



FAIR WORK
COMMISSION

14 November 2014

Mr Adam Susz
Treasurer
Australian and International Pilots Association
Suite 6.01, Level 6, 247 Coward Street
MASCOT NSW 2020

Sent by email to: Adam.Susz@aipa.org.au

Dear Mr Susz,

Re: Lodgement of Financial Statements and Accounts - Australian and International Pilots Association - for year ended 30 June 2014 (FR2014/99)

I refer to the financial report of the Australian and International Pilots Association for the year ended 30 June 2014 which was lodged with the Fair Work Commission on 11 November 2014.

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

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under 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 30 June 2015 may be subject to an advanced compliance review.

If you require further information on the financial reporting requirements of the Act, I may be contacted on (02) [REDACTED] or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch



Australian and International Pilots Association

Financial Statements 2013–14

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INDEPENDENT AUDITOR'S REPORT

for the year ended 30 June 2014

Scope

We have audited the general purpose financial report (GPFR) of the Australian and International Pilots Association for the year ended 30 June 2014 as set out on pages 3 to 28.

The GPFR comprises the Statement of Financial Position as at 30 June 2014 for the year then ended, the Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

The Committee of Management is responsible for the GPFR. We have conducted an independent audit of the GPFR in order to express an opinion on it to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the GPFR is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the GPFR, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the GPFR is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting and statutory requirements in Australia so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of their operations and their cash flows.

No recovery of wages activity was undertaken by the Association.

The audit opinion expressed in this report has been formed on the above basis. We have concluded that the Committee of Management's use of the going concern basis of accounting in the preparation of the Association's financial statements is appropriate.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the GPFR of the Australian and International Pilots Association:

- (i) presents fairly, in all material respects, in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009; and
- (ii) gives a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date.

ADAM BARNES & COMPANY



F A ADAM

Approved Auditor, Member of Certified Practising Accountants (CPA) Australia, and current Public Practice Certificate holder

Sydney
9 September 2014

s268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE OF PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2014

I, James Wirth, being the Secretary of the Australian and International Pilots Association, certify:

- that the documents lodged herewith are copies of the full report for the Australian and International Pilots Association for the period ended 30 June 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 10 October 2014; and
- that the full report was presented to a general meeting of members of the reporting unit on 6 November 2014 in accordance with s.266(1) of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:


.....

Name and title of prescribed designated officer:

JAMES WIRTH, SECRETARY

Dated: 6 November 2014

OPERATING REPORT

for the year ended 30 June 2014

The Committee of Management presents its report on the Association for the financial year ended 30 June 2014.

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 reporting period were to provide industrial and organising services to the members consistent with the objects of the Association and particularly the object of protecting and improving the interests of the members.

The Association's principal activities resulted in maintaining and improving the wages and conditions of employment of the membership.

There were no significant changes in the nature of the Association's principal activities during the reporting period.

Significant changes in financial affairs

The Association earned a net surplus of \$200,089 for the year.

Right of members to resign

Members may resign from the Association in accordance with rule 48, which reads as follows:

a) A member may resign from membership by written notice addressed to the Secretary and posted or delivered to that officer or the person performing the duties of that officer at the registered office of the Organisation.

b) Where a member ceases to be eligible to be a member of the Organisation, the notice of resignation shall take effect:

- (i) on the day on which the notice is received by the Organisation; or
 - (ii) on the day specified in the notice, which is the day not earlier than the day when the member ceases to be eligible to become a member;
- whichever is later.

c) In any case a member's notice of resignation shall take effect:

- (i) at the end of two weeks after the notice is received by the Organisation;
 - (ii) or on the day specified in the notice;
- whichever is later;

d) Any dues payable but not paid by a former member, in relation to the period before the member's resignation from the Organisation took effect, may be sued for and recovered in the name of the Organisation, in a court of competent jurisdiction, as a debt due to the Organisation.

e) A notice delivered to the person nominated in (a) above shall be taken to have been received by the Organisation when it was delivered.

OPERATING REPORT *continued*
for the year ended 30 June 2014

f) A notice of resignation that has been received by the Organisation is not invalid because it was not addressed and delivered in accordance with (a) above.

g) A resignation from membership is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Organisation that the resignation has been accepted.

Officers and members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

No officer or member of the Association holds a position as a trustee, or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of members

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Association was 2,129.

Number of employees

The number of persons who were, at the end of the reporting period, employees of the Association was 12 as measured on a full-time equivalent basis.

Names of Committee of Management members and period positions held during the financial year ended 30 June 2014

Surname	Name	Attended	Held¹	Office bearer position
Anderson	Steven	3	4	-
Arthur	Darren	8	11	-
Aspinall	Mick	4	4	-
Backhouse	David	3	4	Vice President 1/7/13 – 10/9/13
Beavan	Jason	11	11	Vice President 8/10/13 – present
Bond	Paul	1	4	-
Busby	Theron	9	11	Vice President "A" Pilots
Butt	Murray	9	11	-
Cameron	Juan	2	4	-
Coull	Andrew	7	11	-
Davidson	Mike	3	4	-

¹ Number of meetings held during term of office. Meetings of the Committee of Management are normally held on the second Tuesday of each month, except there is no meeting in January.

OPERATING REPORT *continued*
for the year ended 30 June 2014

Surname	Name	Attended	Held	Office bearer position
<i>continued</i>				
Dowe	John	1	11	-
Faulkner	Mark	1	4	-
Fielder	Darren	4	7	-
Fitzsimons	Rick	0	4	-
Flack	Brett	3	4	-
Foo	Kris	1	4	-
Glynn	Michael	2	4	-
Grady	Richard	1	4	-
Heberley	Aaron	3	7	-
Hewett	Chris	6	11	-
Hodson	Brad	8	11	Vice President
Holt	David	9	11	-
Hunter	Glen	1	4	-
Jackson	Barry	4	4	President 1/7/13 – 9/9/13
Klaebe	Matthew	5	11	-
Knight	Mark	4	4	-
Krausse	Karsten	9	11	-
La Delle	Grant	6	11	-
Lipson	Jason	10	11	Assistant Secretary 15/10/13 – present
Loney	Shane	9	11	Vice President 7/11/13 – present
Lunt	Jeff	5	11	-
MacDonald	John	2	4	-
Marshall	Andrew	1	11	-
Mascaro	Franco	9	11	-
McNeil	Perry	0	4	-
Newnham	Mick	0	4	-
Nutter	Adrian	2	4	-
Payne	John	4	7	-
Percival	Andrew	2	4	-
Prosser	David	3	7	-
Roche	Stewart	2	4	-

OPERATING REPORT continued
for the year ended 30 June 2014

Surname	Name	Attended	Held	Office bearer position
<i>continued</i>				
Safe	Nathan	10	11	Assistant Secretary 1/7/13 – 9/9/13 President 10/9/13 – present
Sedgwick	Mark	5	7	-
Smith	Shane	2	7	-
Stevens	Godfrey	1	4	-
Susz	Adam	10	11	Treasurer
Watling	Chris	2	11	-
Winckel	Sean	6	11	-
Wirth	James	9	11	Secretary
Woods	Ian	3	7	-
Woods	Steven	8	11	-
Woodward	Richard	2	4	Vice President 1/7/13 – 7/11/13

Steven Anderson, David Backhouse and Rick Fitzsimons held positions during the period 1 July 2013 to 15 October 2013.

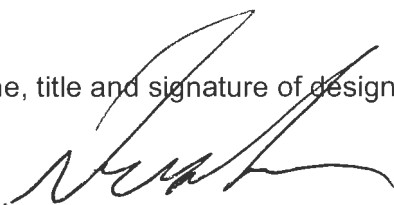
Mike Davidson, Mark Faulkner, Kris Foo, Richard Grady, Barry Jackson, John MacDonald, Mick Newnham, Adrian Nutter, Godfrey Stevens and Richard Woodward held positions during the period 1 July 2013 to 7 November 2013.

Darren Fielder, Aaron Heberley, John Payne, David Prosser Mark Sedgwick, Shane Smith and Ian Woods held positions from 7 November 2013 to 30 June 2014.

Mick Aspinall, Paul Bond, Juan Cameron, Brett Flack, Michael Glynn, Glen Hunter, Mark Knight, Perry McNeil, Andrew Percival and Stewart Roche held positions during the period 11 March 2014 to 30 June 2014.

Unless otherwise specified, all other Committee Members and Office Bearers held their positions for the entire financial year.

Name, title and signature of designated officer/s who prepared this report:



NATHAN SAFE, PRESIDENT

Dated: 9 September 2014



ADAM SUSZ, TREASURER

Dated: 9 September 2014

COMMITTEE OF MANAGEMENT STATEMENT


for the year ended 30 June 2014

On 9 September 2014 the Committee of Management of the Australian and International Pilots Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2014:

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 the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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;
- (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;
 - (ii) the financial affairs of the Association have been managed in accordance with the rules of the organisation;
 - (iii) the financial records of the Association have been kept and maintained in accordance with the RO Act;
 - (iv) where information has been sought in any request by a member of the Association or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager;
 - (v) 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; and
- (f) in relation to recovery of wages activity, there has been no such activity undertaken by the Association and no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with the resolution passed by the Committee of Management of the Association at its meeting dated 9 September 2014.

Signature of designated officer: 

Name and title of designated officer: JAMES WIRTH, SECRETARY

Dated: 9 September 2014

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
Revenue			
Membership subscriptions		4,147,086	3,794,933
Capitation fees	3A	-	-
Members' Special Levy	3B	18,645	18,309
Joining fees		23	659
Interest received on bank deposits	3C	91,929	132,852
Other revenue	3E	28,325	50,203
Total revenue		4,286,008	3,996,956
Expenses			
Employee expenses	4A	1,433,717	1,507,481
Capitation fees	4B	-	-
Affiliation fees	4C	67,617	73,160
Administration expenses	4D	1,577,484	2,145,378
Grants or donations	4E	30,364	32,000
Depreciation and amortisation	4F	340,940	198,914
Legal costs	4H	600,867	973,918
Audit fees	14	34,930	35,975
Finance costs	4G	-	-
Other expenses	4K	-	-
Total expenses		4,085,919	4,966,826
Surplus (2013 deficit) for the year		200,089	(969,870)

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

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

as at 30 June 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	2,945,708	2,367,769
Trade and other receivables	5B	209,154	163,280
Other current assets	5C	90,416	81,191
Total current assets		3,245,278	2,612,240
Non-Current Assets			
Land and buildings	6	1,770,198	1,826,252
Plant and equipment	6	37,239	53,482
Office Fit Out	6	360,478	625,479
Total non-current assets		2,167,915	2,505,213
Total assets		5,413,193	5,117,453
LIABILITIES			
Current Liabilities			
Trade payables	7A	513,924	467,576
Other payables	7B	96,902	47,599
Employee provisions	8A	96,120	96,120
Total current liabilities		706,946	611,295
Total liabilities		706,946	611,295
Net assets		4,706,247	4,506,158
EQUITY			
Retained earnings		4,706,247	4,506,158
Total equity		4,706,247	4,506,158

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

CASH FLOW STATEMENT

for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and customers		4,615,384	4,448,201
Proceeds from disposal of equipment		6,400	-
Interest		91,929	132,852
Receipts from other reporting units/controlled entities	11B	-	-
		<u>4,713,713</u>	<u>4,581,053</u>
Cash used			
Employees		1,433,717	1,507,481
Suppliers		2,691,650	4,251,709
Payments to other reporting units/controlled entities	11B	-	-
		<u>4,125,367</u>	<u>5,759,190</u>
Net cash from operating activities (2013 cash used)	11A	588,346	(1,178,137)
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		10,407	225,671
Net cash used by investing activities		10,407	225,671
Net increase in cash held (2013 cash decrease)		577,939	(1,403,808)
Cash and cash equivalents at the beginning of the reporting period		2,367,769	3,771,577
Cash and cash equivalents at the end of the reporting period	5A	2,945,708	2,367,769

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2014

	Retained earnings \$
Balance as at 1 July 2012	5,476,028
Deficit for the year	(969,870)
Closing balance as at 30 June 2013	4,506,158
Surplus for the year	200,089
Closing balance as at 30 June 2014	4,706,247

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

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for the year ended 30 June 2014

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NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2014

Note 1 Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian and International Pilots 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 at measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standards Requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Association.

1.8 Revenue

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

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

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.9 Government grants

Government grants are not recognised until there is reasonable assurance that the Association will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Association recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Association should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

1.10 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.11 Membership fees and levies

Membership fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

1.12 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Association recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

1.15 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

1.16 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.17 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Association manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance evaluated on a fair value basis, in accordance with the Association's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Association has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Association's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Derecognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.18 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

1.19 Contingent Liabilities and Contingent Assets

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

1.20 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

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

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

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2014	2013
Land and buildings	40 years	40 years
Plant and equipment	3 to 10 years	3 to 10 years

Derecognition

An item of land, buildings, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.23 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the assets recoverable amount is estimated and an impairment adjustment made if the assets recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.25 Taxation

The Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Note 2 Events after the Reporting Period

There were no events that occurred after 30 June 2014, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Association.

Note 3 Income

	2014	2013
	\$	\$
Note 3A: Capitation fees		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies		
Members' special levy	18,645	18,309
Total levies	<u>18,645</u>	<u>18,309</u>

Members' Special Levy

The purpose of this Special Levy imposed by the Association was to fund additional resources associated with the Qantas Long Haul Pilots' Enterprise Agreement campaign. The resources included but were not limited to: significant litigation expenses; campaign merchandise; public advertising; and parliamentary lobbying.

Note 3C: Interest

Deposits	91,929	132,852
Loans	-	-
Total interest	<u>91,929</u>	<u>132,852</u>

Note 3E: Grants or donations

Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>

The Association's ability to continue as a going concern was not reliant on the financial support of another reporting unit. The Association was not in receipt of any financial support from another reporting unit of the organisation.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Note 4 Expenses

Note 4A: Employee expenses

	2014	2013
	\$	\$
Holders of office		
Wages and salaries	96,390	108,248
Superannuation	8,916	9,742
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses – holders of office	<u>105,306</u>	<u>117,990</u>
Employees other than office holders		
Wages and salaries	1,119,668	1,260,030
Superannuation	104,055	112,446
Leave and other entitlements	-	17,015
Separation and redundancies	91,582	-
Other employee expenses	13,106	-
Subtotal employee expenses – employees other than office holders	<u>1,328,411</u>	<u>1,389,491</u>
Total employee expenses	<u>1,433,717</u>	<u>1,507,481</u>

Note 4B: Capitation fees

Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>

Note 4C: Affiliation fees

Australian Council of Trade Unions (ACTU)	12,533	12,627
The International Federation of Air Line Pilots Associations (IFALPA)	55,084	60,533
Total affiliation fees	<u>67,617</u>	<u>73,160</u>

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

	2014	2013
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Conference and meeting expenses	191,734	259,470
Contractors/consultants	552,092	731,633
Fees/allowances – meetings and conferences	-	-
Financial support to other reporting units	-	-
Media, public and government relations	141,997	114,282
Payroll tax	35,857	44,554
Printing, postage, stationery and promotional Items	38,461	69,347
Property expenses	47,465	46,485
Reimburse lost flying	121,032	291,443
Information communications technology	169,515	187,617
Insurance	95,361	114,335
Other administration expenses	183,970	316,212
Total administration expense	1,577,484	2,175,378

Note 4E: Grants or donations

Grants – total amount paid in grants that were \$1,000 or less	-	-
Grants – total amount paid in grants that exceeded \$1,000	16,364	30,000
Donations – total amount paid that were \$1,000 or less	-	-
Donations – total amount paid in donations that exceeded \$1,000	14,000	2,000
Total grants or donations	30,364	32,000

Note 4F: Depreciation and amortisation

Depreciation		
Land and buildings	56,054	56,054
Property, plant and equipment	284,886	142,860
Total depreciation	340,940	198,914

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Note 4G: Finance costs

	2014	2013
	\$	\$
Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
Total finance costs	-	-

Note 4H: Legal costs

Litigation on behalf of members	514,560	924,088
Other legal matters	86,307	49,830
Total legal costs	600,867	973,918

Note 4K: Other expenses

Penalties – via RO Act or RO Regulations	-	-
Total other expenses	-	-

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	784,222	173,744
Cash on hand	500	660
Short term deposits	2,160,986	2,193,365
Total cash and cash equivalents	2,945,708	2,367,769

Note 5B: Trade and Other Receivables

Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Trade debtors	241,907	163,280
Total trade and other receivables	241,907	163,280

Note 5C: Other Current Assets

Prepayments	57,663	51,018
Accrued Interest	32,753	15,173
Security Deposit	-	15,000
Total other current assets	90,416	81,191

NOTES TO THE FINANCIAL STATEMENTS continued
 for the year ended 30 June 2014

Note 6 Non-current Assets
Movement in the carrying amounts for each class of property, plant and equipment

2014	Plant & Equipment	Strata Property	Office Fit Out	Total
Opening balance	53,482	1,826,252	625,479	2,505,213
Additions	9,461	-	-	9,461
Disposals	-	-	5,819	5,819
Depreciation	25,704	56,054	259,182	340,940
Carrying amount at the end of the year	37,239	1,770,198	360,478	2,167,915

2013	Plant & Equipment	Strata Property	Office Fit Out	Total
Opening balance	69,030	1,882,486	526,940	2,478,456
Additions	13,587	-	212,084	225,671
Disposals	-	-	-	-
Depreciation	29,135	56,234	113,545	198,914
Carrying amount at the end of the year	53,482	1,826,252	625,479	2,505,213

2014	2013
\$	\$

Note 7 Current Liabilities
Note 7A: Trade payables

Trade creditors and accruals (including legal expenses of \$37,816 for litigation on behalf of members)

513,924	476,576
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Payables to other reporting units

-	-
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Total trade payables

513,924	476,576
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Settlement is usually made within 30 days

Note 7B: Other payables

Withholding tax

21,092	25,830
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Superannuation

7,906	9,005
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Consideration to employers for payroll deductions

-	-
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Legal costs

-	-
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GST payable

67,904	12,764
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Total other payables

96,902	47,599
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Total other payables are expected to be settled in:

No more than 12 months

96,902	47,599
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More than 12 months

-	-
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Total other payables

96,902	47,599
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NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Note 8 Provisions

Note 8A: Employee provisions

	2014	2013
	\$	\$
Office holders		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – office holders	<u>-</u>	<u>-</u>
Employees other than office holders		
Annual leave	61,764	61,764
Long service leave	34,356	34,356
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – employees other than office holders	<u>96,120</u>	<u>96,120</u>
Total employee provisions	<u>96,120</u>	<u>96,120</u>
Current	96,120	96,120
Non Current	-	-
Total employee provisions	<u>96,120</u>	<u>96,120</u>

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Note 11 Cash Flow

Note 11A: Cash flow reconciliation

	2014 \$	2013 \$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per		
Cash flow statement	2,945,708	2,367,769
Balance sheet	2,945,708	2,367,769
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus (2013 deficit) to net cash from operating activities		
Surplus for the year (2013 deficit)	200,089	(969,870)
Adjustments for non-cash items		
Depreciation/amortisation	340,940	198,914
Employee provisions	-	17,566
Changes in assets/liabilities		
(Decrease) increase in net receivables	(45,874)	51,550
Increase (decrease) in supplier payables	46,348	(455,698)
Increase in other creditors	49,303	-
Decrease in other assets	(9,225)	(20,599)
Decrease in non current assets	(3,642)	-
Net cash from operating activities (2013 cash used)	<u>577,939</u>	<u>(1,178,137)</u>

The Association did not acquire an asset or liability during the financial year as a result of an amalgamation of organisations, restructure of branches, determination by the General Manager under s245(1), or a revocation by the General Manager under s249(1).

Note 11B: Cash flow information

Cash inflows to the Association from other reporting unit/controlled entity	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows from the Association to other reporting unit/controlled entity	-	-
Total cash outflows	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

As at 30 June 2014 the Association:

- did not have any capital commitments
- did not have any lease commitments
- was not aware of any contingent assets or liabilities

Note 13 Related Party Disclosures

Note 13A: Related Party Transactions for the Reporting Period

There were no related party transactions for the year ended 30 June 2014.

Note 13B: Key Management Personnel Remuneration for the Reporting Period

	2014	2013
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	96,390	108,246
Total short-term employee benefits	96,390	108,246
Post-employment benefits		
Superannuation	8,916	9,742
Total post-employment benefits	8,916	9,742
Other long-term benefits		
Long-service leave	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total	105,306	117,988

Note 13C: Transactions with Key Management Personnel and their Close Family Members

There were no transactions with key management personnel and their close family members for the year ended 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2014

Note 14 Remuneration of Auditors

	2014	2013
	\$	\$
Value of the services provided		
Financial statement audit services	26,250	24,500
Other services	8,680	11,475
Total remuneration of auditors	34,930	35,975

No other services were provided by the auditors of the financial statements.

Note 15 Financial Instruments Disclosure

Interest Rate Risk

No asset held by the Association will suffer a financial risk as a result of a change in interest rates.

Credit Risk

The Association does not have any material credit risk exposure to any single debtor or debtor groups under financial instruments entered into.

Net Fair Values

Assets and liabilities are carried at cost or written down value which approximates the net fair value.

Note 16 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 the General Manager of Fair Work Commission:

(1) A member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

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

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