



5 September 2018

Mr David Saunders
Treasurer
Australian Aircrew Officers Association
Locked Bag 2013
South Brisbane QLD 4101
By email: office@ausaoa.org

CC: anthony.spratt@troodpratt.com.au

Dear Mr Saunders,

**Australian Aircrew Officers Association
Financial Report for the year ended 31 March 2018 - [FR2018/14]**

I acknowledge receipt of the financial report of the Australian Aircrew Officers Association (AAOA). The documents were lodged with the Registered Organisations Commission (the ROC) on 20 August 2018.

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 s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 March 2019 may be subject to an advanced compliance review.

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

Committee of Management Statement

Reference to s. 272 & 273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General Manager, Fair Work Commission. However, section 273 continues to refer to the Fair Work Commission.

The AAOA Committee of Management statement, at reference (e)(vi), refers to the 'Registered Organisations Commission'. In future, please ensure that this reference is to the 'Fair Work Commission'.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#). On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink that reads "David Vale". The signature is written in a cursive style with a long horizontal stroke extending to the right.

David Vale
Registered Organisations Commission

Australian Aircrew Officers Association
ABN 48 848 227 235
Financial Report for the Year Ended 31 March 2018

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**Members of the Australian Aircrew Officers Association
ABN 48 848 227 235**

**Independent Auditor's Report to the Members of the Australian Aircrew
Officers Association**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Aircrew Officers Association (the association), which comprises the statement of financial position as at 31 March 2018, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year ended 31 March 2018, notes to the financial statements, including a significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Aircrew Officers Association as at 31 March 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

We declare that management's use of the going concern basis in the preparation of the financial statements of the registered association is appropriate.

Basis for Opinion

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

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

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

Independent Auditor's Report to the Members of the Australian Aircrew Officers Association

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of General Committee's for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 association's internal control.

Independent Auditor's Report to the Members of the Australian Aircrew Officers Association

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association 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 association to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the association's audit. We remain solely responsible for our audit opinion.

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

We declare that we are an approved auditor, a member of Institute of Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.

Trood Pratt Audit & Assurance Services Pty Ltd
TROOD PRATT AUDIT AND ASSURANCE SERVICES PTY LTD



A J SPRATT
Director
Registration Number 503951

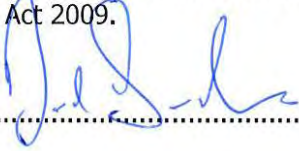
Dated at Sydney this *17th* day of *July* 2018

Australian Aircrew Officers Association
ABN 48 848 227 235

Certificate By Prescribed Designated Officer
Certificate For the Year Ended 31 March 2018

I David Saunders 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 2018 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 17 July 2018; and
- that the full report was presented to a general meeting of members of the Australian Officers Association on 14 August 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:.....

Name of prescribed designated officer: David Saunders.....

Title of prescribed designated officer: TREASURER

Dated: 14 August 2018

Operating Report
For the Year Ended 31 March 2018

The Committee of Management presents its report on the Australian Aircrew Officers Association for the financial year ended 31 March 2018.

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 132 financial members.

Number of employees

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

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

**Operating Report
For the Year Ended 31 March 2018**

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

Name	Position	Dates Held
Johannes Jacobus Peter Teutscher	Chairman	01 April 2017 to 31 March 2018
Ian Turner	Deputy Chairman	01 April 2017 to 31 March 2018
Justin Mayfield	Secretary	01 April 2017 to 31 March 2018
David Allen Saunders	Treasurer	01 April 2017 to 31 March 2018
David Bell	General Committee Member	01 April 2017 to 12 March 2018
Travis Gibson	General Committee Member	01 April 2017 to 31 March 2018
Justin Robson	General Committee Member	13 March 2018 to 31 March 2018
Povilas Darius Kalade	General Committee Member	13 March 2018 to 31 March 2018

Signature of designated officer: 

Name and title of designated officer: DAVID SAUNDERS TREASURER

Dated: 12 July 2018

Committee of Management Statement
For the Year Ended 31 March 2018

On 23 May 2018 the Committee of Management of Australian Aircrew Officers Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 March 2018:

The Committee of Management declares that in its opinion:

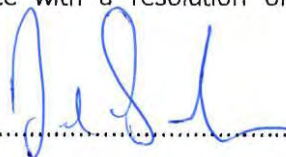
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the association for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable; 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 association or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations 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 Year Ended 31 March 2018**

(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 of prescribed designated officer: David Saunders

Title of prescribed designated officer: Treasurer

Dated: 23 May 2018

Statement of Comprehensive Income
For the Year Ended 31 March 2018

	Note	2018	2017
		\$	\$
Membership subscriptions	3A	404,942	397,073
Other income	3E	75,857	12,972
HKAOA service fee	4C	(318,598)	(293,967)
Administration expenses	4D	(46,469)	(21,781)
Grants or donations	4E	-	(5,000)
Legal costs	4F	(26,384)	(5,258)
Other expenses	5	<u>(5,445)</u>	<u>(5,115)</u>
Surplus before income tax		83,903	78,924
Income tax expense		<u>-</u>	<u>-</u>
Surplus for the year		<u>83,903</u>	<u>78,924</u>
Other comprehensive income:		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>83,903</u>	<u>78,924</u>
Total comprehensive income for the year		<u>83,903</u>	<u>78,924</u>

The accompanying notes form part of these financial statements.

Statement of Financial Position
As At 31 March 2018

	Note	2018	2017
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	6	356,715	313,148
Trade and other receivables	7	34,528	4,547
Total Current Assets		<u>391,243</u>	<u>317,695</u>
Total Non-Current Assets		<u>-</u>	<u>-</u>
Total Assets		<u>391,243</u>	<u>317,695</u>
Liabilities			
Current Liabilities			
Trade and other payables	8	5,622	15,977
Total Current Liabilities		<u>5,622</u>	<u>15,977</u>
Total Non-Current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>5,622</u>	<u>15,977</u>
Net Assets		<u>385,621</u>	<u>301,718</u>
Equity			
Retained earnings		385,621	301,718
Total Equity		<u>385,621</u>	<u>301,718</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 March 2018

	Retained Earnings
	\$
Balance as at 1 April 2016	222,794
Profit for the year	78,924
Other comprehensive income for the year	-
	<hr/>
Closing balance as at 31 March 2017	<u>301,718</u>
Profit for the year	83,903
Other comprehensive income for the year	-
	<hr/>
Closing balance at 31 March 2018	<u>385,621</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 March 2018

	Note	2018	2017
		\$	\$
<u>Cash Flow From Operation Activities</u>			
Contributions (from members) received		449,185	402,909
Payments to suppliers and service providers		<u>(405,618)</u>	<u>(351,079)</u>
Net cash provided by operating activities	9	<u>43,567</u>	<u>51,830</u>
Net increase in cash held		43,567	51,830
Cash at beginning of financial year		<u>313,148</u>	<u>261,318</u>
Cash and cash equivalents at the end of the reporting period	6	<u>356,715</u>	<u>313,148</u>

The accompanying notes form part of these financial statements.

Recovery of Wages Activity
For the Year Ended 31 March 2018

	2018	2017
	\$	\$
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 Year Ended 31 March 2018

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 July 2018 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 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 Year Ended 31 March 2018

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) 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.

h) 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).

i) Significant Accounting Judgements and Estimates

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 Year Ended 31 March 2018

Note 1: Summary of Significant Accounting Policies (continued)

j) 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.

k) 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.

l) Employee Benefits

There were no employees during the financial year.

m) 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 Year Ended 31 March 2018

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 Year Ended 31 March 2018

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 Year Ended 31 March 2018

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) Comparative Amounts

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

p) 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.

q) Changes in Accounting Policy

All new Accounting Standards and Interpretations applicable to annual reporting periods commencing on or before 1 April 2017 have been applied to the association effective from their required date of application. The initial application of these Standards and Interpretations has not had a material impact on the financial position or the financial results of the association.

r) New Standards and Interpretations Not Yet Adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the association in the period of initial application.

AASB 9 and AASB 15 are effective 1 April 2018 and earlier application is permitted; however, the association has not early adopted the new or amended standards in preparing these financial statements.

The association will apply the standard and amendments for the reporting periods beginning on the operative dates. The anticipated financial impact of applying these new standards is detailed below.

Impairment

AASB 9 replaces the incurred loss model under AASB 139 with a forward-looking expected loss model. This model will be applied to financial assets measured at amortised cost, lease receivables, and certain loan commitments and financial guarantees.

Notes to the Financial Statements
For the Year Ended 31 March 2018

Note 1: Summary of Significant Accounting Policies (continued)

r) New Standards and Interpretations Not Yet Adopted (continued)

Impairment

Under AASB 9, a three-stage approach is applied to measuring expected credit losses ('ECL') based on credit migration between the stages as follows:

Stage 1: At initial recognition, a provision equivalent to 12 months ECL is recognised.

Stage 2: Where there has been a significant increase in credit risk since initial recognition, a provision equivalent to full lifetime ECL is required.

Stage 3: Similar to the current AASB 139 requirements for individual impairment provisions, lifetime ECL is recognised for loans where there is objective evidence of impairment.

ECL are probability weighted and determined by evaluating a range of possible outcomes, taking into account the time value of money, past events, current conditions and forecasts of future economic conditions.

Classification and measurement

There are three measurement classifications under AASB 9: Amortised cost, fair value through profit or loss ('FVTPL') and, for financial assets, fair value through other comprehensive income ('FVOCI'). Financial assets are classified into these measurement classifications taking into account the business model within which they are managed, and their contractual cash flow characteristics.

The classification and measurement requirements for financial liabilities under AASB 9 are largely consistent with AASB 139 with the exception that for financial liabilities designated as measured at fair value, gains or losses relating to changes in the association's own credit risk are included in other comprehensive income.

Transit and Impact

AASB 9 has a date of initial application for the association of 1 April 2018.

The classification and measurement, and impairment, and impairment requirements will be applied retrospectively by adjusting the opening balance sheet at the date of initial application, with no requirements to restate comparative periods. The association does not intend to restate comparatives.

The association has assessed the estimated impact has assessed the estimated impact that the initial application of IFRS 9 will have on its financial statements. The impact is estimated to be an increase in the expected credit loss provision of \$1,000 and \$1,800 which will be adjusted in opening retained earnings on initial application. The estimate is based on assessments undertaken to date, however, the association continues to refine its assessment during the initial application period.

AASB 15 Revenue from Contracts with Customers

The new standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS Revenue, and IFRIC 13 Customer Loyalty Programmes. AASB 15 is effective for annual reporting periods beginning

Notes to the Financial Statements
For the Year Ended 31 March 2018

Note 1: Summary of Significant Accounting Policies (continued)

r) New Standards and Interpretations Not Yet Adopted (continued)

on or after 1 January 2018, with early adoption permitted. The association has not early adopted AASB 15.

The association has performed a review over its existing revenue streams and, applying the framework has not assessed any change in the quantum or timing of revenue recognition. Consequently, there is not expected to be a material impact on the association's financial statements in the period of initial application as of 1 April 2018.

AASB 16 Leases

AASB 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective from 1 April 2019 and the association is not early adopting this standard.

AASB 16 Leases removes the lease classification test and requires all leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees. AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. Early adoption will be permitted for associations that also adopt AASB 15 Revenue from contracts with customers. The association has assessed that there is no potential impact on its financial statements at this stage resulting from the application of AASB 16.

Note 2: Events after the reporting period

There were no events that occurred after 31 March 2018, 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 Year Ended 31 March 2018

	2018	2017
	\$	\$
<u>Note 3: Income</u>		
Note 3A: Membership fees	<u>404,942</u>	<u>397,073</u>
Note 3B: Capitation fees	<u>-</u>	<u>-</u>
Note 3C: Levies	<u>-</u>	<u>-</u>
Note 3D: Interest		
Deposits	-	-
Loans	<u>-</u>	<u>-</u>
Note 3E: Grants and donations		
Grants	-	-
Donations	<u>-</u>	<u>-</u>
Note 3E: Other income		
Refund of money	33,310	105
Reimbursement of expenses by HKAOA	<u>42,547</u>	<u>12,867</u>
	<u>75,857</u>	<u>12,972</u>
Total revenue	<u>480,799</u>	<u>410,045</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 Year Ended 31 March 2018

	2018	2017
	\$	\$
Note 4B: Capitation fees	-	-
Note 4C: Affiliation fees		
Affiliation fees paid to Hong Kong Australian Officers Association (HKAOA)	318,598	293,967
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances – meeting and conference	-	-
Conference and meeting expenses	-	-
Bank charges	278	252
Telephone expenses	-	-
Insurance	2,838	2,838
Membership survey expenses	-	4,604
Training expenses	3,764	9,947
HIMS	3,116	3,373
Doubtful debts	1,633	767
Negotiation	34,519	-
Other expenses	321	-
Total administration expense	<u>46,469</u>	<u>21,781</u>
Note 4E: Grants or donations		
Grants	-	-
Donations:		
Total paid that exceeded \$1,000	-	5,000
Total grants or donations	<u>-</u>	<u>5,000</u>
Note 4F: Legal costs		
Litigation	-	-
Other legal matters	26,384	5,258
Total legal costs	<u>26,384</u>	<u>5,258</u>
Note 4G: Other expenses		
Penalties – via RO Act RO Regulations	-	-
Note 5: Auditor's fees		
Remuneration of the auditor of the association for:		
Auditing or reviewing the financial report		
- 2017 year	-	5,115
- 2018 year	5,445	-
	<u>5,445</u>	<u>5,115</u>

Notes to the Financial Statements
For the Year Ended 31 March 2018

	2018	2017
	\$	\$
<u>Note 6: Cash and cash equivalents</u>		
Cash at bank	<u>356,715</u>	<u>313,148</u>

Note 7: Trade and other receivables

Receivable from other reporting unit	-	-
Subscription receivable	36,928	5,314
Less: provision for doubtful debts	<u>(2,400)</u>	<u>(767)</u>
Total trade and other receivables	<u>34,528</u>	<u>4,547</u>

Provision for impairment in receivables

Movement in the provision for impairment for receivables is as follows:

Opening balance	767	-
Charge for the year	1,633	767
Amounts written off	<u>-</u>	<u>-</u>
Closing balance	<u>2,400</u>	<u>767</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	5,390	7,286
Subscriptions received in advance	<u>232</u>	<u>8,691</u>
	<u>5,622</u>	<u>15,977</u>
Payable to other reporting unit	<u>-</u>	<u>-</u>
Total trade payables	<u>5,622</u>	<u>15,977</u>

Settlement is usually made within 30 days.

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

	Note	2018 \$	2017 \$
<u>Note 9: Cash flow</u>			
Note 9A: Cash flow reconciliation			
Reconciliation of net cash inflow from operating activities to operating profit			
Profit for the year		83,903	78,924
Adjustments for non-cash items			
Net gain on disposal of assets		-	-
Doubtful debts		1,633	767
Changes in assets and liabilities			
(Increase)/decrease in receivables		(31,614)	(3,021)
(Decrease) in payables		(1,896)	(24,840)
(Decrease) in income in advance		(8,459)	-
Net cash provided by/(used in) operating activities		<u>43,567</u>	<u>51,830</u>
Note 9B: Cash flow information			
Cash inflows			
Australian Aircrew Officers Association		<u>449,185</u>	<u>402,909</u>
Total cash inflows		<u><u>449,185</u></u>	<u><u>402,909</u></u>
Cash outflows			
Australian Aircrew Officers Association		<u>405,618</u>	<u>351,079</u>
Total cash outflows		<u><u>405,618</u></u>	<u><u>351,079</u></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.

Notes to the Financial Statements
For the Year Ended 31 March 2018

Note 12: Other payables

Considerations to employees for payroll deductions	-	-
Legal costs	-	-
Total other payables	-	-

Note	2018	2017
	\$	\$

Note 13: Provisions

Employee provisions

Office Holders:

Annual leave	-	-
Long service leave	-	-
Superannuation and redundancies	-	-
Other	-	-
	-	-

Subtotal employee provisions-office holders

-	-
---	---

Employee other than office holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	-	-

Note 13: Provisions (continued)

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, negotiation expenses and insurance	75,857	12,867
Expenses paid to Hong Kong Aircrew Officers Association to provide administrative	318,598	293,967

Notes to the Financial Statements
For the Year Ended 31 March 2018

services, advice, information, research and data.

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

	-	-

Note 14: Related party disclosures (continued)

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 2018, the Australian Aircrew Officers Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$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.

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: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements as follows:

Financial assets

	Note	2018 \$	2017 \$
Cash on hand		356,715	313,148
Accounts receivables and other debtors		34,528	4,547
Available-for-sale financial assets		-	-
		391,243	317,695

Financial liabilities

Accounts payable and other payables		5,622	15,977
Lease liabilities		-	-
		5,622	15,977

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.

Notes to the Financial Statements
For the Year Ended 31 March 2018

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.

Note 15: Financial risk management (continued)

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.

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.

Note	2017	2017
	\$	\$
Cash on hand		
- AA rated	<u>356,715</u>	<u>313,148</u>
	<u>356,715</u>	<u>313,148</u>

Notes to the Financial Statements
For the Year Ended 31 March 2018

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.

Note 15: Financial risk management (continued)

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.

Financial liability and financial assets maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Accounts payable and other payables	5,622	15,977	-	-	-	-	5,622	15,977
Total contractual outflows	5,622	15,977	-	-	-	-	5,622	15,977
Total expected outflows	5,622	15,977	-	-	-	-	5,622	15,977
Financial assets – cash flow realisable								
Cash on hand	356,715	313,148	-	-	-	-	356,715	313,148

Notes to the Financial Statements
For the Year Ended 31 March 2018

Accounts receivable and other debtors	34,528	4,547	-	-	-	-	34,528	4,547
Total anticipated inflows	391,243	317,695	-	-	-	-	391,243	317,695
Net inflow on financial instruments	385,621	301,718	-	-	-	-	385,621	301,718

Note 15: Financial risk management (continued)

Financial assets pledged as collateral

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

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.

Notes to the Financial Statements
For the Year Ended 31 March 2018

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

Year ended 31 March 2018	Current surplus \$	Equity \$
+/- 2% interest rates	+/- nil	+/- nil
+/- 10% in available-for-sale-investments	+/- nil	+/- nil

Note 15: Financial risk management (continued)

Year ended 31 March 20167	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.

	2018		2017	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial assets				
Cash on hand	356,715	356,715	313,148	313,148
Accounts receivable and other debtors	34,528	34,528	4,547	4,547
Available-for-sale financial assets				
- Investments in listed shares	-	-	-	-
Total financial assets	391,243	391,243	317,695	317,695

Notes to the Financial Statements
For the Year Ended 31 March 2018

	2018		2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Financial liabilities				
Accounts payable and other payables	5,622	5,622	15,977	15,977
Lease liabilities	-	-	-	-
Total financial assets	<u>5,622</u>	<u>5,622</u>	<u>15,977</u>	<u>15,977</u>

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 2018 (2017: nil).

Note 16: Key management personnel remuneration

No payments were made to any management personnel and their close family members during the year (2017: 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.

Australian Aircrew Officers Association
ABN 48 848 227 235

Notes to the Financial Statements
For the Year Ended 31 March 2018

(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



Australian Government
Registered Organisations Commission

24 April 2018

Mr Johannes Teutscher
Chairman
Australian Aircrew Officers Association
By Email: office@ausaoa.org

Dear Mr Teutscher,

**Re: Lodgement of Financial Report - [FR2018/14]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Aircrew Officers Association (the reporting unit) ended on 31 March 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 29 June 2018.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 30 June 2018 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

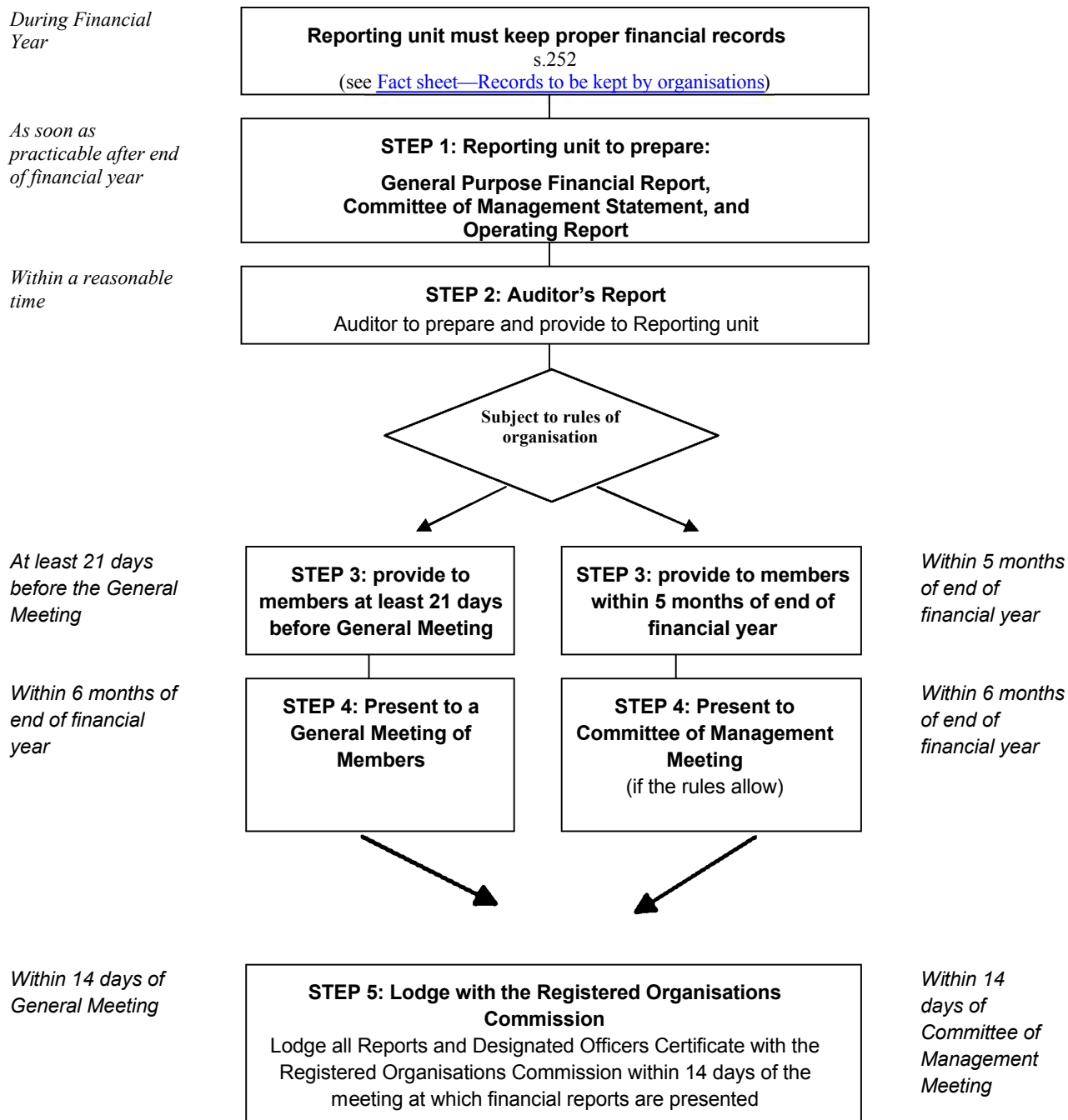


Sam Gallichio
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

See Fact sheet—Financial reporting for an explanation of each of these steps.





Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*



*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✔ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✔ The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
-----------------------------------------------------------------------------------	-----------------------------------------------------	----------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------

Grants & Donations within the Financial Report

Item 16(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report.

Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice