



1 September 2015

Mr David Collins
Treasurer
Australian Aircrew Officers Association
Ground Floor, 27 Peel Street
South Brisbane QLD 4101

via e-mail: office@aoaaustralia.org

Dear Mr Collins

**Australian Aircrew Officers Association
Financial Report for the year ended 31 March 2015 - FR2015/72**

I acknowledge receipt of the financial report for the year ended 31 March 2015 for the Australian Aircrew Officers Association (AAOA). The financial report was lodged with the Fair Work Commission (FWC) on 25 August 2015.

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

Whilst the 2015 report has been filed the following should be addressed in the preparation of the next financial report.

Auditor's Statement to be addressed to members

Item 22 of ASA700 states "The auditor's report shall be addressed as required by the circumstances of the engagement." Item A16 of ASA700 states "Law or regulation often specifies to whom the auditor's report is to be addressed in that particular jurisdiction. The auditor's report is normally addressed to those for whom the report is prepared...".

In future, the Auditor's statement should be addressed to the '**Members** of the Australian Aircrew Officers Association'.

Revenue received

The AAOA receives revenue from membership fees as disclosed in the 'Statement of Comprehensive Income'. However, Note 3A refers to Capitation fees. Note 3A should read 'Membership fees' \$403,342 with a separate note disclosing 'Capitation fees' nil.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

Australian Aircrew Officers Association
ABN 48 848 227 235
Financial Report for the Year Ended 31 March 2015

| Contents | Page |
|-----------------------------------|-------------|
| Independent Auditor's Report | 1-2 |
| Designated Officer's Certificate | 3 |
| Operating Report | 4-5 |
| Committee of Management Statement | 6-7 |
| Statement of Comprehensive Income | 8 |
| Statement of Financial Position | 9 |
| Statement of Changes in Equity | 10 |
| Statement of Cash Flows | 11 |
| Recovery of Wages Activity | 12 |
| Notes to the Financial Statements | 13-29 |



**Australian Aircrew Officers Association
ABN 48 848 227 235**

**Independent Auditor's Report
For the Year Ended 31 March 2015**

Report on the Financial Report

We have audited the accompanying financial report of Australian Aircrew Officers Association (the association), which comprises the statement of financial position as at 31 March 2015 and the statement of comprehensive income, statement of changes in equity, statement of cash flows and recovery of wages activity for the year ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by members of the general committee on the annual statements giving a true and fair view of the financial position and performance of the association.

General Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and for such internal control as the committee 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

**Australian Aircrew Officers Association
ABN 48 848 227 235**

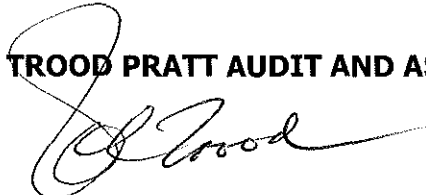
**Independent Auditor's Report
For the Year Ended 31 March 2015**

Opinion

In our opinion, the general purpose financial report of Australian Aircrew Officers Association:

- i. giving a true and fair view of the association's financial position as at 31 March 2015 and of its performance and its cash flows for the year ended on that date;
- ii. complying with Australian Accounting Standards and any requirements imposed by Part 3 of the Chapter 8 of the RO Act (section 257(5)) as disclosed in Note 1; and
- iii. management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

TROOD PRATT AUDIT AND ASSURANCE SERVICES



D A TROOD

Partner

Registered Company Auditor

Registration Number 3491

Institute of Chartered Accountants Australia and New Zealand

Public Practice Certificate Number 18736


Dated at Sydney this 16th day of July 2015.

Australian Aircrew Officers Association
ABN 48 848 227 235

Certificate By Prescribed Designated Officer
Certificate For the Period Ended 31 March 2015

I David John Collins being the Treasurer of the Australian Aircrew Officers Association certify:

- that the documents lodged herewith are copies of the full report for the Australian Aircrew Officers Association for the year ended 31 March 2015 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the association on 28 July 2015; and
- that the full report was presented to a general meeting of members of the Australian Officers Association on 18th August 2015 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: 

Name of prescribed designated officer: DAVID JOHN COLLINS

Title of prescribed designated officer: TREASURER/SECRETARY

Dated: 18th August 2015

**Operating Report
For the Period Ended 31 March 2015**

The general committee presents its report on the Australian Aircrew Officers Association for the financial year ended 31 March 2015.

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

The principal activities of the association during the financial year were to preserve and enhance the professional and contract standards and security of its members. No significant change in the nature of these activities occurred during the year.

Significant changes in financial affairs

No significant changes in financial affairs occurred during the year.

Right of members to resign

A member of the Australian Aircrew Officers Association may resign from membership by notice in writing addressed to the secretary of the Association.

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

During or since the end of the financial year, no Officers were a trustee of a superannuation fund or director of a company that is a superannuation fund trustee.

Officers & employees who are director of a company or a member of a board

During the reporting period, no Officers were a director of a company or a member of a board.

Number of members

At the end of the financial period Australian Aircrew Officers Association had 144 financial members.

Number of employees

There are no staff employed by the Australian Aircrew Officers Association.

**Operating Report
For the Period Ended 31 March 2015**

Names of General Committee of Management members and period positions held during the financial year

| Name | Position | Dates Held |
|----------------|--------------------------|--------------------------------|
| David Goddard | Secretary | 01 April 2014 to 23 March 2015 |
| Grant Frost | Chairman | 01 April 2014 to 31 March 2015 |
| James Buckett | Deputy Chairman | 19 July 2014 to 31 March 2015 |
| David Collins | Treasurer | 01 April 2014 to 31 March 2015 |
| | Secretary | 23 March 2015 to 31 March 2015 |
| Chris Anderson | General Committee Member | 01 April 2014 to 31 March 2015 |
| Garry Demler | General Committee Member | 01 April 2014 to 31 March 2015 |
| Declan Kirwan | General Committee Member | 01 April 2014 to 31 March 2015 |

Signature of designated officer:.....

Name and title of designated officer: DAVID JOHN COLLINS TREASURER/
SECRETARY

Dated: 8 July 2015

**Committee of Management Statement
For the Period Ended 31 March 2015**

On the 8 July 2015 the General Committee of Australian Aircrew Officers Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 March 2015:

The General Committee 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 the reporting guidelines of the General Manager;
- (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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

Australian Aircrew Officers Association
ABN 48 848 227 235

Committee of Management Statement
For the Period Ended 31 March 2015

(f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer:.....

Name and title of designated officer:..... DAVID JOHN COLLINS (TREASURER / SECRETARY)

Dated: 8 July 2015

Statement of Comprehensive Income
For the Period Ended 31 March 2015

| | Note | 2015 | 2014 |
|---|-------------|----------------------|----------------------|
| | | \$ | \$ |
| Membership subscriptions | 3 | 421,886 | 160,583 |
| HKAOA service fee | 4 | (347,571) | (64,518) |
| Other expenses | 5 | (13,411) | - |
| Current year surplus before income tax | | <u>60,904</u> | <u>96,605</u> |
| Income tax expense | | - | - |
| Profit for the year | | <u>60,904</u> | <u>96,605</u> |
| Other comprehensive income: | | <u>-</u> | <u>-</u> |
| Total comprehensive surplus for the year, net of tax | | <u>60,904</u> | <u>96,605</u> |
| Total comprehensive surplus attributable to members of the entity | | <u><u>60,904</u></u> | <u><u>96,605</u></u> |

The accompanying notes form part of these financial statements.

Statement of Financial Position
As At 31 March 2015

| | Note | 2015 | 2014 |
|--------------------------------------|------|----------------|----------------|
| | | \$ | \$ |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 6 | 319,798 | 125,578 |
| Trade and other receivables | 7 | 5,800 | 12,115 |
| Total Current Assets | | <u>325,598</u> | <u>137,693</u> |
| Total Non-Current Assets | | <u>-</u> | <u>-</u> |
| Total Assets | | <u>325,598</u> | <u>137,693</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 8 | 168,089 | 41,088 |
| Total Current Liabilities | | <u>168,089</u> | <u>41,088</u> |
| Total Non-Current Liabilities | | <u>-</u> | <u>-</u> |
| Total Liabilities | | <u>168,089</u> | <u>41,088</u> |
| Net Assets | | <u>157,509</u> | <u>96,605</u> |
| Equity | | | |
| Retained earnings | | 157,509 | 96,605 |
| Total Equity | | <u>157,509</u> | <u>96,605</u> |

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity
For the Period Ended 31 March 2015**

| | Retained Earnings |
|--|------------------------------|
| | \$ |
| Balance as at 1 April 2013 | 540 |
| Profit for the year | <u>96,065</u> |
| Closing balance as at 31 March 2014 | <u>96,605</u> |
| Profit for the year | <u>60,904</u> |
| Closing balance at 31 March 2015 | <u>157,509</u> |

The accompanying notes form part of these financial statements.

**Statement of Cash Flows
For the Period Ended 31 March 2015**

| | Note | 2015 \$ | 2014 \$ |
|---|------|----------------|----------------|
| <u>Cash Flow From Operation Activities</u> | | | |
| Contributions (members) received | | 429,516 | 128,895 |
| Payments to suppliers and service providers | | (235,296) | (30,070) |
| Net cash provided by operating activities | 9 | 194,220 | 98,825 |
| <u>Cash Flow From Investing Activities</u> | | | |
| Funds received from old entity | | - | 26,213 |
| Net cash used in investing activities | | - | 26,213 |
| Net increase in cash held | | 194,220 | 125,038 |
| Cash at beginning of financial year | | 125,578 | 540 |
| Cash at end of financial year | 6 | 319,798 | 125,578 |

The accompanying notes form part of these financial statements.

Recovery of Wages Activity
For the Period 31 March 2015

| | 2015 | 2014 |
|--|-------------|-------------|
| | \$ | \$ |
| Cash assets in respect of recovered money at the beginning of year | - | - |
| Receipts | | |
| Amounts received from employers in respect of wages etc. | - | - |
| Interest received on recovered money | - | - |
| Total receipts | - | - |
| Payments | | |
| Deductions of amounts due in respect of memberships for: | | |
| 12 months or less | - | - |
| Greater than 12 months | - | - |
| Deductions of donations or other contributions to accounts of fund of: | | |
| The reporting unit: | | |
| name of account | - | - |
| name of fund | - | - |
| Name of other reporting unit of the organisation: | | |
| name of account | - | - |
| name of fund | - | - |
| Name of other entity: | | |
| name of account | - | - |
| name of fund | - | - |
| Deductions of fees or reimbursement of expenses | - | - |
| Payments to workers in respect of recovered money | - | - |
| Total payments | - | - |
| Cash assets in respect of recovered money at the of year | | |
| Names of workers to which the monies recovered relates | - | - |
| Aggregate payables to workers attributable to recovered monies but not yet distributed | | |
| Payable balance | - | - |
| Number of workers the payable related to | - | - |
| Fund or account operated for recovery of wages | - | - |

Notes to the Financial Statements
For the Period 31 March 2015

The financial statements cover Australian Aircrew Officers Association as an individual entity. Australian Aircrew Officers Association is an incorporated association in New South Wales.

The financial statements were authorised for issue on 8 July 2015 by the members of the committee.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that 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. For the purpose of preparing the general purpose financial statements, the Australian Aircrew Officers Association is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, 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.

Accounting Policies

a) Revenue

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

Revenue from the provision of membership subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates.

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

b) Trade and Other payables

Trade and other payables represent the liability outstanding at the end of the reporting year for goods and services received by the association during the reporting year, which remain unpaid. The balances are recognised as a current liability and the amounts are normally paid within 30 days of recognition of the liability.

(c) Income Tax

The entity is exempt from Income Tax under section 50.1 of the Income Tax Assessment Act 1997.

Notes to the Financial Statements
For the Period 31 March 2015

Note 1: Summary of Significant Accounting Policies (continued)

d) Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

e) Service Agreement with the Hong Kong Aircrew Officers Association (HKAOA)

The association has a service agreement with HKAOA to provide administrative services, advice, information, research and data to Australian Aircrew Officers Association. HKAOA charge Australian Aircrew Officers Association 80% of membership fees collected.

f) Trade and Other Receivables

Trade and other receivables include amounts due from members for goods and services performed 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.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

g) Comparative Amounts

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

h) Capitation Fees and Levies

Capitation fees and levies are recognised on an accruals basis and are recorded as a revenue and/or expenses in the year to which it relates.

i) Goods and Services Tax (GST)

Revenues and expenses and assets are inclusive of the amount of GST as the association is not registered for GST with Australian Taxation Office (ATO).

j) Critical Accounting Estimates and Judgements

There were no critical accounting estimates and judgements made by the entity at the end of the financial year.

Notes to the Financial Statements
For the Period 31 March 2015

Note 1: Summary of Significant Accounting Policies (continued)

k) 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.

l) 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 the association during the reporting period remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m) Employee Benefits

There were no employees during the financial year.

n) Financial Instruments

Initial recognition and measurement

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

During the financial year the association did not commit itself to either purchase or sell assets (i.e. trade date accounting is adopted).

Financial instruments 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 expected to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised using the effective method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Notes to the Financial Statements
For the Period 31 March 2015

Note 1: Summary of Significant Accounting Policies (continued)

n) Financial instruments (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expenses in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes at fair value (i.e. gains and losses) being recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Notes to the Financial Statements
For the Period 31 March 2015

Note 1: Summary of Significant Accounting Policies (continued)

n) Financial instruments (continued)

(iv) Available-for-sale investments (continued)

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified in profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance amount.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated the association recognises the impairment for

Notes to the Financial Statements
For the Period 31 March 2015

Note 1: Summary of Significant Accounting Policies (continued)

n) Financial instruments (continued)

such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

o) New Accounting Standards for Applicable in Future Periods

An Assessment of Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the association and their potential impact on the association in future periods is discussed below:

- AASB 9: Financial Instruments (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The members of the committee anticipate that the adoption of AASB 9 will have no impact on the association.

p) Comparative Amounts

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

q) Going Concern

Australian Aircrew Officers Association is not reliant on any financial support from another reporting unit. The financial report is prepared on a going concern basis.

Note 2: Events after the reporting period

There were no events that occurred after 31 March 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the entity.

**Notes to the Financial Statements
For the Period 31 March 2015**

| | 2015 | 2014 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| <u>Note 3: Income</u> | | |
| Note 3A: Capitation fees | | |
| Australian Aircrew Officers Association | <u>403,342</u> | <u>134,370</u> |
| Note 3B: Levies | | |
| | <u>-</u> | <u>-</u> |
| Note 3C: Interest | | |
| Deposits | - | - |
| Loans | <u>-</u> | <u>-</u> |
| Note 3D: Grants and donations | | |
| Grants | - | - |
| Donations | <u>-</u> | <u>-</u> |
| Note 3E: Other income | | |
| Joining fee | 10 | - |
| Transfer from old entity | - | 26,213 |
| Reimbursement of expenses by HKAOA | <u>18,534</u> | <u>-</u> |
| | <u>18,544</u> | <u>26,213</u> |
| Total revenue | <u><u>421,886</u></u> | <u><u>160,583</u></u> |
| <u>Note 4: Expenses</u> | | |
| Note 4A : Employee expenses | | |
| Holders of office: | | |
| Wages and salaries | - | - |
| Superannuation | - | - |
| Leave and other entitlements | - | - |
| Separation and redundancies | - | - |
| Other employee expenses | <u>-</u> | <u>-</u> |
| Subtotal employee expenses holders of office | <u>-</u> | <u>-</u> |
| Employee other than office holders: | | |
| Wages and salaries | - | - |
| Superannuation | - | - |
| Leave and other entitlements | - | - |
| Separation and redundancies | - | - |
| Other employee expenses | <u>-</u> | <u>-</u> |
| Subtotal employee expense employees and other than office holders | <u>-</u> | <u>-</u> |
| Total employee expenses | <u>-</u> | <u>-</u> |

Notes to the Financial Statements
For the Period 31 March 2015

| | 2015 | 2014 |
|---|----------------|---------------|
| | \$ | \$ |
| Note 4B: Capitation fees | <u>-</u> | <u>-</u> |
| Note 4C: Affiliation fees | | |
| Affiliation fees paid to Hong Kong Australian Officers Association (HKAOA) | <u>328,809</u> | <u>64,518</u> |
| Note 4D: Administration expenses | | |
| Consideration to employers for payroll deductions | - | - |
| Compulsory levies | - | - |
| Fees/allowances – meeting and conference | - | - |
| Conference and meeting expenses | - | - |
| Bank charges | 228 | - |
| Telephone expenses | 4,242 | - |
| Insurance | 2,800 | - |
| Total administration expense | <u>7,270</u> | <u>-</u> |
| Note 4E: Grants or donations | | |
| Grants | - | - |
| Donations | - | - |
| Total grants or donations | <u>-</u> | <u>-</u> |
| Note 4F: Legal costs | | |
| Litigation | - | - |
| Other legal matters | 11,492 | - |
| Total legal costs | <u>11,492</u> | <u>-</u> |
| Note 4G: Other expenses | | |
| Penalties – via RO Act RO Regulations | <u>-</u> | <u>-</u> |
| <u>Note 5: Auditor's fees</u> | | |
| Remuneration of the auditor of the association for: | | |
| Auditing or reviewing the financial report | | |
| - 2013 and 2014 old entity | 6,646 | - |
| - 2014 year for new entity | 3,300 | - |
| - 2015 year | 3,465 | - |
| | <u>13,411</u> | <u>-</u> |

Notes to the Financial Statements
For the Period 31 March 2015

| | 2015 | 2014 |
|---|----------------|----------------|
| | \$ | \$ |
| <u>Note 6: Cash and cash equivalents</u> | | |
| Cash at bank | <u>319,798</u> | <u>125,578</u> |

Note 7: Trade and other receivables

| | | |
|--|--------------|---------------|
| Receivable from other reporting unit | - | - |
| Subscription receivable | 5,800 | 12,115 |
| Less: provision for doubtful debts | - | - |
| Total trade and other receivables | <u>5,800</u> | <u>12,115</u> |

Credit Risk

The association has no significant concentrations of credit risk to any single counterparty or group of counterparties.

Note 8: Trade and other payables

| | | |
|-----------------------------------|----------------|---------------|
| Sundry creditors and accruals | 160,134 | 34,448 |
| Subscriptions received in advance | <u>7,955</u> | <u>6,640</u> |
| | 168,089 | 41,088 |
| Payable to other reporting unit | - | - |
| Total trade payables | <u>168,089</u> | <u>41,088</u> |

Settlement is usually made within 30 days.

Note 9: Cash flow

Note 9A: Cash flow reconciliation

Reconciliation of net cash inflow from operating activities to operating profit

| | | |
|--|----------------|---------------|
| Profit for the year | 60,904 | 96,065 |
| Adjustments for non-cash items | | |
| Net gain on disposal of assets | - | (26,213) |
| Changes in assets and liabilities | | |
| Decrease/(increase) in receivables | 6,315 | (12,115) |
| Increase in trade and other payables | <u>127,001</u> | <u>41,088</u> |
| Net cash provided by operating activities | <u>194,220</u> | <u>98,825</u> |

Notes to the Financial Statements
For the Period 31 March 2015

| | Note | 2015 \$ | 2014 \$ |
|---|------|----------------|----------------|
| Note 9B: Cash flow information | | | |
| Cash inflows | | | |
| Australian Aircrew Officers Association | | 429,516 | 128,895 |
| Total cash inflows | | <u>429,516</u> | <u>128,895</u> |
| Cash outflows | | | |
| Australian Aircrew Officers Association | | 235,296 | 30,070 |
| Total cash outflows | | <u>235,296</u> | <u>30,070</u> |

Note 10: Contingent liabilities and contingent assets

The general committee are not aware of any significant contingent liabilities and contingent assets that exist since the end of the reporting year.

Note 11: Capital and leasing commitments

There were no capital and leasing commitments at the end of the financial year.

Note 12: Other payables

| | | | |
|--|--|----------|----------|
| Considerations to employees for payroll deductions | | - | - |
| Legal costs | | - | - |
| Total other payables | | <u>-</u> | <u>-</u> |

Note 13: Provisions

Employee provisions

Office Holders:

| | | | |
|---------------------------------|--|----------|----------|
| Annual leave | | - | - |
| Long service leave | | - | - |
| Superannuation and redundancies | | - | - |
| Other | | - | - |
| | | <u>-</u> | <u>-</u> |

Subtotal employee provisions-office holders

Employee other than office holders:

| | | | |
|------------------------------|--|----------|----------|
| Annual leave | | - | - |
| Long service leave | | - | - |
| Separations and redundancies | | - | - |
| Other | | - | - |
| | | <u>-</u> | <u>-</u> |

**Notes to the Financial Statements
For the Period 31 March 2015**

| Note | 2015 \$ | 2014 \$ |
|--|------------|------------|
| <u>Note 13: Provisions (continued)</u> | | |
| Subtotal employee provisions- employees other than office holders | - | - |
| Total employee provisions | - | - |
| Current | - | - |
| Non-Current | - | - |
| Total employee provisions | - | - |

Note 14: Related party disclosures

**Note 14B: related party transactions
for the reporting period**

Income - Reimbursement of expenses by Hong Kong Aircrew Officers Association to cover legal costs, telephone expenses and insurance

| | |
|--------|---|
| 18,534 | - |
|--------|---|

Expenses paid to Hong Kong Aircrew Officers Association to provide administrative services, advice, information, research and data.

| | |
|---------|--------|
| 328,809 | 64,518 |
|---------|--------|

Amounts owed to Hong Kong Aircrew Officers Association (including in sundry creditors and accruals)

| | |
|---------|---|
| 156,669 | - |
|---------|---|

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2015, the Australian Aircrew Officers Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2014: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to the Financial Statements
For the Period 31 March 2015

Note 15: Financial risk management

The association's financial instruments consist mainly of deposits with bank, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements as follows:

Financial assets

| | Note | 2015 | 2014 |
|--|-------------|----------------|----------------|
| | | \$ | \$ |
| Cash on hand | | 319,798 | 125,578 |
| Accounts receivables and other debtors | | 5,800 | 12,115 |
| Available-for-sale financial assets | | - | - |
| | | <u>325,598</u> | <u>137,693</u> |

Financial liabilities

| | | | |
|-------------------------------------|--|----------------|---------------|
| Accounts payable and other payables | | 168,089 | 41,088 |
| Lease liabilities | | - | - |
| | | <u>168,089</u> | <u>41,088</u> |

Financial Risk Management Policies

The association's Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The treasurer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held yearly and minuted by the committee of management.

The Treasurer's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flows shortfalls.

Specific Financial Risk Exposures and Management

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

a. Credit risk

Exposures to credit risk relating to the financial assets arises from the potential non-performance by members not paying their membership that could lead to a financial loss to the association.

Notes to the Financial Statements
For the Period 31 March 2015

Note 15: Financial risk management (continued)

Credit risk is managed through maintaining procedures (such as monitoring and collections of memberships within two weeks of salary paid) ensuring, to the extent possible that the members are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

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 amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the association securing accounts receivables and other debtors.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality.

The association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

b. Liquidity risk

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

- Preparing forward-looking cash flows analysis in relation to its operational, investing and financing activities;
- Only investing surplus cash with major financial institutions; and
- Proactively monitoring the recovery of unpaid subscriptions.

Specific Financial Risk Exposures and Management

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The association does not hold directly any derivative financial liabilities.

Notes to the Financial Statements
For the Period 31 March 2015

Note 15: Financial risk management (continued)

Financial liability and financial assets maturity analysis

| | Within 1 Year | | 1 to 5 Years | | Over 5 Years | | Total | |
|--|----------------------|---------|---------------------|------|---------------------|------|--------------|---------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial liabilities due for payment | | | | | | | | |
| Accounts payable and other payables | 168,089 | 41,088 | - | - | - | - | 168,089 | 41,088 |
| Total contractual outflows | 168,089 | 41,088 | - | - | - | - | 168,089 | 41,088 |
| Total expected outflows | 168,089 | 41,088 | - | - | - | - | 168,089 | 41,088 |
| Financial assets – cash flow realisable | | | | | | | | |
| Cash on hand | 319,798 | 125,578 | - | - | - | - | 319,798 | 125,578 |
| Accounts receivable and other debtors | 5,800 | 12,115 | - | - | - | - | 5,800 | 12,115 |
| Total anticipated inflows | 325,598 | 137,693 | - | - | - | - | 325,598 | 137,693 |
| Net inflow on financial instruments | 157,509 | 125,578 | - | - | - | - | 157,509 | 125,578 |

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

Notes to the Financial Statements
For the Period 31 March 2015

Note 15: Financial risk management (continued)

c. Market risk

(i) 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 association is exposed to earning volatility on floating rate instruments. The financial instruments that expose the association to interest rate risk is nil.

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

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The association is not exposed to other price risk as they do not have any available-for-sale investments.

Sensitivity analysis

The following table illustrates sensitivities to the association's exposure to changes in interest rates and equity prices. 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 dependent of other variables.

| Year ended 31 March 2015 | Current surplus | Equity |
|---|------------------------|---------------|
| | \$ | \$ |
| +/- 2% interest rates | +/- nil | +/- nil |
| +/- 10% in available-for-sale-investments | +/- nil | +/- nil |

Notes to the Financial Statements
For the Period 31 March 2015

Note 15: Financial risk management (continued)

| Year ended 31 March 2014 | Current surplus \$ | Equity \$ |
|---|------------------------------|---------------------|
| +/- 2% interest rates | +/- nil | +/- nil |
| +/- 10% in available-for-sale-investments | +/- nil | +/- nil |

No sensitivity analysis has been performed on foreign exchange risk as the association has no significant exposure to currency risk.

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

Fair values

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 amounts as presented in the statement of financial position. Refer below for detailed disclosures regarding the fair value measurement of the association's financial assets.

| | 2015 | | 2014 | |
|---------------------------------------|------------------------------|-------------------------|------------------------------|-------------------------|
| | Carrying Amount \$ | Fair Value \$ | Carrying Amount \$ | Fair Value \$ |
| Financial assets | | | | |
| Cash on hand | 319,798 | 319,798 | 125,578 | 125,578 |
| Accounts receivable and other debtors | 5,800 | 5,800 | 12,115 | 12,115 |
| Available-for-sale financial assets | | | | |
| - Investments in listed shares | - | - | - | - |
| Total financial assets | 325,598 | 325,598 | 137,693 | 137,693 |

| | 2015 | | 2014 | |
|-------------------------------------|------------------------------|-------------------------|------------------------------|-------------------------|
| | Carrying Amount \$ | Fair Value \$ | Carrying Amount \$ | Fair Value \$ |
| Financial liabilities | | | | |
| Accounts payable and other payables | 168,089 | 168,089 | 41,088 | 41,088 |
| Lease liabilities | - | - | - | - |
| Total financial assets | 168,089 | 168,089 | 41,088 | 41,088 |

Notes to the Financial Statements
For the Period 31 March 2015

Note 15: Financial risk management (continued)

- (i) Cash on hand, accounts receivables and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.

The association measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Available-for-sale financial assets

The association does not have any available-for-sale financial assets at 31 March 2015 (2014: nil).

Note 16: Key management personnel remuneration

No payments were made to any management personnel and their close family members during the year (2014: nil).

Note 17: Economic dependence

The Association's activities are largely funded by membership subscriptions.

Note 18: Section 272 fair work (registered organisations) act 2009

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

Information to be provided to members:

- (1) A member of an Australian Aircrew Officers Association (association) may apply to the association for specified prescribed information in relation to the association 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 association.
- (3) The association must comply with an application made under subsection (1).

Note 19: Association details

The registered office of the association and principal place of business is:

Australian Aircrew Officers Association
27 Peel Street
South Brisbane QLD 4101
Australia