



FAIR WORK
COMMISSION

14 November 2015

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 2015 (FR2015/328)

I refer to the financial report of the Australian and International Pilots Association for the year ended 30 June 2015 which was lodged with the Fair Work Commission on 10 November 2015.

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 2016 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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 and Consolidated Entity

Financial Statements 2014–15

Contents

Independent Auditor's Report	2
Designated Officer's Certificate	4
Operating Report	5
Committee of Management Statement	9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Changes in Equity	11
Consolidated Statement of Financial Position	11
Consolidated Cash Flow Statement	12
Notes to and Forming Part of the Financial Statements	13

INDEPENDENT AUDITOR'S REPORT
for the year ended 30 June 2015



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**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN
AND INTERNATIONAL PILOTS ASSOCIATION**

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Australian and International Pilots Association (AIPA) which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management statement.

Committee of Management's Responsibility for the Financial Statements

The Committee of Management of AIPA is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

We meet the definition of approved auditor in Regulation 4 of the Fair Work (Registered Organisations) Regulation 2009.

The auditor is a member of the Certified Practising Accountants in Australia and holds a current Public Practice Certificate.

INDEPENDENT AUDITOR'S REPORT continued
for the year ended 30 June 2015



Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion;

- (i) The consolidated financial statements of Australian and International Pilots Association and its consolidated entity are presented fairly in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*; and
- (ii) the use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.



Pran Rathod
Director Audit Services
Registered Company Auditor



Hayes Knight (NSW) Pty Ltd

Date at Sydney, this 8 day of September 2015

s268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE OF PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2015

I, Chris Hewett, 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 and consolidated entity for the year ended 30 June 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 16 October 2015; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 10 November 2015 in accordance with s.266(3) of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name and title of prescribed designated officer:

CHRIS HEWETT, SECRETARY

Dated: 10 November 2015

OPERATING REPORT
for the year ended 30 June 2015

The Committee of Management presents its report on the Association for the financial year ended 30 June 2015.

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

The principal activities of the Association during the 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 \$977,193 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 2015

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 2,036.

Number of employees

The number of persons who were, at the end of the reporting period, employees of the Association was 10 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 2015

Surname	Name	Attended	Held¹	Office bearer position
Arthur	Darren	5	11	-
Aspinall	Mick	10	11	-
Beavan	Jason	11	11	Vice President
Blore	Geoff	5	10	-
Bond	Paul	0	1	-
Busby	Theron	7	11	Vice President "A" Pilots
Butt	Murray	6	11	-
Cameron	Juan	10	11	-
Cottell	Mike	0	1	-
Coull	Andrew	5	10	-
Dowe	John	0	2	-
Fielder	Darren	2	11	-

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 2015

Surname	Name	Attended	Held	Office bearer position
<i>continued</i>				
Flack	Brett	7	11	-
Glynn	Michael	2	11	-
Heberley	Aaron	4	11	-
Hewett	Chris	11	11	Secretary 6/11/14 – present
Hodson	Brad	9	11	Vice President
Holt	David	8	11	-
Hunter	Glen	8	11	-
Klaebe	Matthew	6	11	-
Knight	Mark	10	11	-
Krausse	Karsten	7	11	-
La Delle	Grant	0	11	-
Lipson	Jason	9	11	Assistant Secretary
Loney	Shane	8	11	Vice President
Lunt	Jeff	6	11	-
Marshall	Andrew	3	11	-
Mascaro	Franco	4	11	-
McNeil	Perry	5	11	-
Payne	John	2	11	-
Percival	Andrew	7	11	-
Prosser	David	7	11	-
Roche	Stewart	9	11	-
Safe	Nathan	11	11	President
Sedgwick	Mark	8	11	-
Smith	Shane	5	11	-
Susz	Adam	11	11	Treasurer
Thomson	Max	4	9	
Watling	Chris	2	11	-
Winckel	Sean	3	11	-
Wirth	James	9	11	Secretary 1/7/14 – 6/11/14
Woods	Ian	1	2	-
Woods	Steven	9	11	-

OPERATING REPORT continued
for the year ended 30 June 2015

Paul Bond held a position during the period 1 July 2014 to 8 August 2014

Ian Woods held a position during the period 1 July 2014 to 12 August 2014

John Dowe held a position during the period 1 July 2014 to 31 August 2014

Andrew Coull held a position during the period 1 July 2014 to 12 June 2015

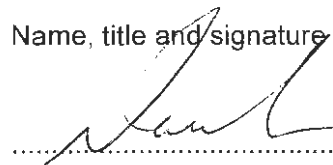
Geoff Blore held a position from 12 August 2014 to 30 June 2015

Max Thomson held a position from 9 September 2014 to 30 June 2015

Mike Cottell held a position from 12 June 2015 to 30 June 2015

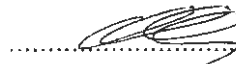
Unless otherwise specified, all other Committee Members and Office Bearers held their positions for the entire financial year.

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


.....

NATHAN SAFE, PRESIDENT

Dated: 8 September 2015


.....

ADAM SUSZ, TREASURER

Dated: 8 September 2015

COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 30 June 2015

On 8 September 2015 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 2015:

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; accordingly no recovery of wages activity report has been prepared.

This declaration is made in accordance with the resolution passed by the Committee of Management of the Association at its meeting dated 8 September 2015.

Signature of designated officer: 

Name and title of designated officer: CHRIS HEWETT, SECRETARY

Dated: 8 September 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Revenue			
Membership subscriptions		4,048,033	4,147,086
Capitation fees	3A	-	-
Members' Special Levy	3B	1,382	18,645
Joining fees		227	23
Interest received on bank deposits	3C	107,165	91,929
Grants or donations	3E	-	-
Other revenue		26,444	28,325
Total revenue		4,183,251	4,286,008
Expenses			
Employee expenses	4A	1,200,756	1,433,717
Capitation fees	4B	-	-
Affiliation fees	4C	36,075	67,617
Administration expenses	4D	1,503,658	1,577,601
Grants or donations	4E	9,600	30,364
Depreciation and amortisation	4F	180,272	340,940
Legal costs	4H	242,448	600,867
Audit fees	14	33,250	34,930
Other expenses	4K	-	-
Total expenses		3,206,058	4,086,036
Surplus for the year		977,193	199,972
Other comprehensive income		-	-
Total comprehensive income		-	-
Surplus for the year		977,193	199,972

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	4,212,510	2,945,708
Trade and other receivables	5B	11,328	209,154
Other current assets	5C	103,142	90,416
Total current assets		4,326,980	3,245,278
Non-Current Assets			
Land and buildings	6	1,713,964	1,770,198
Plant and equipment	6	42,826	37,239
Office Fit Out	6	257,825	360,478
Total non-current assets		2,014,615	2,167,915
Total assets		6,341,595	5,413,193
LIABILITIES			
Current Liabilities			
Trade payables	7A	397,626	513,924
Other payables	7B	114,687	96,902
Employee provisions	8A	145,959	96,120
Total current liabilities		658,272	706,946
Total liabilities		658,272	706,946
Net assets		5,683,323	4,706,247
EQUITY			
Retained earnings		5,683,323	4,706,247
Total equity		5,683,323	4,706,247

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Retained earnings \$
Balance as at 1 July 2013	4,506,275
Surplus for the year	199,972
Closing balance as at 30 June 2014	4,706,247
Surplus for the year	977,193
Closing balance as at 30 June 2015	5,683,323

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

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and customers		4,273,912	4,615,384
Proceeds from disposal of equipment		-	6,400
Interest		107,165	91,929
Receipts from other reporting units/controlled entities	11B	-	-
		<u>4,381,077</u>	<u>4,713,713</u>
Cash used			
Employees		1,200,756	1,433,717
Suppliers		1,886,430	2,691,650
Payments to other reporting units/controlled entities	11B	-	-
		<u>3,087,186</u>	<u>4,125,367</u>
Net cash from operating activities	11A	<u>1,293,891</u>	<u>588,346</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		27,089	10,407
Net cash used by investing activities		<u>27,089</u>	<u>10,407</u>
Net increase in cash held		1,266,802	577,939
Cash and cash equivalents at the beginning of the reporting period		2,945,708	2,367,769
Cash and cash equivalents at the end of the reporting period	5A	<u>4,212,510</u>	<u>2,945,708</u>

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

INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 1	Summary of Significant Accounting Policies	14
Note 2	Events after the Reporting Period	19
Note 3	Income	20
Note 4	Expenses	21
Note 5	Current Assets	23
Note 6	Non-current Assets	23
Note 7	Current Liabilities	24
Note 8	Provisions	25
Note 11	Cash Flow	26
Note 12	Contingent Liabilities, Assets and Commitments	26
Note 13	Related Party Disclosures	27
Note 14	Remuneration of Auditors	28
Note 15	Financial Instruments Disclosure	28
Note 16	Section 272 Fair Work (Registered Organisations) Act 2009	28
Note 17	Parent Entity Information	29

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

Note 1 Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The consolidated 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 consolidated 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 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.

1.4 Basis of consolidation

The consolidated financial statements consolidate those of the Parent Entity, Australian and International Pilots Association and its only wholly owned subsidiary, 247 Coward Street Pty Limited as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All transactions and balances between Group companies are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

1.5 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.

Receivables for 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.

1.6 Gains

Sale of assets

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

1.7 Membership levies

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

1.8 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.

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.

1.9 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.

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

1.10 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.

1.11 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. The Association's financial assets comprise only of receivables.

Receivables

Trade receivables that have fixed or determined payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at cost less impairment.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

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.

1.12 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'. The Association has only 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including trade and other payables, are initially measured at fair value net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.13 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.

1.14 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.

Land and Buildings

Following initial recognition at cost, land and buildings are carried at cost less subsequent accumulated depreciation and accumulated impairment losses. Fair value of land and buildings was assessed at \$2,270,000 in June 2012.

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

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:

	2015	2014
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.

1.15 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.

1.16 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

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.17 Going concern

The Association's ability to continue as a going concern is not reliant on the financial support of another reporting unit.

The Association has not agreed to provide financial support to another reporting unit.

The Association has not acquired an asset or liability as a result of an amalgamation, restructure, determination or revocation under the RO Act.

The Association has not acquired assets or liabilities as a result of a business combination.

1.18 Other matters in respect of Fair Work (Registered Organisations) Act 2009

For the balance of the general fund see Statement of Changes in Equity.

The Association does not receive any financial support from another reporting unit.

Fees or allowances have been paid to persons to attend a conference or other meeting as a representative of the Association.

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

Note 2 Events after the Reporting Period

There were no events that occurred after 30 June 2015, 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

	2015	2014
	\$	\$
Note 3A: Capitation fees		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies		
Members' special levy	1,382	18,645
Total levies	<u>1,382</u>	<u>18,645</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	107,165	91,929
Total interest	<u>107,165</u>	<u>91,929</u>

Note 3E: Grants or donations

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

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 2015

Note 4 Expenses

Note 4A: Employee expenses

	2015	2014
	\$	\$
Holders of office		
Wages and salaries	58,237	96,390
Superannuation	5,819	8,916
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses – holders of office	<u>64,057</u>	<u>105,306</u>
Employees other than office holders		
Wages and salaries	954,939	1,119,668
Superannuation	88,162	104,055
Leave and other entitlements	19,360	-
Separation and redundancies	40,646	91,582
Other employee expenses	33,592	13,106
Subtotal employee expenses – employees other than office holders	<u>1,136,699</u>	<u>1,328,411</u>
Total employee expenses	<u>1,200,756</u>	<u>1,433,717</u>

Note 4B: Capitation fees

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

Note 4C: Affiliation fees

Australian Council of Trade Unions (ACTU)	7,513	12,533
The International Federation of Air Line Pilots Associations (IFALPA)	28,562	55,084
Total affiliation fees	<u>36,075</u>	<u>67,617</u>

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Conference and meeting expenses	167,495	191,734
Contractors/consultants	597,670	552,092
Fees/allowances – meetings and conferences	-	-
Financial support to other reporting units	-	-
Media, public and government relations	120,704	141,997
Payroll tax	21,523	35,857
Printing, postage, stationery and promotional items	30,705	38,461
Property expenses	48,953	47,465
Reimburse lost flying	83,693	121,032
Information communications technology	164,096	169,515
Insurance	98,140	95,361
Other administration expenses	170,679	184,087
Total administration expense	1,503,658	1,577,601

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
Donations – total amount paid that were \$1,000 or less	100	-
Donations – total amount paid in donations that exceeded \$1,000	9,500	14,000
Total grants or donations	9,600	30,364

Note 4F: Depreciation and amortisation

Depreciation		
Land and buildings	56,234	56,054
Property, plant and equipment	124,038	284,886
Total depreciation	180,272	340,940

Note 4H: Legal costs

Litigation on behalf of members	238,005	514,560
Other legal matters	4,443	86,307
Total legal costs	242,448	600,867

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 4K: Other expenses		
Penalties – via RO Act or RO Regulations	-	-
Total other expenses	<u>-</u>	<u>-</u>

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	1,611,740	784,222
Cash on hand	770	500
Short term deposits	2,600,000	2,160,986
Total cash and cash equivalents	<u>4,212,510</u>	<u>2,945,708</u>

Note 5B: Trade and Other Receivables

Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Trade debtors	11,328	241,907
Total trade and other receivables	<u>11,328</u>	<u>241,907</u>

Note 5C: Other Current Assets

Prepayments	63,842	57,663
Accrued Interest	39,300	32,753
Total other current assets	<u>103,142</u>	<u>90,416</u>

Note 6 Non-current Assets

	Plant & Equipment	Strata Property	Office Fit Out	Total
At cost	202,176	2,242,165	1,026,533	3,470,875
Accumulated depreciation	(159,350)	(528,201)	(768,707)	(1,302,960)
Total	<u>142,826</u>	<u>1,713,964</u>	<u>257,825</u>	<u>2,014,615</u>

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

Movement in the carrying amounts for each class of property, plant and equipment

2014	Plant & Equipment	Strata Property	Office Fit Out	Total
Opening balance at cost	192,715	2,242,166	1,032,352	3,467,233
Accumulated depreciation	(139,233)	(415,914)	(406,873)	(962,020)
Net value	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
2015				
Opening balance at cost	202,176	2,242,166	1,026,533	3,470,875
Accumulated depreciation	(164,937)	(471,968)	(666,055)	(1,302,960)
Net value	37,239	1,770,198	360,478	2,167,915
Additions	26,972	-	-	26,972
Disposals	(3,238)	-	-	(3,238)
Depreciation	(18,147)	(56,234)	(102,653)	(180,272)
Carrying amount at the end of the year	42,826	1,713,964	257,825	2,014,615

2015 2014
\$ \$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals (including legal expenses of \$27,000 for litigation on behalf of members)	397,626	513,924
Payables to other reporting units	-	-
Total trade payables	397,626	513,924

Settlement is usually made within 30 days

Note 7B: Other payables

Withholding tax	30,518	21,092
Superannuation	11,239	7,906
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	72,930	67,904
Total other payables	114,687	96,902

Total other payables are expected to be settled in:

No more than 12 months	114,687	96,902
More than 12 months	-	-
Total other payables	114,687	96,902

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

Note 8 Provisions

Note 8A: Employee provisions

Office holders

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

Subtotal employee provisions – office holders

- -

Employees other than office holders

Annual leave	82,742	61,764
Long service leave	63,217	34,356
Separations and redundancies	-	-
Other	-	-

Subtotal employee provisions – employees other than office holders

145,959 96,120

Total employee provisions

145,959 96,120

Current 145,959 96,120

Non Current - -

Total employee provisions

145,959 96,120

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

Note 11 Cash Flow

Note 11A: Cash flow reconciliation

	2015 \$	2014 \$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per		
Cash flow statement	4,212,510	2,945,708
Balance sheet	4,212,510	2,945,708
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus to net cash from operating activities		
Surplus for the year	977,193	200,089
Adjustments for non-cash items		
Depreciation/amortisation	180,272	340,940
Changes in assets/liabilities		
(Increase) decrease in net receivables	197,826	(45,874)
Increase (decrease) in supplier payables	(116,298)	46,348
Increase in other creditors and provisions	67,624	49,303
Decrease in other assets	(12,726)	(9,225)
Decrease (increase) in non current assets	-	(3,642)
Net cash from (used by) operating activities	<u>1,293,891</u>	<u>577,939</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 2015

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

As at 30 June 2015 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 2015.

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

	2015	2014
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	58,237	96,390
Total short-term employee benefits	<u>58,237</u>	<u>96,390</u>
Post-employment benefits		
Superannuation	5,528	8,916
Total post-employment benefits	<u>5,528</u>	<u>8,916</u>
Other long-term benefits		
Long-service leave	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	-	-
Total	<u>63,765</u>	<u>105,306</u>

Nathan Safe, current President of the Association, and Barry Jackson, former president of the Association, are the key management personnel who received the benefits referred to above.

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 2015.

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

Note 14 Remuneration of Auditors

	2015	2014
	\$	\$
Value of the services provided		
Financial statement audit services	18,000	26,250
Other services	15,250	8,680
Total remuneration of auditors	33,250	34,930

Note 15 Financial Instruments Disclosure

Interest Rate Risk

Cash deposits 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).

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 June 2015

Note 17 Parent Entity Information

Information relating to the Australian and International Pilots Association

	2015	2014
	\$	\$
Statement of financial position		
Current assets	6,569,146	5,487,444
Non-current assets	300,651	397,717
Total assets	<u>6,869,797</u>	<u>5,885,161</u>
Current liabilities	658,272	706,946
Net assets	<u>6,211,525</u>	<u>5,178,215</u>
Statement of comprehensive income		
Surplus for the year	977,193	256,026