



1 February 2021

Christopher Hewett
Secretary
Australian and International Pilots Association

Sent via email: office@aipa.org.au
CC: pran.rathod@hayesknight.com.au

Dear Christopher Hewett,

**Australian and International Pilots Association
Financial Report for the year ended 30 June 2020 – (FR2020/199)**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the Australian and International Pilots Association (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 15 December 2020.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2021 may be subject to an advanced compliance review.

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

Non-compliance with previous requests

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely Nil activity disclosure and Recovery of wages disclosure.

The ROC aims to assist reporting units comply with their obligations under the RO Act and reporting guidelines by providing advice about the errors identified in financial reports. The reporting unit advised the ROC on 25 January 2021 that these issues would be addressed in next year's financial report.

Timescale requirements

Reports must be provided to members within 5 months after end of financial year where report is presented to committee of management meeting

Under section 265(5)(b) of the RO Act, where the report is presented to a committee of management meeting, the report must be provided to members within 5 months of the end of the financial year. The designated officer's certificate states that the financial report was presented, for the purposes of section 266, to a committee of management meeting and that the full report was provided to members on 9 December 2020.

The reporting unit advised the ROC on 25 January 2021 that a number of circumstances led to the full report not being provided to members within 5 months of end of financial year in particular, a number of personnel changes within the office of Treasurer of the reporting unit.

It would appear that the reporting unit should have applied for an extension of time to provide the full report to members in accordance with section 265(5) of the RO Act.

Please note that in future financial years if an extension of time to provide the full report later than 5 months is required, a written request, signed by a relevant officer, including any reason for the delay, must be made prior to the expiry of the 5 months.

I also remind the reporting unit that when the financial report is being presented, for the purposes of section 266, to a committee of management meeting that the provision of the full report to members can occur before this meeting is held.

General purpose financial report (GPFR)

AASB 15 – Disclosure requirements

With the introduction of the new Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers*, an entity has the option to transition to this new standard via either the full retrospective method or the modified retrospective method.

From the information disclosed within the GPFR, it is not clear which method the reporting unit has used to transition to AASB 15.

AASB 15 paragraph 114 also requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

It appears that no such disclosure has been made.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with AASB 15.

Reporting Requirements

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

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

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

Yours sincerely,



Kylie Ngo
Registered Organisations Commission



Australian and International Pilots Association and Consolidated Entity

Financial Statements 2019-2020

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

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Australian and International Pilots Association and Consolidated Entity (the Reporting Unit), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian and International Pilots Association and Consolidated Entity as at 30 June 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis of Opinion

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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

I declare that I am an auditor registered under the RO Act

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

In my opinion, no such matters were noted.



Pran Rathod - Director Audit Services
Registered Company Auditor - Registration Number AA2017/15

Dated at Sydney, this 10th of November 2020

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2020

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 2020 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 9 December 2020 ; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 8 December 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Chris Hewett

Title of prescribed designated officer:

Secretary

Dated:

8 December 2020

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 30 June 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Union for the year ended 30 June 2020.

Categories of expenditures	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses - employees	1,586,040	1,497,172
Advertising	-	-
Operating costs	2,311,985	1,779,246
Donations to political parties	-	-
Legal costs	409,791	119,706

Signature of prescribed designated officer:



Name of prescribed designated officer:

Chris Hewett

Title of prescribed designated officer:

Secretary

Dated this 7th day of November 2020

OPERATING REPORT

For the year ended 30 June 2020

The Committee of Management presents its report on the Association for the financial year ended 30 June 2020.

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 incurred a net deficit of \$ 648,296 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.

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 or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

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 2,343 (2019: 2,321).

Number of employees

The number of persons who were, at the end of the reporting period, employees of the Association was 16.73 (2019: 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 2020

Surname	Name	Attended	Held	Office bearer position
Anderson	Steven	0	4	
Armessen	Michael	7	14	
Arthur	Darren	7	14	
Aspinall	Mick	1	4	
Backhouse	David	4	14	
Beavan	Jason	14	14	Vice President
Bond	Paul	8	14	Treasurer
Brown	Cathy	10	10	
Bryce	Jarrold	5	10	Resigned 23/06/20
Busby	Theron	4	14	Vice President ('A' Pilots)
Butt	Murray	7	14	
Campbell	Skye	1	4	
Castellino	Brolin	9	10	
Christian	Kristie	5	10	
Delaroza	Dale	2	5	Resigned 14/02/20
Evans	Mathew	7	14	
Fielder	Darren	1	4	
Flack	Brett	1	4	
Foo	Kristan	7	10	
Geddes	Leigh	0	4	
Gilmour	Mark	6	14	
Glynn	Michael	2	4	
Hewett	Chris	12	14	Secretary
Hilbert	Luke	4	10	
Hodson	Brad	14	14	Vice President
Hunter	Glen	4	4	Treasurer 1/7/19-11/11/19
Ince	Shane	3	14	
Jackson	Barry	3	14	
Jarrold	Timothy	0	9	Resigned 22/04/20
Jones	Gerard	1	10	
Lipson	Jason	14	14	Assistant Secretary
Loney	Shane	12	14	Vice President
Lunt	Jeff	3	4	
Mascaro	Franco	10	14	
McCallum	Andrew	6	14	
Mickleson	Todd	3	4	
Munro	Jeffrey	6	14	
O'Rourke	Alexander	2	9	Resigned 14/02/20

Pavlou	Greg	13	14	Treasurer 12/11/19-30/6/20
Peatfield	Phillip	2	14	Vice President (Group Airlines)
Prosser	David	0	4	
Roche	Stewart	6	14	
Rogers	Gareth	5	10	
Rooke	Brent	0	14	
Schweighoffer	Kurt	4	10	
Sedgwick	Mark	13	14	President
Stahl	Andrew	8	10	
Watling	Chris	6	14	
Wegemund	Cameron	0	4	
Williams	Mark	10	10	
Winckle	Sean	0	4	
Wirth	James	8	10	
Woodbury	Robert	4	10	
Woods	Steven	4	4	
Worrall	Douglas	0	4	

Note 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.

Cathy Brown, Jarrod Bryce, Brolin Castellino, Kristie Christian, Dale Delarozza, Kristan Foo, Luke Hilbert, Timothy Jarrold, Gerard Jones, Gareth Rogers, Kurt Schweighoffer, Andrew Stahl, Mark Williams, James Wirth and Robert Woodbury held positions during the period 12 November 2019 to 30 June 2020.

Steven Anderson, Mick Aspinall, Skye Campbell, Darren Fielder, Brett Flack, Leigh Geddes, Michael Glynn, Glen Hunter, Jeff Lunt, Todd Mickleson, David Prosser, Cameron Wegemund, Sean Winckle, Steven Woods and Douglas Worrall held positions during the period 1 July 2019 to 11 November 2019.

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:



Mark Sedgwick, President
Dated: 9 November 2020



Paul Bond, Treasurer
Dated: 2 November 2020

COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 30 June 2020

On 13 October 2020 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 2020:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- (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 Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner;
 - (v) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance; and
- (f) no revenue has been derived from undertaking recovery of wages activity during the year.

This declaration is made in accordance with a resolution passed by the Committee of Management of the Association at its meeting dated 13 October 2020.

Signature of designated officer:



Name and title of designated officer:

Chris Hewett, Secretary

Dated this 7 November 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Notes	2020 \$	Restated 2019 \$
Revenue			
Membership subscriptions		3,407,269	4,516,856
Capitation fees	<u>3A</u>	-	-
Levies	<u>3B</u>	-	-
Interest received on bank deposits	<u>3C</u>	208,872	219,787
Grants and/or donations	<u>3E</u>	-	-
Other revenue	<u>3F</u>	194,459	6,825
Total revenue		3,810,599	4,743,468
Expenses			
Employee expenses	<u>4A</u>	1,586,040	1,497,172
Capitation fees	<u>4B</u>	-	-
Affiliation fees	<u>4C</u>	84,122	72,847
Administration expenses	<u>4D</u>	2,130,730	1,667,521
Grants or donations	<u>4E</u>	65,389	7,571
Depreciation and amortisation	<u>4F</u>	151,080	143,157
Legal costs	<u>4H</u>	409,791	119,706
Audit fees	<u>12</u>	31,744	31,307
Other expenses		-	-
Total expenses		4,458,896	3,539,281
(Deficit)/Surplus for the year		(648,296)	1,204,187
Other comprehensive income		-	-
Total comprehensive income for the year		(648,296)	1,204,187

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

	Notes	2020 \$	Restated 2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	<u>5A</u>	8,796,536	9,211,231
Trade and other receivables	<u>5B</u>	78,011	421
Other current assets	<u>5C</u>	157,271	165,507
TOTAL CURRENT ASSETS		9,031,818	9,377,159
NON-CURRENT ASSETS			
Land and buildings	<u>6</u>	1,433,693	1,489,747
Plant and equipment	<u>6</u>	241,734	250,364
Office fit out	<u>6</u>	235,927	272,380
TOTAL NON-CURRENT ASSETS		1,911,354	2,012,491
TOTAL ASSETS		10,943,172	11,389,650
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	<u>7A</u>	809,801	611,641
Other payables	<u>7B</u>	60,464	125,193
Employee provisions	<u>8A</u>	176,165	117,444
TOTAL CURRENT LIABILITIES		1,046,430	854,278
NON-CURRENT LIABILITIES			
Employee provisions	<u>8A</u>	77,109	67,444
TOTAL NON-CURRENT LIABILITIES		77,109	67,444
TOTAL LIABILITIES		1,123,539	921,722
NET ASSETS		9,819,632	10,467,928
EQUITY			
Retained earnings		9,819,632	10,467,928
TOTAL EQUITY		9,819,632	10,467,928

The above statement should be read in conjunction with the notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

	Note	Retained Earnings
		\$
Balance as at 1 July 2018		9,213,602
Prior year error - Depreciation	16	50,139
Restated surplus for the year		1,204,187
Restated Closing balance as at 30 June 2019		10,467,928
Deficit for the year		(648,296)
Closing balance as at 30 June 2020		9,819,632

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and others		3,800,663	4,968,541
Interest		182,939	253,045
Receipts from other reporting units/controlled entities	11B	-	-
		3,983,602	5,221,586
Cash used			
Employees		(1,586,040)	(1,436,144)
Suppliers		(2,759,819)	(2,205,280)
Payments to other reporting and controlled entities	11B	-	-
		(4,345,859)	(3,641,424)
Net cash (used in)/provided by operating activities	11A	(362,257)	1,580,162
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		(52,438)	(71,603)
Net cash used by investing activities		(52,438)	(71,603)
Net (decrease)/increase in cash held		(414,695)	1,508,559
Cash and cash equivalents at the beginning of the reporting period		9,211,231	7,702,672
Cash and cash equivalents at the end of the reporting period	5A	8,796,536	9,211,231

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

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 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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2020. The Association's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Association, are considered insignificant.

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had been previously applied. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

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 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 2020. 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.

1.5 Revenue

The Australian and International Pilots Association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Membership Subscription

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Australian and International Pilots Association.

As there is only one distinct membership service promised in the arrangement, the Australian and International Pilots Association recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Australian and International Pilots Association's promise to stand ready to provide assistance and support to the member as required.

Interest Income

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

Income of the Australian and International Pilots Association as a Not-for-Profit Entity

Consideration is received by the Australian and International Pilots Association to enable the entity to further its objectives. The Australian and International Pilots Association recognises each of these amounts of consideration as income when the consideration is received (which is when the Australian and International Pilots Association obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Australian and International Pilots Association's recognition of the cash contribution does not give to any related liabilities.

During the year, the Australian and International Pilots Association received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government grants - subsidies

1.6 Membership levies

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

1.7 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.

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

1.8 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.

1.9 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.

1.10 Financial Assets

Contract assets and receivables

A contract asset is recognised when the Australian and International Pilots Association's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Australian and International Pilots Association's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Australian and International Pilots Association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Australian and International Pilots Association initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Australian and International Pilots Association's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Australian and International Pilots Association commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

The entity's financial assets comprise receivables only and are recognised at amortised cost.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Australian and International Pilots Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Australian and International Pilots Association has transferred substantially all the risks and rewards of the asset, or
 - b) the Australian and International Pilots Association has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Australian and International Pilots Association has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Australian and International Pilots Association continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Australian and International Pilots Association applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Australian and International Pilots Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Australian and International Pilots Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Australian and International Pilots Association considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Australian and International Pilots Association may also consider a financial asset to be in default when internal or external information indicates that the Australian and International Pilots Association is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.11 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Australian and International Pilots Association's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.12 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.

1.13 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 \$3,500,000 by Valuecorp, an accredited independent valuer, in June 2017.

As uncertainty in the valuation exists due to limited comparable sales and rental evidence in the area, market values may change significantly and unexpectedly over a relatively short period, and there is no assurance the assessed market estimate could be realised if the property were offered for sale in an uncertain market. For these reasons a more conservative approach is taken and a revaluation adjustment has not been made.

Depreciation

Depreciable property, plant and equipment assets are written-off over 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:

	2020	2019
Land and Buildings	40 years	40 years
Plant and equipment (including Fit Outs)	3 to 10 years	3 to 10 years

Derecognition

An item of land, buildings, plant and equipment is derecognised 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.

1.14 Impairment of 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 asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal 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 was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.15 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 (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.

1.16 Going Concern

The reporting units (AIPA) ability to continue as a going concern is not reliant on the financial support of another reporting unit.

AIPA has not agreed to provide financial support to another reporting unit to ensure it can continue on a going concern basis.

1.17 Fair Value Measurement

The Australian and International Pilots Association measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Australian and International Pilots Association. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Australian and International Pilots Association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Australian and International Pilots Association determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Australian and International Pilots Association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 Events after the Reporting Period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Australian and International Pilots Association is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the reporting unit. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the reporting unit, the results of those operations, or the state of affairs of the Australian and International Pilots Association in subsequent financial periods.

Note 3 Income

	2020	2019
	\$	\$
Note 3A: Capitation Fees		
Capitation fees	-	-
Total Capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies		
Levies	-	-
Total Levies	<u>-</u>	<u>-</u>
Note 3C: Interest		
Term Deposits	208,872	219,787
Total Interest	<u>208,872</u>	<u>219,787</u>
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>
Note 3F: Other Revenue		
Donations - Welfare Support	700	-
Advertising Income	3,420	6,279
Jobkeeper subsidy	126,000	-
Cashflow boosts subsidy	62,500	-
Commissions Received	1,839	546
	<u>194,459</u>	<u>6,825</u>

Note 4 Expenses

Note 4A: Employee expenses

	2020	2019
	\$	\$
 Holders of Office:		
Salaries and Wages	105,171	62,424
Superannuation	3,004	5,930
Leave and Other Entitlements	-	-
Separation and Redundancies	-	-
Other Employee Expenses	-	-
Subtotal Employee Expenses Holders of Office	108,175	68,354
Employees other than office holders:		
Salaries and Wages	1,273,312	1,154,074
Superannuation	136,168	239,715
Leave and Other Entitlements	68,385	35,029
Separation and Redundancies	-	-
Other Employee Expenses	-	-
Subtotal Employee Expenses Other Than Office Holders	1,477,865	1,428,818
Total Employee Expenses	1,586,040	1,497,172

Note 4B: Capitation Fees

	2020	2019
	\$	\$
Capitation fees	-	-
Total Capitation fees	-	-

Note 4C: Affiliation Fees

	2020	2019
	\$	\$
Australian Council of Trade Unions	14,362	12,957
International Federation of Air Line Pilots Associations (IFALPA)	69,760	59,890
Total Affiliation Fees	84,122	72,847

Note 4D: Administration Expenses

	2020	2019
	\$	\$
Total paid to employers for payroll deductions	-	-
Compulsory Levies	-	-
Conference and Meeting Expenses	71,699	72,267
Contractors/consultants	590,028	620,168
Fees/allowances - meetings and conferences	-	-
Financial support to other reporting units	-	-
Media, Public and government relations	319,173	61,430
Payroll tax	77,954	53,183
Printing, postage, stationary and promotional items	44,262	28,222
Property expenses	63,062	63,509
Reimburse lost flying information communications technology	442,200	220,000
Insurance	162,528	138,618
Other administration expenses	83,953	79,932
Total administration expense	2,130,730	1,667,521

Note 4E: Grants & Donations

	2020	2019
	\$	\$
Grants - total paid that were \$1000 or less	-	-
Grants - total paid that exceeded \$1000	-	-
Donations - total paid that were \$1000 or less	897	-
Donations - total paid that exceeded \$1000	64,492	7,571
Total grants or donations	65,389	7,571

Note 4F: Depreciation and amortisation

	2020	2019
	\$	\$
Depreciation		
Land and Buildings	56,054	56,054
Property, plant and equipment	95,026	87,103
Total Depreciation	151,080	143,157

Note 4H: Legal Costs

	2020	2019
	\$	\$
Litigation on behalf of members	409,791	119,706
Other legal costs	-	-
Total legal costs	409,791	119,706

Note 5 Current Assets

	2020	2019
	\$	\$
Note 5A: Cash and Cash Equivalents		
Cash at bank	2,192,061	2,177,734
Cash on hand	765	750
Short term deposits	6,603,710	7,032,747
	8,796,536	9,211,231

Note 5B: Trade and Other Receivables

Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Trade debtors	1,618	421
GST receivable	34,393	-
Government subsidy receivable	42,000	-
Total trade and other receivables	78,011	421

Note 5C: Other Current Assets

Prepayments	135,491	127,830
Accrued Interest	21,780	37,677
Total other current assets	157,271	165,507

Note 6 Non-current Assets

	Plant & Equipment	Strata Property	Office Fit Out	Total
At cost	372,661	2,242,166	1,391,069	4,005,896
Accumulated depreciation	(130,926)	(808,473)	(1,155,143)	(2,094,542)
Total	241,734	1,433,693	235,927	1,911,354

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

2020	Plant & Equipment	Strata Property	Office Fit Out	Total
Opening balance at cost	328,201	2,242,166	1,391,069	3,961,436
Accumulated depreciation	(77,838)	(752,419)	(1,118,689)	(1,948,945)
Net value	250,364	1,489,747	272,380	2,012,491
Additions	52,438	-	-	52,438
Disposals	(2,495)	-	-	(2,495)
Depreciation	(58,572)	(56,054)	(36,453)	(151,079)
Carrying amount at the end of the year	241,734	1,433,693	235,927	1,911,354

2019				
Opening balance at cost	266,594	2,242,166	1,391,069	3,899,829
Accumulated depreciation	(37,190)	(696,365)	(1,082,230)	(1,815,785)
Net value	229,405	1,545,801	308,839	2,084,045
Additions	75,186	-	-	75,186
Disposals	(3,583)	-	-	(3,583)
Depreciation	(50,644)	(56,054)	(36,459)	(143,157)
Carrying amount at the end of the year	250,364	1,489,747	272,380	2,012,491

Note 7 Current Liabilities

	2020 \$	2019 \$
Note 7A: Trade payables		
Trade creditors and accruals	809,801	611,641
Payables to other reporting units	-	-
Total trade payables	809,801	611,641

Settlement is usually made within 30 days

Note 7B: Other payables

Withholding tax	-	27,982
Superannuation	10,464	9,279
Payable to employers for payroll deductions	-	-
Legal costs		
Other Legal costs on behalf of members	50,000	-
Litigation	-	-
GST payable	-	87,932
Total other payables	60,464	125,193

Total other payables expected to be settled in:

No more than 12 months	60,464	125,193
More than 12 months	-	-
Total other payables	60,464	125,193

Note 8 Provisions

Note 8A: Employee provisions

	2020 \$	2019 \$
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	166,268	108,957
Long service leave	9,897	8,487
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – employees other than office holders	<u>176,165</u>	<u>117,444</u>
Total employee provisions	<u>176,165</u>	<u>117,444</u>
Current	176,165	117,444
Non-current	77,109	67,444
Total employee provisions	<u>253,274</u>	<u>184,888</u>

Note 9 Cash Flow

Note 11A: Cash flow reconciliation

	2020 \$	2019 \$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per		
Cash flow statement	8,796,536	9,211,231
Balance sheet	8,796,536	9,211,231
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus to net cash from operating activities		
(Deficit)/Surplus for the year	(648,296)	1,204,187
Adjustments for non-cash items		
Depreciation/amortisation	151,080	143,157
Net write-down of non-financial assets	2,495	-
Changes in assets/liabilities		
(Increase) decrease in net receivables	(77,590)	7,046
(Increase) decrease in accrued interest	15,898	33,258
Increase (decrease) in other creditors and provisions	266,546	216,704
(Increase) decrease in other assets	(7,662)	(24,190)
Increase (decrease) in other liabilities	(64,729)	-
Net cash from operating activities	<u>(362,259)</u>	<u>1,580,162</u>

Note 10 Contingent Liabilities, Assets and Commitments

Note 10A: Commitments and Contingencies

As at 30 June 2020 the Association:

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

Note 11 Related Party Disclosures

Note 11A: Key Management Personnel Remuneration for the Reporting Period

	2020	2019
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	105,171	62,424
Total short-term employee benefits	<u>105,171</u>	<u>62,424</u>
Post-employment benefits		
Superannuation	3,004	5,930
Total post-employment benefits	<u>3,004</u>	<u>5,930</u>
Other long-term benefits		
Long-service leave	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	-	-
Total	<u>108,175</u>	<u>68,354</u>

Note 11B: Transactions with Key Management Personnel and their Close Family Members

(a) **Key Management Personnel**

Any person(s) having authority and responsibility for planning, directing, and controlling the activities of the Association, directly or indirectly, are considered key management personnel.

(b) **Transactions with key Management Personnel and their Families**

(1) The Association paid fees of \$47,561, for the current year, for RosterSMS subscription services to Mandon Pty Ltd a company wholly owned by Committee of Management member Andrew McCallum and his spouse.

Such transactions also occurred in the previous 2 years, at total of \$45,894 for 2019 and \$23,764 for 2018. The disclosure of the relevant particulars relating to these related party transactions was omitted from the financial report in those two years.

(2) The Association paid fees of \$227,747 in the current financial year to Crosby Textor Group, an entity that employs the spouse of Brad Hodson, a Vice-President of the Association. However, no financial benefits have been received by Mr Hodson or his spouse from this entity arising from that arrangement.

Note 12 Remuneration of Auditors

	2020	2019
	\$	\$
Value of the services provided		
Financial statement audit services	26,000	26,000
Other services	5,744	5,307
Total remuneration of auditors	<u>31,744</u>	<u>31,307</u>

Other services include a review of engagement for the six months to 31 December 2019 and a review of the financial report.

Note 13 Financial Instruments

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 14 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

Note 15 Parent Entity Information

Information relating to the Australian and International Pilots Association

	2020	2019
	\$	\$
Statement of financial position		
Current assets	11,273,984	11,619,325
Non-current assets	477,661	522,744
Total assets	<u>11,751,645</u>	<u>12,142,069</u>
Current liabilities	1,046,430	854,278
Non-current liabilities	77,109	67,444
Total liabilities	<u>1,123,539</u>	<u>921,722</u>
Net assets	<u>10,628,106</u>	<u>11,220,347</u>
Statement of comprehensive income		
(Deficit)/Surplus for the year	(648,296)	1,204,187

Note 16 Prior Year Error

The following prior year error has been corrected as part of the preparation of the financial report for the year ended 30 June 2020:

- Depreciation charge on office fit out was incorrectly charged being in excess depreciation charge, for the 2019 year by \$102,648 and \$50,139 for periods prior to the 2019 year.

The above error has been corrected by adjusting opening retained earnings by \$50,139 and restating the 2019 financial report as follows:

Statement of Profit or Loss and Other Comprehensive Income (extract)

	30 -Jun-2019	Adjustment	Restated 30-Jun-19
Depreciation	245,805	(102,648)	143,157
Surplus	<u>1,101,539</u>	<u>102,648</u>	<u>1,204,187</u>

Statement of Financial Position (extract)

Office Fit Out	119,593	152,787	272,380
Net Asset	<u>10,315,141</u>	<u>152,787</u>	<u>10,467,928</u>
Retained Earnings	10,315,141	152,787	10,467,928
Total Equity	<u>10,315,141</u>	<u>152,787</u>	<u>10,467,928</u>

OFFICER DECLARATION STATEMENT

for the year ended 30 June 2020

I, Chris Hewett , being the Secretary of the Australian and International Pilots Association, declare that the following activities did not occur during the year ending 30 June 2020.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive any other revenue from another reporting unit
- receive revenue from undertaking recovery of wages activity
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit

Signed by the officer:



Name of prescribed designated officer: Chris Hewett

Title of prescribed designated officer: Secretary

Dated: 7 November 2020