible assets has been recognised over 5 years (copyright editions and software) and 10 years (trademarks).

Key judgements and estimates

Economic useful lives of property, plant and equipment

ALAEA periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Provision for employee benefits (short term)

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

Notes to the financial statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

1.3 Significant accounting estimates and judgements (continued)

Provision for employee benefits (long term)

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in Note 1.13. The amount of these provisions would change should any of these factors change in the next 12 months.

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

Revenue recognition

ALAEA makes judgements in respect of the nature and timings of the satisfaction of performance obligations, including significant payment terms and related revenue recognition policies. This results in decisions on whether revenue is to be recognised over time or at a point in time.

1.4 Adoption of New Australian Accounting Standards and amendments

The accounting policies adopted are consistent with those of the previous financial year. There have been no amendments to accounting standards and other changes in accounting policy, which have been adopted for the first time in this financial year.

Australian Accounting Standards and amendments issued but not yet effective have no material impact on the financial statements.

1.5 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- The entity does not have the right at the end of the period to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the financial statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

1.5 Current versus non-current classification (continued)

All other liabilities are classified as non-current.

1.6 Revenue and other income

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

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

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

Revenue from contracts with customers

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

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

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

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

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

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

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

Gains from sale of assets

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

Notes to the financial statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

1.6 Revenue and other income (continued)

Interest income

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

Rental income

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

Volunteer services

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

Government grants

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

1.7 Land and buildings, plant and equipment

Asset recognition threshold

Land and buildings

Land and buildings (if cost model applies:)

Land and buildings (sold in 2025) were measured at cost less accumulated depreciation and impairment losses.

Land and buildings (if revaluation model applies)

Following initial recognition at cost, land and buildings purchased in 2025 are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a valuation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1.10 for details of impairment).

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1.7 Land and buildings, plant and equipment (continued)

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

Depreciation

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

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

Class of fixed asset	Depreciation rate	Depreciation basis
Buildings (Sold 2025)	5% - 10%	Prime cost
Buildings - units	2.50%	Prime cost
Office equipment and fittings	10% - 33.3%	Prime cost
Motor vehicles	12.5%-15%	Prime cost

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Each asset class's carrying amount is written down immediately to its recoverable amount if the class's carrying amount is greater than its estimated recoverable amount.

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

1.8 Asset held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

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1.8 Asset held for sale (continued)

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

1.9 Financial instruments

Initial recognition & measurement

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

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

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

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

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

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

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

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

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

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

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

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

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1.9 Financial instruments (continued)

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

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

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

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

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

on the basis of the two primary criteria:

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

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

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

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

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

Fair value through profit or loss

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

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

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

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

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1.9 Financial instruments (continued)

Equity instruments

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

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

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

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

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

1.10 Impairment of non-financial assets

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

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

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1.11 Liabilities relating to contracts with customers

Contract liabilities

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

Refund liabilities

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

1.12 Contingent liabilities and contingent assets

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

1.13 Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Notes to the financial statements

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1.13 Employee benefits (continued)

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

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

1.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of less than 3 months.

1.15 Leases

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

ALAEA as a lessee

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

Short-term leases and leases of low-value assets

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

ALAEA as a lessor

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

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

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

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

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1.16 Fair value measurement

ALAEA measures non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

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 ALAEA. 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 the current use of the non-financial asset which is consistent with the 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.

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 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, ALAEA 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 may be involved as and when required periodically as determined by the directors for valuation of significant assets, such as land and buildings and investment properties. It is expected that fair value on a market basis for these assets will be determined every three to five years or less as considered prudent.

1.17 Accounts receivable and other debtors

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

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Notes 1.9 and 1.10 for further discussion on the determination of impairment losses.

1.18 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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1.18 Goods and Services Tax (GST) (continued)

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

1.19 Income tax and Fringe Benefit Tax (FBT)

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

1.20 Intangibles

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

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

ALAEA renewed trademarks during 2022. These are amortised over their renewal period of 10 years.

ALAEA acquired data base software in development as at 31 December 2025, due to the discontinuation of support for the previous system.

Derecognition

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

1.21 Provisions

Provisions are recognised when ALAEA has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

1.22 Affiliation fee

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

1.23 Accounts payable and other payables

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

1.24 Going concern

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

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

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1.24 Going concern (continued)

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

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

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

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

2. Events after the reporting period

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

In relation to the current Middle East conflict ALAEA does not have supply chain exposure or key reliance on oil or gas. However it is acknowledged that the increased general economic uncertainty and the flow-on effect of oil price volatility will increase ALAEA's cost of operations in the current year. The increased cost of living pressures may negatively affect membership numbers, or conversely membership in this industry may remain valued and numbers stable. Potential impacts arising from these subsequent events may include, but are not limited to:

- a reduction in membership numbers due to employment contraction or reduced activity levels within the aviation industry;
- decreased demand for training and related services as industry participants manage cost pressures;
- lower future revenues and cash inflows compared to prior expectations;
- increased uncertainty in forecasting future operating results and cash flows; and
- potential operational adjustments in response to changes in demand.

An estimate of the financial effect of this conflict cannot be made, however the impact is not expected to significantly affect operations, the results of those operations or the state of affairs in 2026.

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	2025	2024
3. Revenue and income		
	\$	\$
Membership subscriptions**		
- Generally applied	1,903,439	2,023,138
- Welfare Fund applied	20,195	20,385
Total membership subscriptions**	1,923,634	2,043,523
Investment revenue		
Interest earned (from cash on deposit)	32,085	76,139
Distributions (from listed funds)	48,086	34,090
Total investment revenue	80,171	110,229
Rental revenue		
Rent received	283,545	60,820
Rental expenses	(25,492)	(29,105)
Total rental revenue	258,053	31,715
Other income		
Litigation receipts for members	0	0
Commissions	0	51
Distributions – ACTU	0	0
Total other income	0	51
Other gains and losses		
Unrealised gains – listed funds	2,357	2,643
(Losses)/gains on sale – property, plant and equipment	(110,870)	25,000
Gains on sale – land, buildings and motor vehicles	1,884,222	0
Total other gains and losses	1,775,709	27,643
Total revenue	4,037,567	2,213,161

Disaggregation of revenue from contracts with customers

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

Type of customer		
Members	1,923,634	2,043,523
Total revenue from contracts with customers	1,923,634	2,043,523

Disaggregation of income for furthering activities

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

Income funding sources		
Members	0	0
Other parties	2,113,933	169,638
Total income for furthering activities	2,113,933	169,638

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4. Employee benefits expense	2025	2024
	\$	\$
Employee expenses**		
Employee expenses officeholders**		
Wages and salaries	226,303	350,579
Superannuation	35,453	60,145
Leave and other entitlements	(11,234)	24,873
Separations & redundancies	191,214	36,000
Other employee expenses	14,491	13,989
Total employee expenses officeholders**	456,227	485,586
Employee expenses non officeholders		
Wages and salaries	1,016,554	828,008
Superannuation	105,533	90,720
Leave and other entitlements	(64,561)	31,619
Separations and redundancies	0	0
Other employee expenses	0	0
Total employee expenses non-officeholders	1,057,526	950,347
Total employee expenses**	1,513,753	1,435,933
Other employee costs		
Payroll tax	31,344	16,195
Staff training, subscriptions and other	9,816	3,770
Total other employee costs	41,160	19,965
Total employee benefits expense	1,554,913	1,455,898
5. Affiliation fees	2025	2024
	\$	\$
ACTU	15,497	14,446
Unions NSW	6,090	5,306
Victoria Trades Hall Council	6,804	5,520
Aircraft Engineers International	9,638	7,204
International Transport Workers Federation	8,345	7,318
Total affiliation fees	46,374	39,794

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	2025	2024
6. Administration		
	\$	\$
Total paid to employers for payroll deductions of membership subscriptions**	0	0
Compulsory levies ***	0	0
Property expenses	56,052	40,200
Postage, printing and stationery	11,709	12,758
Information communications technology	31,808	33,511
Finance cost - bank fees & currency charges	16,669	16,644
Industrial library	18,451	14,565
Total administration	134,689	117,678
7. Grants and donations		
	\$	\$
Grants**		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	4,493	3,000
Donations - paid generally**		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	0	0
Total donations - paid generally**	0	0
Donations - paid from Welfare Fund **		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	5,000	5,000
Total grants and donations	9,493	8,000
8. Depreciation		
	\$	\$
Depreciation		
Land and buildings	32,032	5,403
Office equipment and fittings	15,046	12,605
Motor vehicles	722	1,729
Total depreciation	47,800	19,737
Amortisation		
Intangibles	240	5,180
Total depreciation and amortisation	48,040	24,917
9. Legal costs		
	\$	\$
Litigation	234,024	32,047
Other legal matters	624	1,615
Total legal costs	234,648	33,662

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10. Industrial and management expenses	2025	2024
	\$	\$
Conference and meeting expenses**	190,350	153,815
Fees/allowances - meeting and conferences**	0	0
Other industrial & management expenses	328,989	268,107
Total industrial and management expenses	519,339	421,922
11. Audit fees	2025	2024
	\$	\$
Remuneration of auditor for:		
- Auditing or review of financial report	20,650	20,700
Total remuneration of auditor:	20,650	20,700
No other services were provided by the auditors of the financial statements		
12. Penalties	2025	2024
	\$	\$
Penalties - via RO Act or the <i>Fair Work Act 2009</i> **	0	0
Other fines or penalties**	0	0
13. Cash and cash equivalents	2025	2024
	\$	\$
Short term deposits	50,000	1,189,199
Cash at bank	1,097,099	62,114
Total cash and cash equivalents	1,147,099	1,251,313
14. Trade and other receivables	2025	2024
	\$	\$
Receivables from other reporting entities **	0	0
Less allowance for expected credit losses **	0	0
Subscriptions receivable	6,751	2,328
Other receivables	6,567	3,380
Total trade and other receivables	13,318	5,708

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14. Trade and other receivables (continued)	2025	2024
	\$	\$

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

Receivables	6,751	2,328
Receivables – current	6,751	2,328
Receivables – non-current	0	0
Contract assets	0	0
Contract assets – current	0	0
Contract assets	0	0
Other contract liabilities	182,662	72,806
Contract liabilities – current	182,662	72,806
Contract liabilities – non-current	0	0

The significant changes between opening and closing balances of contract liabilities primarily relates to the implementation of a new membership management and database system.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$72,806.

Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (e.g. changes in transaction price) was \$0.

There are no impaired receivables in the current or previous financial year.

15. Other current assets	2025	2024
	\$	\$
Accrued interest	0	19,920
Prepayments	68,888	63,209
Total other current assets	68,888	83,129

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16. Property, plant & equipment		2025	2024
		\$	\$
Land and buildings			
	Land at cost	0	110,000
Buildings			
	Buildings at cost	0	492,259
	Accumulated depreciation of buildings	0	(432,358)
	Buildings - units at fair value	3,027,895	0
	Accumulated depreciation of buildings - units	(28,095)	
Total buildings		2,999,800	59,901
Total Land and buildings		2,999,800	169,901
Plant and equipment			
	Office equipment and fittings at cost	145,121	131,603
	Accumulated depreciation of office equipment and fittings	(108,751)	(107,171)
Total plant and equipment		36,370	24,432
Motor vehicles			
	Motor vehicles (at cost)	0	13,844
	Accumulated depreciation of motor vehicles	0	(13,099)
Total motor vehicles		0	745
Total property, plant & equipment		3,036,170	195,078

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16. Property, plant & equipment (continued)

Movement in carrying amounts:

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

	Freehold land	Buildings	Buildings - units	Office equipment and fittings	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$
Net book value at 1 January 2024	110,000	65,304	-	17,979	2,474	195,757
Additions by purchase	-	-	-	19,058	-	19,058
Disposals:	-	-	-	-	-	-
From disposal of entities (including restructuring)	-	-	-	-	-	-
Other	-	-	-	-	-	-
Depreciation expense	-	(5,403)	-	(12,605)	(1,729)	(19,737)
Balance as at 31 December 2024	110,000	59,901	-	24,432	745	195,078
Additions by purchase	-	-	3,027,895	26,984	-	3,054,879
Disposals	(110,000)	(55,964)	-	-	(23)	(165,987)
From disposal of entities (including restructuring)	-	-	-	-	-	-
Other	-	-	-	-	-	-
Depreciation expense	-	(3,937)	(28,095)	(15,046)	(722)	(47,800)
Net book value as at 31 December 2025	0	-	2,999,800	36,370	0	3,036,170

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16. Property, plant, & equipment (continued)

Management has determined that the buildings purchased in May and September 2025 constitute one class of asset under AASB 116 Property, Plant, & Equipment, being a grouping of assets of a similar nature and use in ALAEA's operations. The buildings are carried at the revalued amount being its fair value at revaluation date less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The fair value was not based on a valuation by a qualified independent valuer. Fair value was determined by directors' assessment to equate to the purchase prices plus purchase costs having been acquired recently during the 2025 financial year and having due regard to level 2 inputs including current market conditions, and any available, comparable sales and listings.

The highest and best use of the properties is not considered to be different from their current use as ALAEA's business premises.

17. Asset held for sale

(a) Description

In December 2022 the directors of ALAEA were approached by the tenant to buy the property held at Newstead, previously classified as an investment property which was originally acquired in 2019 for rental purposes. Contracts were exchanged on 10 January 2023.

The associated assets and liabilities were consequently presented as held for sale in the 2024 financial statements.

(b) Details of the sale of property

The property sale was settled in July 2025. The total negotiated sale price was \$2,200,000. Non-refundable deposits were received of \$50,000 in January 2023, and \$25,000 in April 2024. The sale balance was received in 2025 upon transfer of the property.

The fair value of the property as determined by the contract of sale was \$2,200,000.

(c) Associated income, expenses and liabilities

Rental income earned and received from the property during the year was \$33,562 (2024: \$60,820)

Direct expenses incurred in relation to the property in generation of rental income during the year were \$18,560 (2024: \$29,104)

ALAEA did not have any contractual obligations to purchase, construct or develop the property or for repairs, maintenance or enhancements

Income received in advance – rental income in advance as at 31 December 2025 NIL (2024: \$5,683)

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18. Intangibles	2025	2024
	\$	\$
Copyright editions	24,700	24,700
Accumulated amortisation	(24,700)	(24,700)
	0	0
Trademarks	2,400	2,400
Accumulated amortisation	(960)	(720)
	1,440	1,680
Software (under development)	144,000	0
	144,000	0
Total Intangibles	145,440	1,680

ALAEA acquired certain education manuals in prior years. The expected useful life of these manuals is 5 years. Amortisation of these costs commenced in the 2020 year. Trademarks are amortised over their useful life of 10 years.

Movement of carrying amounts for each class of intangibles between the beginning and the end of the current financial year are set out below:

	Copyright editions	Trademarks	Software under development	Total
	\$	\$	\$	\$
Net book value as at 1 January 2024	4,940	1,920	0	6,860
Additions by purchase	-	-	-	-
Amortisation expense	(4,940)	(240)	-	(5,180)
Balance as at 31 December 2024	0	1,680	0	1,680
Additions by purchase	-	-	144,000	144,000
Amortisation expense	-	(240)	-	(240)
Net book value as at 31 December 2025	0	1,440	144,000	145,440

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19. Financial assets	2025	2024
	\$	\$
Current		
Bank Deposits		
Bank deposits 3-12 months	0	279,367
Total bank deposits	0	279,367
Total financial assets – current	0	279,367
Non-current		
Bank Deposits		
Bank deposits > 12 months	0	0
Total bank deposits	0	0
Units in listed funds		
(at market value)	1,602,255	523,647
Total units in listed funds	1,602,255	523,647
Loans to subsidiaries		
Aviation Recruitment Australia Pty Ltd (Dormant)	9,242	8,817
Professional Aviation Recruitment Pty. Ltd. (Dormant)	1,552	1,232
Total loans to subsidiaries	10,794	10,049
Total financial assets – non-current	1,613,049	533,396

Loans to subsidiaries

The loan amounts relate to annual return fees and advance payments for set up of a job listing website for aviation maintenance engineering jobs. This website is not operational.

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

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19. Financial assets (continued)

Summary of Financial Position

	Aviation Recruitment Australia Pty Ltd		Professional Aviation Recruitment	
	2025	2024	2025	2024
	\$	\$	\$	\$
Ownership	100%	100%	100%	100%
Statement of Financial Position				
Assets	1,946	1,946	0	0
Liabilities	11,188	10,763	1,552	1,232
Net Assets (Loans from ALAEA)	(9,242)	(8,817)	(1,552)	(1,232)
Statement of Comprehensive Income				
Income	0	0	0	0
Expenses	425	321	320	310
Net deficit	(425)	(321)	(320)	(310)

The nature of ALAEA's interest in these companies is payment of ASIC annual return fees.

There are no liquidity arrangements, guarantees or other commitments with third parties.

The associates had no contingent liabilities or capital commitment as at 30 June 2025. (2024: NIL)

The companies are dormant and have never traded. The directors have determined there is no risk currently associated with these companies.

The companies are controlled entities however they are currently dormant and not material to ALAEA's financial position or operations.

Notes to the financial statements

Australian Licenced Aircraft Engineers Association

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20. (a) Trade and other payables	2025	2024
	\$	\$
(i) Trade payables		
Trade payables	96,452	75,600
Payables to other reporting units**	0	0
Legal fees payable-litigation**	0	0
Legal fees payable-other**	0	0
Total trade payables	96,452	75,600
Settlement is usually made within 60 days.		
(ii) Other payables		
Employee benefits payable - office holders	19,543	33,685
Employee benefits payable – non office holders	15,937	22,795
Payable to employers for making payroll deductions of memberships**	0	0
GST payable	12,473	24,594
Welfare Fund contributions payable	15,175	31,297
Fighting Fund contributions payable	0	771
Total (ii) other payables	63,128	113,142
20 (b) Contract liabilities		
Membership fees received in advance	182,662	72,806
Total contract liabilities	182,662	72,806
20 (c) Income received in advance		
Rent received in advance	0	5,683
Rental bond	5,356	0
Total income received in advance	5,356	5,683
Other payables are expected to be settled in no more than 12 months	347,598	267,231

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21. Provisions	2025	2024
	\$	\$
Employee benefits		
Employee benefits - non office holders**		
Long service leave	115,210	102,535
Annual leave	144,590	105,837
Separations & redundancies	0	0
Other	29,835	22,057
Total employee benefits - non office holders**	289,635	230,429
Employee benefits - office holders**		
Long service leave	0	68,585
Annual leave	0	48,483
Separations & redundancies	0	0
Other	0	17,933
Total employee benefits - office holders	0	135,001
Total employee benefits	289,635	365,430
Analysis of total provisions		
Current	258,213	315,650
Non-current	31,422	49,780
Total analysis of total provisions	289,635	365,430
Total employee benefits	289,635	365,430
Analysis of provisions		
Annual leave		
Opening balance at beginning of year	154,320	133,843
Additional provisions raised during year	107,565	121,217
Amounts used	(117,295)	(100,740)
Adjustment	0	0
Total annual leave	144,590	154,320
Long service leave		
Opening balance at beginning of year	171,120	187,345
Additional provisions raised during year	23,346	60,479
Amounts used	(79,256)	(76,704)
Adjustments	0	0
Total long service leave	115,210	171,120

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21. Provisions (continued)	2025	2024
	\$	\$
Other - RDO		
Opening balance at beginning of year	32,230	41,851
Additional provisions raised during year	36,251	40,052
Amounts used	(44,016)	(49,673)
Total RDO	24,465	32,230
Other - TOIL		
Opening balance at beginning of year	7,760	117,688
Additional provisions raised during year	16,113	38,085
Amounts used	(18,503)	(148,013)
Total TOIL	5,370	7,760
Total Other	29,835	39,990
Total analysis of provisions	289,635	365,430

Movements in provisions

Provision for employee benefits

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

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

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.13.

Provision for conferences and training

ALAEA no longer provides for estimated conference and training expenses. The next federal conference will be in 2026.

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22. Cash flow

(a) Cash flow reconciliation:

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

Cash and cash equivalent as per:	2025	2024
	\$	\$
Balance sheet	1,147,099	1,251,313
Cash flow statement	1,147,099	1,251,313
Difference	0	0
Reconciliation of profit/(deficit) to net cash from operating activities		
Profit/(deficit) for the year	1,469,421	90,590
Adjustments for non-cash items		
Depreciation / amortisation	48,040	24,917
Unrealised (gains)/losses	(2,357)	(2,642)
(Gains)/losses on sale of property, plant & equipment	110,870	0
Other	(16,792)	(323)
Total adjustments for non-cash items	139,761	21,952
Changes in assets/liabilities		
(Increase)/decrease in net receivables	12,310	21,981
(Increase)/decrease in prepayments	(5,680)	(21,331)
Increase/(decrease) in supplier payments	(8,530)	(918)
Increase/(decrease) in other payables	88,897	7,703
Increase/(decrease) in employee provisions	(75,795)	(115,277)
Total changes in assets/liabilities	11,202	(107,842)
Total reconciliation of profit/(deficit) to net cash from operating activities	1,620,384	4,700
(b) Cash flow information		
Cash inflows - ALAEA	6,953,052	2,460,477
Cash outflows - ALAEA	7,057,266	(2,598,576)
Total cash flow information	(104,214)	(138,099)

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23. Contingent liabilities, assets & commitments

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

a) Contingent liabilities

Claims:

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

Based on past experience ALAEA has estimated that it may incur expenses for legal actions of \$100,000 during the 12 months to 31 December 2026.

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

b) Operating lease arrangements

ALAEA as lessor.

Disclosure required by AASB16.

Operating leases, in which ALAEA is the lessor, relate to a commercial investment property owned by ALAEA with lease terms of between 1 to 3 years and lease payments received on properties purchased during 2025 prior to ALAEA's occupation as office premises. Operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

- i. The property was leased for a term of seven months to July 2025. The property transfer was settled in July 2025.

Maturity analysis of operating lease payments:

	31/12/2025	31/12/2024
	\$	\$
Year 1	33,562	60,820
Year 2	0	36,167
Year 3	0	0
Year 4	0	0
Year 5	0	0
Total	33,562	96,987

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23. Contingent liabilities, assets & commitments (continued)

- ii. The properties now occupied as office premises were settled in July 2025 and November 2025. Operating lease payments were received on settlement and under surrender of a lease current at settlement.

Maturity analysis of operating lease payments:

	31/12/2025	31/12/2024
	\$	\$
Year 1	249,983	0
Year 2	0	0

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

	31/12/2025	31/12/2024
	\$	\$
Lease income on operating leases	283,545	60,820

The following table presents the liabilities reported in the balance sheet:

	31/12/2025	31/12/2024
	\$	\$
Rental income in advance	0	5,683
Rental bond	5,356	0

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24. Related party disclosures	2025	2024
	\$	\$
(i) Related party transactions for the reporting period		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.		
Revenue received from officeholders includes:		
Membership subscriptions received from officeholders	23,673	20,204
Total revenue received from officeholders	23,673	20,204
Expenses paid to officeholders includes:		
Committee and other meeting attendance fees paid to officeholders in compensation of daily pay not received from employers	134,631	74,148
Total expenses paid to officeholders	134,631	74,148
Amounts owed by officeholders includes:		
Funds advanced against un-vouched expenses	0	0
Membership subscriptions due at year end	0	0
Loans to Aviation Recruitment Australia Pty Ltd		
Annual return	425	321
Total loans to Aviation Recruitment Australia Pty Ltd	425	321
Loans to Professional Aviation Recruitment Pty Ltd		
Annual returns	320	310
Total loans to Professional Aviation Recruitment Pty Ltd	320	310
Amounts owed to officeholders includes:		
Expense re-imbursments payable	0	0
Loans from/to officeholders	0	0
Total amounts owed to officeholders	0	0
Expenses paid to ACTU:		
Affiliation fees paid to the ACTU which amount is included in the determination of operating profit before income tax	15,497	14,446
Total expenses paid to ACTU	15,497	14,446

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Amounts owed and amounts owing at the year-end are unsecured and interest free and settlement occurs in cash. Expenses remaining un-vouched after 2 weeks are deducted from any future expense reimbursement claim. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, ALAEA has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2024: NIL). This assessment is undertaken each financial year through assessing the exposure and history of settlements with the related party and the market in which the related party operates.

The loans provided to Aviation Recruitment Australia Pty Ltd and Professional Aviation Recruitment Pty Ltd are currently interest free and have no set end date for repayment at the reporting date. The companies are dormant and have never traded.

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24. Related party disclosures (continued)

(ii) Key management personnel remuneration for the reporting period	2025	2024
	\$	\$
Short-term employee benefits		
Salary (including annual leave & RDO taken)	131,719	346,611
Annual leave & RDO accrued	0	24,710
Other	0	0
Performance bonus	0	0
Total short-term employee benefits	131,719	371,321
Post employment benefits	0	0
Other long-term benefits		
Long service leave	59,848	15,855
Total other long-term benefits	59,848	15,855
Termination benefits	191,214	36,000
Total benefits	382,781	423,176

(iii) Transactions with key management personnel and their close family members	2025	2024
	\$	\$
Short-term employee benefits		
Salary	0	20,750
Total benefits	0	20,750
Other transactions with key management personnel		
Loan to/from management personnel	0	0
Membership subscription fees paid by officeholders	23,673	20,204
Total other transactions with key management personnel	23,673	20,204
Total transactions with key management personnel and their close family members	23,673	40,954

(iv) Transactions with former related parties	2025	2024
	\$	\$
Transactions with former related parties	0	0
Total transactions with former related parties	0	0

25. Financial risk management

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

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

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25. Financial risk management(continued)

Financial instruments	2025	2024
	\$	\$
Financial assets		
Cash and cash equivalents	1,147,099	1,251,313
Trade and other receivables	13,318	5,708
Financial assets – current	0	279,367
Financial assets – non-current	1,613,049	533,696
Total financial assets	2,773,466	2,070,084
Financial liabilities at amortised cost		
Trade and other payables	159,580	188,742
Total financial liabilities at amortised cost	159,580	188,742

Financial risk management policies

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

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

Specific financial risk exposures and management

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

(a) Credit risk

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

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

Credit risk exposures

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

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

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

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

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25. Financial risk management (continued)

(a) Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- proactively monitoring the recovery of unpaid subscriptions;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

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

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

Financial liability and financial asset maturity analysis

Financial liability and financial asset maturity analysis	Within 1 Year		1 to 5 years		Over 5 years	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment:	-	-	-	-	-	-
Accounts payable and other payables (excluding estimated annual leave and deferred income)	159,580	188,742	-	-	-	-
Total expected outflows	159,580	188,742	-	-	-	-
Financial assets	0	279,367	-	-	1,602,255	523,647
Cash flows realisable	-	-	-	-	-	-
Cash on hand	1,147,099	1,251,313	-	-	-	-
Accounts receivable and other debtors	13,318	5,708	-	-	-	-
Other financial assets	-	-	-	-	-	-
Total anticipated inflows	1,160,417	1,536,388	-	-	1,602,255	523,647
Net/(outflow)/inflow on financial instruments	1,000,837	1,347,646	0	0	1,602,255	523,647

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

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Australian Licenced Aircraft Engineers Association
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For the year ended 31 December 2025

25. Financial risk management (continued)

(c) Market risk

Interest rate risk

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

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

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

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

Interest rate sensitivity analysis

The following table illustrates sensitivities to ALAEA's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
Year ended 31 December 2025	\$	\$
+/- 0.5% in interest rates	+/- 250	+/- 250
	Profit	Equity
Year ended 31 December 2024	\$	\$
+/- 0.5% in interest rates	+/- 2,672	+/- 2,672

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

Notes to the financial statements

Australian Licenced Aircraft Engineers Association
 ABN 84 234 747 620
 For the year ended 31 December 2025

26. Fair value measurements

Fair value estimation

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

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

		2025		2024	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	1,147,099	1,147,099	1,251,313	1,251,313
Financial assets – current		0	0	279,367	279,367
Financial assets – non-current	(i)	1,613,049	1,613,049	533,696	533,696
Accounts receivable and other debtors	(i)	13,318	13,318	5,708	5,708
Total financial assets		2,773,466	2,773,466	2,070,084	2,070,084
Financial liabilities					
Accounts payable and other payables	(ii)	194,771	194,771	228,732	228,732
Total financial liabilities		194,771	194,771	228,732	228,732

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

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

Notes to the financial statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

27. Fighting fund

This Fund commenced 22 November 2010 and is applied solely for the financial assistance of members of ALAEA who are affected by loss of wages during negotiations with employers and at the direction of the COM for union related assistance. The fund is administered by the Federal Executive of ALAEA. No contributions were received into the fighting fund during the years ended 31 December 2016 through 2025.

A summary of the Fighting Fund position follows:

Income & expenditure statement for the year ended 31 December 2025

Fighting Fund	2025	2024
	\$	\$
Income		
Contributions from members	0	0
Interest received	584	771
Total income	584	771
Expenses		
Bank fees	0	0
Total expenses	0	0
Surplus/(deficit) for the year	584	771
Accumulated funds at beginning of year	22,643	21,872
Accumulated funds at end of year	23,227	22,643

Balance sheet for the year ended 31 December 2025

Current assets

Cash & cash equivalents		
Term deposit	0	21,872
Receivables - ALAEA	0	771
Total cash & cash equivalents	0	22,643

Non-current assets

Financial assets		
Term deposit	23,227	0
Total non-current assets	23,227	0
Total assets	23,227	22,643

Net assets **23,227** **22,643**

Accumulated funds **23,227** **22,643**

Notes to the financial statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

28. Mortality and other benefits

ALAEA contributes to a Welfare Fund for members of ALAEA. The fund is administered by the Federal Executive of ALAEA. ALAEA contributed \$20,195 into the Welfare Fund during the year (2024: \$20,385).

Summary of the Welfare Fund position:

Income & expenditure statement for the year ended 31 December 2025

Mortality and other benefits	2025	2024
	\$	\$
Income		
Contributions from general fund	20,195	20,384
Interest Received: Bank T/D Welfare Fund	12,638	11,248
Total income	32,833	31,632
Expenses		
Welfare donations to members	5,000	5,000
Total expenses	5,000	5,000
Surplus for the year	27,833	26,632
Accumulated funds at the beginning of the year	297,773	271,141
Accumulated funds at end of year	325,606	297,773

Balance sheet for the year ended 31 December 2025

Current assets		
Cash & cash equivalents		
Term deposit	0	266,476
Receivables - ALAEA	15,175	31,297
Total current assets	15,175	297,773
Non-current assets		
Financial assets		
Term deposit	310,431	0
Total non-current assets	310,431	0
Total assets	325,606	297,773
Net assets	325,606	297,773
Accumulated funds	325,606	297,773

Notes to the financial statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

29. Recovery of wages activity**

ALAEA did not undertake any recovery of wages activities during the year ending 31 December 2025.

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

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

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

31. Business combinations **

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

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

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

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

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

Information to be provided to members or Commissioner:

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

Notes to the financial statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

34. Association details

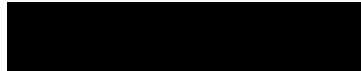
The principal place of business and registered office of ALAEA is:
Suite 4.05, 247 Coward St, Mascot NSW 2020

35. Authorisation of financial statements

The financial statements for the year ended 31 December 2025 (including comparatives) were approved by the Committee on ~~20~~ April 2026

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Rodney Wyse
(Federal President)



Luke Murray
(Federal Secretary)

Income and expenditure report

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2025

	Account	2025	2024
		\$	\$
Income			
	Members contributions	1,923,634	2,043,523
	Rental revenue	258,053	31,715
	Other income		
	Interest income	32,085	76,139
	Investment income	48,086	34,090
	Other gains and losses	1,775,709	27,694
	Total other income	1,855,880	137,923
	Total income	4,037,567	2,213,161
Expenditure			
	Employee costs		
	Employees:		
	Salary, annual leave & other	1,414,187	1,287,305
	Superannuation	140,985	150,865
	Long service leave	(55,910)	(16,226)
	Honoraria	14,491	13,989
	Total employees:	1,513,753	1,435,933
	Other:		
	Staff training, subscriptions and other	9,816	3,770
	Payroll tax	31,344	16,195
	Total other:	41,160	19,965
	Total employee costs	1,554,913	1,455,898
	Industrial		
	General Damages	0	8,000
	Telephone	25,133	29,910
	Professional services	354,488	144,122
	Industrial & travel expenses	81,318	61,038
	Total industrial	460,939	243,070
	Management		
	Executive and representative training & conference	64,887	59,880
	Federal executive expenses	46,395	27,840
	Affiliation fees	46,374	39,794
	Total management	157,656	127,514

Income and expenditure report

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2025

<u>Account</u>	<u>2025</u>	<u>2024</u>
	\$	\$
Overhead expenses		
Advertising	1,729	0
Amortisation	240	5,180
Bank charges	16,669	16,644
Computer expenses	138,692	89,021
Depreciation - building	32,032	5,403
Depreciation - equipment	15,046	12,604
Depreciation - motor vehicle	722	1,730
Electricity	3,677	5,511
Fringe Benefits Tax	(3,289)	(4,434)
Insurance	29,597	34,106
Library	18,451	14,564
Membership recruitment costs	12,950	12,127
Motor vehicle expenses	1,668	3,450
Net currency losses/(gains)	1,714	833
Postage & delivery	9,100	10,582
Printing & stationery	2,609	2,176
Rates & property expenses	65,395	33,826
Repairs & maintenance	6,085	14,878
Sponsorships	4,493	3,000
Staff amenities	4,225	3,256
Welfare Fund contribution and transfers	32,833	31,632
Total Overhead Expenses	394,638	296,089
Total Expenditure	2,568,146	2,122,571
<hr/>		
Operating surplus/ (deficit) before income tax adjustments	1,469,421	90,590
<hr/>		
Current year surplus/(deficit) before income tax	1,469,421	90,590
<hr/>		
Net current year surplus before income tax	1,469,421	90,590
<hr/>		
Accumulated funds at beginning of year	3,917,310	3,826,720
<hr/>		
Accumulated funds at end of year	5,386,731	3,917,310

Compilation report

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

Compilation report to Australian Licenced Aircraft Engineers Association.

We have compiled the accompanying Income and expenditure statement in accordance with *APS 315: Compilation of Financial Information*.

The specific purpose for which the Income and expenditure statement was prepared was to provide information relating to the performance of ALAEA that satisfies the information needs of the Committee members.

The Responsibility of the committee members

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

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

Our responsibility

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

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

The financial statement was compiled exclusively for the benefit of the Committee of Management and Trustees. We do not accept responsibility to any other person for the contents of the Income and expenditure statement.

Compilation report

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2025

Assurance disclaimer

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

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



Higgins Tonna & Co

Belinda Tonna Dated:

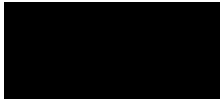
19 April 2026

Auditor's independence declaration to the Management Committee of The Australian Licenced Aircraft Engineers Association

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2025, there have been:

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

Exant Assurance Pty Ltd



Michael Georghiou
Director

Brisbane, April 21, 2026

Registration number (as registered under the RO Act): AA2017/178

Independent Auditor's Report to the members of Australian Licenced Aircraft Engineers Association

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Australian Licenced Aircraft Engineers Association (the reporting unit), which comprises the statement of financial position as at 31 December 2025, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the directors' declaration and other explanatory information, the Section 255(2A) Expenditure Report, and the statement by the Committee of Management.

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

- (a) giving a true and fair view of the Entity's financial position as at 31 December 2025 and of its performance for the year ended on that date; and
- (a) complying with Australian Accounting Standards and the 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 for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Responsibilities of* section of my report. I am independent of the reporting unit in accordance with the auditor independence and ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 and Those Charged with Governance for the Financial Report

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

In preparing the financial report, the committee 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 either intends to liquidate the reporting unit or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, 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 directors' 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 material 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 directors regarding, among other matters, the planned scope and timing of the audit and material audit findings, including any material deficiencies in internal control that I identify during my audit.

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. No such issues have been noted for the year ended 31 December 2025.

Declarations

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

Exant Assurance Pty Ltd



Michael Georghiou
Director

Brisbane, April 21, 2026

Registration number (as registered under the RO Act): AA2017/178