



16 September 2019

David Saunders
Treasurer
Australian Aircrew Officers Association

Sent via email: office@aoaaustralia.org
CC: anthony.spratt@troodpratt.com.au

Dear David Saunders,

Australian Aircrew Officers Association

Financial Report for the year ended 31 March 2019 – (FR2019/24)

I acknowledge receipt of the financial report of the Australian Aircrew Officers Association (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 26 August 2019. I also acknowledge receipt of the amended designated officers' certificate which was lodged with the ROC on 5 September 2019.

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 (**RGs**) 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 2020 may be subject to an advanced compliance review.

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

General purpose financial report (GPFR)

Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed.

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- "Agreeing to receive financial support from another reporting unit to continue as a going concern" is disclosed in both Note 1p and the officer's declaration statement;

- "Receiving capitation fees from another reporting unit" is disclosed in both Note 3B and the officer's declaration statement;
- "Receiving revenue via compulsory levies" is disclosed in both Note 3C and the officer's declaration statement;
- "Receiving donations or grants" is disclosed in both Note 3E and the officer's declaration statement;
- "Incurring fees as consideration for employers making payroll deduction of membership subscriptions" and "paying compulsory levies" are disclosed in both Note 4D and the officer's declaration statement;
- "Paying capitation fees to another reporting unit" is disclosed in both Note 4B and the officer's declaration statement;
- "Paying a grant that exceeded \$1,000" is disclosed in both Note 4E and the officer's declaration statement;
- "Paying legal costs relating to litigation" is disclosed in both Note 4F and the officer's declaration statement;
- "Paying a penalty imposed under the RO Act or the *Fair Work Act 2009*" is disclosed in both Note 4G and the officer's declaration statement;
- "Having a receivable with another reporting unit" is disclosed in both Note 7 and the officer's declaration statement;
- "Having a payable with another reporting unit" is disclosed in both Note 8 and the officer's declaration statement; and
- "Having a payable to employer as consideration for that employer making payroll deductions of membership subscriptions" and "having a payable in respect of legal costs relating to other legal matters" are disclosed in both Note 12 and the officer's declaration statement.

Please note that nil activities only need to be disclosed once.

I also note that the notes and the officer's declaration statement contained nil activity information for all prescribed RG categories except the following:

- Receiving any other revenue from another reporting unit (RG13(b));
- Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisations or branch (RG17(a));
- Transferring to or withdrawing from a fund (other than the general fund), account, asset, or controlled entity (RG17(b));
- Providing cash flows to another reporting unit and/or controlled entity (RG18); and
- Making a payment to a former related party of the reporting unit (RG20)

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

Inconsistency in disclosure of financial information

Note 4C *Affiliation fees* discloses affiliation fees paid to Hong Kong Australian Officers Association of \$325,263 for the 2019 financial year (2018: \$318,598). The officer's declaration statement, however includes a nil disclosure of paying affiliation fees to another entity.

The statement of changes in equity discloses a balance of retained earnings of \$462,627 for the 2019 financial year (2018: \$385,621). The officer's declaration statement includes nil disclosure in relation to a balance in the general fund. It would appear that retained earnings is the reporting unit's general fund.

In future years, please ensure that items within the financial report are disclosed consistently.

Recovery of wages disclosure

Please note that under the 5th edition of the RG made under section 255 of the RO Act issued 4 May 2018 a recovery of wages activity statement is no longer required. Furthermore, the RGs no longer require a statement in regard to recovery of wages activity in the committee of management statement.

In place of the former requirements, item 13(e) of the 5th edition RGs requires the disclosure of any revenue derived from undertaking recovery of wages activity in either the statement of comprehensive income or the notes to the financial statements. As abovementioned, RG 21 states that if any activity described within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement.

References to legislation and the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission (**FWC**) and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that item (e)(v) of the committee of management statement refers to the FWC instead of the ROC. Please ensure in future years that this item of the committee of management statement refers to the ROC.

Auditor report

Registered auditor's details

Item 29(b) of the RGs state that the auditor's statement must specify the registered auditor's name and registration number. The auditor's statement provided states the name of the registered auditor but not the registration number.

Please ensure that in future years the auditor's statement includes both the name and registration number of the registered auditor.

Reporting Requirements

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

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

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely




Kylie Ngo
Registered Organisations Commission

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

**Certificate By Prescribed Designated Officer
Certificate For the Year Ended 31 March 2019**

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 2019 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 2019; and
- that the full report was presented to a general meeting of members of the Australian Officers Association on 15 August 2019 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: 28 August 2019

Australian Aircrew Officers Association
ABN 48 848 227 235
Financial Report for the Year Ended 31 March 2019

Contents	Page
Independent Auditor's Report	3-5
Designated Officer's Certificate	6
Report Required Under Subsection 255(2)	7
Operating Report	8-9
Committee of Management Statement	10-11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Recovery of Wages Activity	16
Notes to the Financial Statements	17-36
Officer Declaration Statement	37



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

TROOD PRATT AUDIT & ASSURANCE SERVICES PTY LTD

Chartered Accountants

ABN 86 622 075 281

LEVEL 21 / 68 PITT ST SYDNEY 2000

GPO BOX 3437 SYDNEY NSW 2001

TEL (02) 8224 8000 FAX (02) 8224 8099

EMAIL enquiries@troodpratt.com.au

WEBSITE www.troodpratt.com

DIRECTORS: D A TROOD • A J SPRATT

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 2019, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year ended 31 March 2019, notes to the financial statements, including a significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration 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 2019, 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 (the 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 we 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 Chartered Accountants Australia and New Zealand and hold a Current Certificate of Public Practice.

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

A. Spratt
A J SPRATT
Director
Registration Number 503951

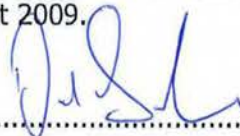
Dated at Sydney this *17th* day of *July* 2019

Australian Aircrew Officers Association
ABN 48 848 227 235

Certificate By Prescribed Designated Officer
Certificate For the Year Ended 31 March 2019

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 2019 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 2019; and
- that the full report was presented to a general meeting of members of the Australian Officers Association on August 2019 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

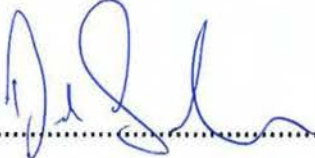
Dated: 15 August 2019

Australian Aircrew Officers Association
ABN 48 848 227 235

Report Required Under Subsection 255 (2)
For the Year Ended 31 March 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the association for the year ended 31 March 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	-	-
Donations to political parties	-	-
Legal costs	26,571	26,384

Signature of prescribed designated officer:.....

Name and Title of designated officer: David Saunders
TREASURER

Australian Aircrew Officers Association
ABN 48 848 227 235

Operating Report
For the Year Ended 31 March 2019

The Committee of Management presents its report on the Australian Aircrew Officers Association for the financial year ended 31 March 2019.

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 135 financial members.

Number of employees

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

Operating Report
For the Year Ended 31 March 2019

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 2018 to 31 March 2019
Ian Turner	Deputy Chairman	01 April 2018 to 31 March 2019
Justin Mayfield	Secretary	01 April 2018 to 31 March 2019
David Allen Saunders	Treasurer	01 April 2018 to 31 March 2019
Travis Gibson	General Committee Member	01 April 2018 to 31 March 2019
Justin Robson	General Committee Member	1 April 2018 to 31 March 2019
Povilas Darius Kalade	General Committee Member	1 April 2018 to 31 March 2018

Signature of designated officer: 

Name and title of designated officer: DAVID SAUNDERS TREASURER

Dated: 15 July 2019

Committee of Management Statement
For the Year Ended 31 March 2019

On 12 May 2019 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 2019:

The Committee of Management declares that in its opinion:

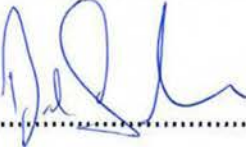
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the 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 Fair Work Commission has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

**Committee of Management Statement
For the Year Ended 31 March 2019**

- (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: 12 May 2019

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

**Statement of Comprehensive Income
For the Year Ended 31 March 2019**

	Note	2019	2018
		\$	\$
Membership subscriptions	3A	406,705	404,942
Other income	3E	143,239	75,857
HKAOA service fee	4C	(325,263)	(318,598)
Administration expenses	4D	(109,319)	(46,469)
Grants or donations	4E	(6,395)	-
Legal costs	4F	(26,571)	(26,384)
Other expenses	5	(5,390)	(5,445)
Surplus before income tax		77,006	83,903
Income tax expense		-	-
Surplus for the year		77,006	83,903
Other comprehensive income:		-	-
Total comprehensive income for the year		77,006	83,903
Total comprehensive income for the year		77,006	83,903

The accompanying notes form part of these financial statements.

Statement of Financial Position
As At 31 March 2019

	Note	2019 \$	2018 \$
Assets			
Current Assets			
Cash and cash equivalents	6	456,560	356,715
Trade and other receivables	7	35,953	34,528
Total Current Assets		<u>492,513</u>	<u>391,243</u>
Total Non-Current Assets		-	-
Total Assets		<u>492,513</u>	<u>391,243</u>
Liabilities			
Current Liabilities			
Trade and other payables	8	29,886	5,622
Total Current Liabilities		<u>29,886</u>	<u>5,622</u>
Total Non-Current Liabilities		-	-
Total Liabilities		<u>29,886</u>	<u>5,622</u>
Net Assets		<u>462,627</u>	<u>385,621</u>
Equity			
Retained earnings		<u>462,627</u>	<u>385,621</u>
Total Equity		<u>462,627</u>	<u>385,621</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 March 2019

	Retained Earnings
	\$
Balance as at 1 April 2017	301,718
Profit for the year	83,903
Other comprehensive income for the year	-
Closing balance as at 31 March 2018	<u>385,621</u>
Profit for the year	77,006
Other comprehensive income for the year	-
Closing balance at 31 March 2019	<u>462,627</u>

The accompanying notes form part of these financial statements.

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

**Statement of Cash Flows
For the Year Ended 31 March 2019**

	Note	2019	2018
		\$	\$
<u>Cash Flow From Operation Activities</u>			
Contributions (from members) received		550,915	449,185
Payments to suppliers and service providers		<u>(451,070)</u>	<u>(405,618)</u>
Net cash provided by operating activities	9	<u>99,845</u>	<u>43,567</u>
Net increase in cash held		99,845	43,567
Cash at beginning of financial year		<u>356,715</u>	<u>313,148</u>
Cash and cash equivalents at the end of the reporting period	6	<u>456,560</u>	<u>356,715</u>

The accompanying notes form part of these financial statements.

Recovery of Wages Activity
For the Year Ended 31 March 2019

	2019	2018
	\$	\$
	_____	_____
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 2019

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 2019 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 2019

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 2019

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 recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest 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 2019

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 2019

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 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 2019

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 2018 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) Revenue from Contracts with Customers

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.

s) Critical Accounting Estimates and Judgements

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

Key judgements

We have reviewed trade and other receivables to calculate expected credit loss as required under AASB 9: Financial Instruments. Based on subsequent receipts

Notes to the Financial Statements
For the Year Ended 31 March 2019

Note 1: Summary of Significant Accounting Policies (continued)

s) Critical Accounting Estimates and Judgements (continued)

it was considered immaterial to adjust for expected credit loss.

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

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provision of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

Note 2: Events after the reporting period

There were no events that occurred after 31 March 2019, 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 2019**

	2019	2018
	\$	\$
<u>Note 3: Income</u>		
Note 3A: Membership fees	<u>406,705</u>	<u>404,942</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 or donations		
Grants	-	-
Donations	<u>-</u>	<u>-</u>
Note 3E: Other income		
Refund of money	-	33,310
Reimbursement of expenses by HKAOA	<u>143,239</u>	<u>42,547</u>
	<u>143,239</u>	<u>75,857</u>
Total revenue	<u>549,944</u>	<u>480,799</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 2019

	2019	2018
	\$	\$
Note 4B: Capitation fees	<u>-</u>	<u>-</u>
Note 4C: Affiliation fees		
Affiliation fees paid to Hong Kong Australian Officers Association (HKAOA)	<u>325,263</u>	<u>318,598</u>
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances – meeting and conference	-	-
Conference and meeting expenses	1,095	-
Bank charges	401	278
Telephone expenses	-	-
Insurance	2,968	2,838
Membership survey expenses	-	-
Training expenses	2,513	3,764
HIMS	7,979	3,116
Doubtful debts	(2,400)	1,633
Negotiation	95,864	34,519
Other expenses	899	321
Total administration expense	<u>109,319</u>	<u>46,469</u>
Note 4E: Grants or donations		
Grants	-	-
Donations:		
Total expensed that exceeded \$1,000	<u>6,395</u>	<u>-</u>
Total grants or donations	<u>6,395</u>	<u>-</u>
Note 4F: Legal costs		
Litigation	-	-
Other legal matters	<u>26,571</u>	<u>26,384</u>
Total legal costs	<u>26,571</u>	<u>26,384</u>
Note 4G: Other expenses		
Penalties – via RO Act RO Regulations	<u>-</u>	<u>-</u>
Note 5: Auditor's fees		
Remuneration of the auditor of the association for:		
Auditing or reviewing the financial report		
- 2018 year	-	5,390
- 2019 year	<u>5,390</u>	<u>-</u>
	<u>5,390</u>	<u>5,390</u>

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

	2019	2018
	\$	\$
<u>Note 6: Cash and cash equivalents</u>		
Cash at bank	<u>456,560</u>	<u>356,715</u>

Note 7: Trade and other receivables

Receivable from other reporting unit	-	-
Subscription receivable	35,953	36,928
Less: provision for doubtful debts	<u>-</u>	<u>(2,400)</u>
Total trade and other receivables	<u>35,953</u>	<u>34,528</u>

Provision for impairment in receivables

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

Opening balance	2,400	767
Charge for the year	-	1,633
Amounts written off	<u>(2,400)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>2,400</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	29,658	5,390
Subscriptions received in advance	<u>228</u>	<u>232</u>
	<u>29,886</u>	<u>5,622</u>
Payable to other reporting unit	<u>-</u>	<u>-</u>
Total trade payables	<u>29,886</u>	<u>5,622</u>

Settlement is usually made within 30 days.

Notes to the Financial Statements
For the Year Ended 31 March 2019

	Note	2019 \$	2018 \$
<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		77,006	83,903
Adjustments for non-cash items			
Net gain on disposal of assets		-	-
Doubtful debts		(2,400)	1,633
Changes in assets and liabilities			
Decrease/(increase) in receivables		975	(31,614)
Increase/(decrease) in payables		242,68	(1,896)
(Decrease) in income in advance		(4)	(8,459)
Net cash provided by operating activities		<u>99,845</u>	<u>43,567</u>
Note 9B: Cash flow information			
Cash inflows			
Australian Aircrew Officers Association		<u>550,915</u>	<u>449,185</u>
Total cash inflows		<u>550,915</u>	<u>449,185</u>
Cash outflows			
Australian Aircrew Officers Association		<u>451,069</u>	<u>405,618</u>
Total cash outflows		<u>451,069</u>	<u>405,618</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 2019

Note 12: Other payables

Note	2019	2018
	<u>\$</u>	<u>\$</u>
Payable to employers for making payroll deductions of membership subscriptions	-	-
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

	<u>-</u>	<u>-</u>
--	----------	----------

Employee other than office holders:

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

Note 13: Provisions (continued)

Subtotal employee provisions-employees other than office holders

	<u>-</u>	<u>-</u>
--	----------	----------

Total employee provisions

	<u>-</u>	<u>-</u>
--	----------	----------

Current

	-	-
--	---	---

Non-Current

	-	-
--	---	---

Total employee provisions

	<u>-</u>	<u>-</u>
--	----------	----------

Notes to the Financial Statements
For the Year Ended 31 March 2019

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

<u>143,239</u>	<u>75,857</u>
----------------	---------------

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

<u>325,263</u>	<u>318,598</u>
----------------	----------------

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

<u>24,268</u>	<u>-</u>
---------------	----------

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 2019, the Australian Aircrew Officers Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$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	2019	2018
		\$	\$
Cash on hand		456,560	356,715
Accounts receivables and other debtors		35,953	34,528
Available-for-sale financial assets		-	-
		<u>492,513</u>	<u>391,243</u>

Financial liabilities

Accounts payable and other payables		29,886	5,622
Lease liabilities		-	-
		<u>29,886</u>	<u>5,622</u>

Notes to the Financial Statements
For the Year Ended 31 March 2019

Note 15: Financial risk management (continued)

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.

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.

Notes to the Financial Statements
For the Year Ended 31 March 2019

Note 15: Financial risk management (continued)

	Note	2019	2018
		\$	\$
Cash on hand			
- AA rated		456,560	356,715
		<u>456,560</u>	<u>356,715</u>

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 Year Ended 31 March 2019

Note 15: Financial risk management (continued)

Financial liability and financial assets maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Accounts payable and other payables	29,886	5,622	-	-	-	-	29,886	5,622
Total contractual outflows	29,886	5,622	-	-	-	-	29,886	5,622
Total expected outflows	29,886	5,622	-	-	-	-	29,886	5,622
Financial assets – cash flow realisable								
Cash on hand	456,560	356,715	-	-	-	-	456,560	356,715
Accounts receivable and other debtors	35,953	34,528	-	-	-	-	35,953	34,528
Total anticipated inflows	492,513	391,243	-	-	-	-	492,513	391,243
Net inflow on financial instruments	462,627	385,621	-	-	-	-	462,627	385,621

Notes to the Financial Statements
For the Year Ended 31 March 2019

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.

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

Year ended 31 March 2019	Current surplus	Equity
	\$	\$
+/- 2% interest rates	+/- nil	+/- nil
+/- 10% in available-for-sale-investments	+/- nil	+/- nil

Notes to the Financial Statements
For the Year Ended 31 March 2019

Note 15: Financial risk management (continued)

Year ended 31 March 2018	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.

	2019		2018	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial assets				
Cash on hand	456,560	456,560	356,715	356,715
Accounts receivable and other debtors	35,953	35,953	34,528	34,528
Available-for-sale financial assets				
- Investments in listed shares	-	-	-	-
Total financial assets	492,513	492,513	391,243	391,243

	2019		2018	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial liabilities				
Accounts payable and other payables	29,886	29,886	5,622	5,622
Lease liabilities	-	-	-	-
Total financial assets	29,886	29,886	5,622	5,622

Notes to the Financial Statements
For the Year Ended 31 March 2019

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 2019 (2018: nil).

Note 16: Key management personnel remuneration

No payments were made to any management personnel and their close family members during the year (2018: 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 or Commissioner:

- (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

For the Year Ended 31 March 2019

OFFICER DECLARATION STATEMENT

I David Saunders being the Treasurer of the Australian Aircrew Officers Association declare that the following activities did not occur during the reporting period ending 31 March 2019. The association did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to other legal matters
- have a balance within the general fund
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit

Signed by the officer:

Dated: 15 Jul 2019





3 April 2019

Peter Teutscher
Chairman
Australian Aircrew Officers Association
Sent via email: office@aoaaaustralia.org

Dear Peter Teutscher,

**Re: Lodgement of Financial Report - FR2019/24
*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 2019. 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 the 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 2019.

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 September 2019 (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,

Kylie Ngo
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).

STEP 1:
Reporting unit must prepare the General Purpose Financial Report, Committee of Management Statement, s.255(2A) Report and Operating Report as soon as practicable after the end of the financial year:



STEP 2:
Committee of Management statement – resolution to be passed by the Committee of Management in relation to the General Purpose Financial Report (**1st meeting**)



STEP 3:
Registered Auditor to prepare and sign the Auditor's Report and provide to the Reporting unit **within a reasonable timeframe**

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT
AT GENERAL MEETING OF MEMBERS
(this is the default process in the RO Act)

STEP 4:
Provide **full report** to members at least 21 days before the General Meeting



STEP 5:
Present **full report** to a General Meeting of Members within 6 months of the reporting unit's end of financial year (2nd meeting)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC within 14 days of the 2nd meeting

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT
COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)

STEP 4:
Provide **full report** to members **within 5 months of the reporting unit's end of financial year**



STEP 5:
Present **full report** to Committee of Management Meeting within 6 months of the reporting unit's end of financial year (2nd meeting)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

Misconceptions

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

Misconception	Requirement
✘ The Committee of Management statement is just copied from the Reporting Guidelines	✔ The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made
✘ The Auditor's Report does not need to be signed until just before it is lodged with the ROC	✔ The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting
✘ The Designated Officer's Certificate must be signed before the report is sent to members	✔ The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting
✘ Documents can be dated when they should have been signed or when the events in the document occurred	✔ Documents must always be dated at the date they are actually signed by an officer or auditor
✘ Any auditor can audit a financial report	✔ Only registered auditors can audit the financial report
✘ The Committee of Management statement can be signed at any time	✔ The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated
✘ Any reporting unit can present the Full Report to a second COM meeting	✔ Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members
✘ Everything can be done at one Committee of Management meeting	✔ If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u> . The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)
✘ The reporting unit has 6 months and 14 days to lodge their financial report with the ROC	✔ The reporting unit must lodge the financial report within 14 days of the second meeting

© Commonwealth of Australia 2018

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.



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 14(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*

	2017	2016
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, 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