



6 January 2016

Mr Simon Lutton
General Manager
Australian Federation of Air Pilots
Level 4, 132-136 Albert Road
SOUTH MELBOURNE VIC 3205

via email: simon@afap.org.au

Dear Mr Lutton

Australian Federation of Air Pilots Financial Report for the year ended 30 June 2015 - [FR2015/157]

I acknowledge receipt of the financial report of the Australian Federation of Air Pilots. The documents were lodged with the Fair Work Commission (FWC) on 18 December 2015.

The financial report has now 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 RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contact on (03) 8656 4681 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



18 December 2015

General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Via email: orgs@fwc.gov.au

Re: Financial Statements – Australian Federation of Air Pilots

As required under section 268 of the Fair Work (Registered Organisations) Act 2009, please find enclosed the Federation's Financial Statements and Auditor's Report for the financial year ending 30 June 2015, together with a certificate signed by AFAP President, Captain David Booth.

Please contact me on 03 9928 5737 should you have any questions.

Yours sincerely,

Joanne Janes
Operations Manager

**CERTIFICATION PURSUANT TO SECTION 268 OF THE FAIR WORK
(REGISTERED ORGANISATIONS) ACT 2009**

I, David Booth, President of the Australian Federation of Air Pilots, hereby certify that the attached documents are full copies of the Auditor's report, accounts and statements for the Financial Year 2014/15 provided to the membership by publication on the Federation's website on 21 October 2015 and presented to the Committee of Management on 9 December 2015 in accordance with the Fair Work (Registered Organisations) Act 2009.



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Captain David Booth

18 December 2015

AUSTRALIAN FEDERATION OF AIR PILOTS
ABN 63 230 452 036

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

AUSTRALIAN FEDERATION OF AIR PILOTS

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This financial report covers the Australian Federation of Air Pilots as an individual entity. The financial report is presented in the Australian currency.

The Australian Federation of Air Pilots is a registered body under the Fair Work (Registered Organisations) Act 2009 and is domiciled in Australia. The objectives of the Federation include the protection and furthering of the interests of Air Pilots and to safeguard and improve the interests and rights of the members of the Federation.

The principal place of business is:
Australian Federation of Air Pilots
Level 4
132 -136 Albert Road
SOUTH MELBOURNE VIC 3205

The financial report was authorised for issue by the committee of management on the 18th day of September 2015.

AUSTRALIAN FEDERATION OF AIR PILOTS
ABN 63 230 452 036

OPERATING REPORT

Your Committee of Management present its report on the Australian Federation of Air Pilots (The Federation) for the financial year ended 30 June 2015.

Members of executive

The names of the Committee of Management in office at any time during the financial year are:

D Booth – President (appointed 3 September 2014)

B Murray – President (resigned 3 September 2014)

B Bollen - Vice President Membership

L Pole - Vice President Administration and Finance

P Gardiner - Technical Director

B Murray – Trustee (appointed 3 September 2014)

G Brown – Trustee

S Edwards – Trustee (resigned 3 September 2014)

J Absolon - Trustee

Significant changes in financial affairs

No significant changes in the state of affairs of The Federation occurred during the financial year.

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

The principal activities of The Federation during the financial year were the protection and improvement of employment conditions for its members. No significant change in the nature of these activities occurred during the year.

A review of the operations of The Federation indicate that it continued to engage in its principal activity of representing commercial pilots in industrial, technical and operational matters. In pursuing these activities The Federation has sought to protect and enhance the profession of air pilots through representation of individuals in grievances and disputes and by representing pilot groups in collective bargaining. In pursuing such, The Federation has initiated and activated legal and industrial action when appropriate. In enhancing the professional aspects of air pilotage, representations have been made to regulatory bodies, government inquiries and international forums when so required.

Union details

The number of equivalent full time employees at 30 June 2015 was 15.1 (2014: 13.4)

The number of members at 30 June 2015 was 4,172 (2014: 3,930).

Right of members to resign

Rule 2.7 sets out the terms under which a member of the Federation may resign. Any member may resign from membership by written notice addressed to and delivered to the Vice President (Administration and Finance). The notice of resignation takes effect:

(i) where the member ceases to be eligible to become a member of the Federation: (i) on the day on which the notice is received by the Federation, or (ii) on the day specified in the notice, whichever is later.

(ii) in any case, (i) at the end of 2 weeks after the notice is received by the Federation, or (ii) on the day specified in the notice, whichever is later.

AUSTRALIAN FEDERATION OF AIR PILOTS
ABN 63 230 452 036

OPERATING REPORT (Continued)

Directorships of Superannuation Fund

To the best of our knowledge and belief, no officers or employees of the Federation are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee.

Signed in accordance with a resolution of the Committee of Management:



D Booth - President



L Pole - Vice President Administration and Finance

Dated this 18th day of September 2015

AUSTRALIAN FEDERATION OF AIR PILOTS
ABN 63 230 452 036

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Revenue from continuing operations	4	3,518,820	3,186,416
Other income	5	341,165	660,823
Expenses			
Administration		(292,593)	(238,416)
Audit fee	7	(26,000)	(22,702)
Bank charges and interest		(23,076)	(17,231)
Communication		(62,011)	(45,013)
Depreciation and amortisation	8	(51,078)	(46,300)
History of the Federation		(485)	(666)
Capitation and affiliation fees	9	(46,281)	(39,132)
Industrial		(228,182)	(188,811)
Legal costs	10	(151,976)	(168,340)
Meeting and conferences	11	(130,844)	(144,751)
Occupancy		(203,058)	(199,305)
Publications, advertising and marketing		(84,690)	(25,369)
Employee expenses	12	(1,592,445)	(1,536,516)
Technical		(27,157)	(11,320)
Welfare, grant and donation expenses	13	(42,500)	(61,852)
		<u>(2,962,376)</u>	<u>(2,745,724)</u>
Surplus for the year		897,609	1,101,515
Surplus attributable to the members	23	897,609	1,101,515
Other comprehensive income			
Changes in fair value of available for sale assets	22	1,723	8,563
Total comprehensive income for the year attributable to the members		<u>899,332</u>	<u>1,110,078</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

AUSTRALIAN FEDERATION OF AIR PILOTS
ABN 63 230 452 036

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	14	6,511,841	5,600,694
Trade and other receivables	15	<u>111,862</u>	<u>153,400</u>
Total current assets		<u>6,623,703</u>	<u>5,754,094</u>
Non-current assets			
Available for sale financial assets	16	170,039	168,316
Property, plant and equipment	17	139,126	167,172
Intangible assets	18	<u>23,146</u>	<u>29,932</u>
Total non-current assets		<u>332,311</u>	<u>365,420</u>
Total assets		<u>6,956,014</u>	<u>6,119,514</u>
LIABILITIES			
Current liabilities			
Trade and other payables	19	286,005	278,724
Employee benefit obligations	20	264,662	329,888
Other	21	<u>791,995</u>	<u>807,917</u>
Total current liabilities		<u>1,342,662</u>	<u>1,416,529</u>
Non-current liabilities			
Employee benefit obligations	20	<u>55,651</u>	<u>44,616</u>
Total non-current liabilities		<u>55,651</u>	<u>44,616</u>
Total liabilities		<u>1,398,313</u>	<u>1,461,145</u>
Net assets		<u>5,557,701</u>	<u>4,658,369</u>
EQUITY			
Reserves	22	28,856	27,133
Accumulated surplus	23	<u>5,528,845</u>	<u>4,631,236</u>
Total equity		<u>5,557,701</u>	<u>4,658,369</u>

The above balance sheet should be read in conjunction with the accompanying notes.

AUSTRALIAN FEDERATION OF AIR PILOTS
ABN 63 230 452 036

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Accumulated surplus \$	Reserves \$	Total \$
Balance at 1 July 2013	3,529,721	18,570	3,548,291
Surplus for the year	1,101,515	-	1,101,515
Available for sale financial assets	-	8,563	8,563
Balance at 30 June 2014	<u>4,631,236</u>	<u>27,133</u>	<u>4,658,369</u>
Balance at 1 July 2014	4,631,236	27,133	4,658,369
Surplus for the year	897,609	-	897,609
Available for sale financial assets	-	1,723	1,723
Balance at 30 June 2015	<u>5,528,845</u>	<u>28,856</u>	<u>5,557,701</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

AUSTRALIAN FEDERATION OF AIR PILOTS
ABN 63 230 452 036

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from operations (inclusive of GST)		4,064,853	3,841,792
Receipts from other reporting entities (inclusive of GST)		-	-
Receipts from controlled entities (inclusive of GST)		-	-
Interest received		137,885	147,572
Cash used			
Payments to suppliers and employees (inclusive of GST)		(3,276,748)	(2,995,148)
Payments to other reporting entities (inclusive of GST)		-	-
Payments to controlled entities (inclusive of GST)		-	-
Net cash inflow from operating activities	27	<u>925,990</u>	<u>994,216</u>
INVESTING ACTIVITIES			
Cash received			
Rental income (inclusive of GST)		1,403	30,743
Receipt on sale for property, plant and equipment and software		-	438,667
Cash used			
Payment for property, plant and equipment and software		<u>(16,246)</u>	<u>(120,637)</u>
Net cash inflow from investing activities		<u>(14,843)</u>	<u>348,773</u>
Net increase in cash and cash equivalents		911,147	1,342,989
Cash and cash equivalents at beginning of financial year		<u>5,600,694</u>	<u>4,257,705</u>
Cash and cash equivalents at end of financial year	14(a)	<u><u>6,511,841</u></u>	<u><u>5,600,694</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes the separate financial statements for the Australian Federation of Air Pilots (The Federation).

(a) Basis of preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. The Australian Federation of Air Pilots is a not-for-profit entity for the purpose of preparing financial statements. Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 Application of Tiers of Australian Accounting Standards have been applied in the preparation of this report as required under the Reporting Guidelines for the purpose of section 253 of the *Fair Work (Registered Organisations) Act 2009*.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, 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.

Early adoption of standards

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

Statement of compliance

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of full compliance with IFRS cannot be made due to the entity applying the not for profit sector requirements contained in AIFRS.

New and amended standards adopted by the Federation

The Federation has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- Interpretation 21 Accounting for Levies
- AASB 2014-1 Amendments to Australian Accounting Standards

The Federation has assessed the impact of other new and amended standards that came into effect for the first time for the annual reporting period commencing 1 July 2014. These standards did not result in changes to Federation's accounting policies and had no effect on the amounts reported for current or prior year financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying The Federation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Federation recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Federation's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The Federation bases its estimates on historical results, taking into consideration the type of member, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

Subscriptions

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

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, The Federation reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(c) Taxation

No provision for income tax has been raised as the entity is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997. The Federation still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies (Continued)

(d) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(e) Investment and other financial assets

Classification

The Federation classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

The Federation does not hold any investments in the following categories: financial assets at fair value through profit or loss and held-to-maturity investments.

(i) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Recognition and derecognition

Regular purchases and sales of investments are recognised on trade-date - the date on which The Federation commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and The Federation has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), The Federation establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies (Continued)

(e) Investment and other financial assets (Continued)

Impairment

The Federation assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(f) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by The Federation is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to The Federation for similar financial instruments.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation

The depreciable amount of all fixed assets including buildings are depreciated over their estimated useful lives to The Federation commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rate	Depreciation basis
Buildings & Fit out	2.5%	Straight Line
Motor vehicles	7.5 - 15%	Straight Line
Office equipment	7.5-15%	Straight Line
Furniture and Fittings	7.5%	Straight Line
Computer equipment	33%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies (Continued)

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to The Federation prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(i) Welfare payments

In accordance with a Convention Resolution, ex gratia payments may be made to dependents of members at the discretion of the trustees. These payments are expensed as incurred.

(j) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow.

Commitments and contingencies are disclosed inclusive of GST.

(k) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liability for long service leave and annual leave are not expected to be settled wholly within 12 months after the period in which the employees rendered the related services. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1: Summary of significant accounting policies (Continued)

(k) Employee benefits (continued)

Termination benefits

Termination benefits are payable when employment is terminated by the Federation before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Federation recognises termination benefits at the earlier of the following dates: (a) when the Federation can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(l) Functional and presentation currency

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is The Federation's functional and presentation currency.

(m) Comparative figures

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

(o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2014, it also sets out new rules for hedge accounting. When adopted, the standard will affect the Federation's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. There will be no impact on the Federation's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Federation does not have any such liabilities.

(ii) AASB 15 Revenue from Contracts with customers (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 January 2018), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. There will be no impact on the Federation's financial report.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2: Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on The Federation and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Federation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Critical judgments in applying the entity's accounting policies

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries
- future on-cost rates; and
- experience of employee departures and period of service

3: Information to be provided to members or general manager

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsection (1), (2) and (3) of section 272 which read as follows:

(1) a member of a reporting unit, or the General Manager, 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 made 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
FOR THE YEAR ENDED 30 JUNE 2015

4: Revenue from continuing operations

	2015 \$	2014 \$
<i>Membership subscriptions</i>	3,518,820	3,186,416
<i>Capitation fees</i>	-	-
<i>Levies</i>	-	-
	<u>3,518,820</u>	<u>3,186,416</u>

5: Other income

Interest	147,467	141,533
Rent	1,275	27,948
Grants and donations	-	-
Financial support from another reporting unit	-	-
Distributions	1,829	2,384
Dividends	2,626	2,669
MBF	164,606	162,479
Other revenue	23,362	22,926
Gain on disposal of financial assets	-	300,884
	<u>341,165</u>	<u>660,823</u>

6: Expenses

	2015 \$	2014 \$
The surplus for the year includes the following specific expenses:		

<i>Compulsory levies</i>	-	-
<i>Consideration to employers for payroll deductions</i>	-	-
<i>Penalties - via RO Act or RO Regulations</i>	-	-

7: Auditors remuneration

	2015 \$	2014 \$
During the year the following fees were paid or payable for services provided by the auditor and its related practices:		
Audit of the financial report	26,000	22,702
Other services	-	-
	<u>26,000</u>	<u>22,702</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

8: Depreciation and amortisation

	2015 \$	2014 \$
<i>Depreciation of non-current assets</i>		
- Buildings	-	5,135
- Fit out	2,704	2,705
- Motor vehicles	19,215	20,984
- Office equipment and furniture	5,087	4,174
- Computer equipment	10,761	10,100
	<u>37,767</u>	<u>43,098</u>
<i>Amortisation of non-current assets</i>		
- Software	13,311	3,202
	<u>13,311</u>	<u>3,202</u>
	<u>51,078</u>	<u>46,300</u>

9: Capitation and affiliation fees

	2015 \$	2014 \$
<i>Capitation fees</i>		
IFALPA	46,281	39,132
<i>Affiliation fees</i>		
	-	-
	<u>46,281</u>	<u>39,132</u>

10: Legal costs

	2015 \$	2014 \$
Litigation	151,976	168,340
Other legal matters	-	-
	<u>151,976</u>	<u>168,340</u>

11: Meeting and conferences

	2015 \$	2014 \$
Fees and allowances	-	-
Other expenses	130,844	144,751
	<u>130,844</u>	<u>144,751</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

12: Employee expenses

	2015 \$	2014 \$
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>-</u>	<u>-</u>

In terms of the rules of the Federation all holders of officer serve in an honorary capacity.

Employees other than holders of office:

Wages and salaries	1,228,563	1,159,021
Superannuation	171,646	127,453
Leave and other entitlements	56,215	130,745
Separation and redundancies	-	10,431
Other employee expenses	(a) 136,021	108,866
	<u>1,592,445</u>	<u>1,536,516</u>
Total employee expenses	<u>1,592,445</u>	<u>1,536,516</u>

(a) Other expenses primarily comprise payroll tax, fringe benefits tax and workcover.

13: Welfare payments, grant and donations

	2015 \$	2014 \$
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	22,500	9,500
Donations		
Total paid that were \$1,000 or less	-	500
Total paid that exceeded \$1,000	-	27,852
Welfare payments	20,000	24,000
	<u>42,500</u>	<u>61,852</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

14: Current assets – Cash and cash equivalents

	2015	2014
	\$	\$
Cash on hand	613	157
Cash at bank	2,409,113	2,000,534
Deposits at call	4,102,115	3,600,003
	<u>6,511,841</u>	<u>5,600,694</u>

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	<u>6,511,841</u>	5,600,694
Balances per statement of cash flows	<u>6,511,841</u>	<u>5,600,694</u>

15: Current assets – Trade and other receivables

	2015	2014
	\$	\$
Receivables from other reporting units	-	-
Less provision for impairment	-	-
Net receivables from other reporting units	<u>-</u>	<u>-</u>
Prepayments	45,537	96,552
Other receivables	66,325	56,848
	<u>111,862</u>	<u>153,400</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

16: Non-current assets – Available for sale financial assets

	2015 \$	2014 \$
Listed investments	<u>170,039</u>	<u>168,316</u>
	<u>170,039</u>	<u>168,316</u>

These financial assets are carried at fair value.

These investments include the following surplus transferred to equity at reporting date:

Opening balance	168,316	159,753
Disposals	-	-
Impairment charge	-	-
Increase in investment revaluation reserve	<u>1,723</u>	<u>8,563</u>
Closing balance	<u>170,039</u>	<u>168,316</u>

17: Non-current assets – Property, plant and equipment

	2015 \$	2014 \$
Fit out		
At cost	27,037	27,037
Less accumulated depreciation	<u>(8,198)</u>	<u>(5,494)</u>
	<u>18,839</u>	<u>21,543</u>
Motor vehicles		
At cost	136,544	136,544
Less accumulated depreciation	<u>(62,596)</u>	<u>(43,381)</u>
	<u>73,948</u>	<u>93,163</u>
Computer equipment		
At cost	44,833	35,112
Less accumulated depreciation	<u>(30,008)</u>	<u>(19,247)</u>
	<u>14,825</u>	<u>15,865</u>
Furniture and equipment		
At cost	62,166	62,166
Less accumulated depreciation	<u>(30,652)</u>	<u>(25,565)</u>
	<u>31,514</u>	<u>36,601</u>
Total property, plant and equipment	<u>139,126</u>	<u>167,172</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

17: Non-current assets – Property, plant and equipment (Continued)

(a) Buildings

All buildings were held in the name of the nominee company, Albair Nominees Pty Ltd (The Company). The trustees consider that the Federation has beneficial ownership of the assets and liabilities of the company as the Company's sole purpose is to act as nominee, holding land and buildings of the Federation.

The buildings were sold in 2014.

(b) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year:

	Buildings	Fit out	Motor vehicles	Computer equipment	Furniture and equipment	Total
	\$	\$	\$	\$	\$	\$
2015						
Opening net book amount	-	21,543	93,163	15,865	36,601	167,172
Additions	-	-	-	9,721	-	9,721
Disposals	-	-	-	-	-	-
Depreciation	-	(2,704)	(19,215)	(10,761)	(5,087)	(37,767)
Closing net book amount	-	18,839	73,948	14,825	31,514	139,126

	Buildings	Fit out	Motor vehicles	Computer equipment	Furniture and equipment	Total
	\$	\$	\$	\$	\$	\$
2014						
Opening net book amount	141,750	24,248	56,213	13,458	24,002	259,671
Additions	-	-	58,627	12,507	17,248	88,382
Disposals	(136,615)	-	(693)	-	(475)	(137,783)
Depreciation	(5,135)	(2,705)	(20,984)	(10,100)	(4,174)	(43,098)
Closing net book amount	-	21,543	93,163	15,865	36,601	167,172

(c) Non-current assets pledged as security

None of the non-current assets have been pledged as security.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

18: Non-current assets – Intangible assets

	2015 \$	2014 \$
Software		
At cost	40,696	34,171
Less accumulated amortisation	<u>(17,550)</u>	<u>(4,239)</u>
	<u>23,146</u>	<u>29,932</u>
Total intangibles	<u><u>23,146</u></u>	<u><u>29,932</u></u>

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of intangibles between the beginning and the end of the year:

	Software	Total
2015	\$	\$
Opening net book amount	29,932	29,932
Additions	6,525	6,525
Disposals	-	-
Impairment charge	-	-
Amortisation charge	<u>(13,311)</u>	<u>(13,311)</u>
Closing net book amount	<u>23,146</u>	<u>23,146</u>

	Software	Total
2014	\$	\$
Opening net book amount	879	879
Additions	32,361	32,361
Disposals	(106)	(106)
Impairment charge	-	-
Amortisation charge	<u>(3,202)</u>	<u>(3,202)</u>
Closing net book amount	<u>29,932</u>	<u>29,932</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

19: Current liabilities – Trade and other payables

	2015 \$	2014 \$
Payables to other reporting units	-	-
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Other trade creditors and accruals	<u>286,005</u>	<u>278,724</u>
	<u>286,005</u>	<u>278,724</u>

20: Employee benefit obligations

	2015 \$	2014 \$
Employee provisions:		
<i>Office holders:</i>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<i>Employees other than office holders:</i>		
Annual leave	179,669	148,101
Long service leave	140,644	115,997
Separations and redundancies	-	110,406
Other	-	-
	<u>320,313</u>	<u>374,504</u>
Total employee provisions	<u>320,313</u>	<u>374,504</u>
Current	264,662	329,888
Non-current	<u>55,651</u>	<u>44,616</u>
	<u>320,313</u>	<u>374,504</u>

(a) Employee benefits – long service leave

Included in the employee benefits provision is a provision that has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits has been included in Note 1.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Federation does not have an unconditional right to defer settlement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

21: Current liabilities – Other liabilities

	2015 \$	2014 \$
Subscriptions received in advance	<u>791,995</u>	<u>807,917</u>

22: Reserves

	2015 \$	2014 \$
Available for sale investments revaluation reserve	(a) <u>28,856</u>	<u>27,133</u>

(a) Movements in reserve

Movements during the financial year:

Opening balance	27,133	18,570
Transfer to income statement on disposal	-	-
Revaluation for year	<u>1,723</u>	<u>8,563</u>
Closing balance	<u>28,856</u>	<u>27,133</u>

(b) Nature and purpose of reserve

Changes in fair value arising on translation of investments such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve, as described in note 1. Amounts are recognised in the income statement when the associated assets are disposed of or impaired.

23: Accumulated surplus

	2015 \$	2014 \$
Balance 1 July	4,631,236	3,529,721
Surplus for the year	<u>897,609</u>	<u>1,101,515</u>
Balance 30 June	<u>5,528,845</u>	<u>4,631,236</u>

No specific funds or accounts have been operated in respect of compulsory levies or voluntary contributions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

24: Related party disclosures

(a) The members of the executive committee during the financial year were:

Name	Position
D Booth	President (appointed 3 September 2014)
B Murray	President (resigned 3 September 2014)
B Bollen	Vice President Membership
L Pole	Vice President Administration and Finance
P Gardiner	Technical Director
B Murray	Trustee (appointed 3 September 2014)
G Brown	Trustee
S Edwards	Trustee (resigned 3 September 2014)
J Absolon -	Trustee

In terms of the rules of the Federation the Federal Officers are the people filling the positions listed above.

(b) In terms of the rules of the Federation all officers serve in an honorary capacity. No remuneration was paid to members of the committee of management during the year for the administration of the Federation.

(c) Officers are reimbursed for reasonable business expenses as incurred when carrying out business on behalf of the Federation.

	2015	2014
	\$	\$
(d) Key management personnel remuneration		
<i>Short-term employee benefits</i>		
Salary (including annual leave taken)	189,236	207,447
Annual leave accrued	8,969	18,849
Total short-term employee benefits	198,205	226,296
Post-employment benefits:		
Superannuation	27,403	25,000
Total post-employment benefits	27,403	25,000
Other long-term benefits:		
Long-service leave	2,889	2,934
Total other long-term benefits	2,889	2,934
Severance benefits	-	10,431
	-	10,431
Total	228,497	264,661

As at the end of the previous year the Federation had an outstanding balance of \$ 99,975 related to the previously accrued leave entitlements for separated employees. These leave entitlements were settled during the current financial year.

(e) There were no loans between the key management personnel or the committee of management and the Federation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

24: Related party disclosures (Continued)

(f) There were no transactions between key management personnel or the committee of management and the Federation other than those relating to their membership of the Federation and reimbursement by the Federation in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

(g) Transactions with related parties	2015	2014
	\$	\$
The Federation receives income from the Australian Air Pilots Mutual Benefit Fund (MBF) for the marketing and promotional services		
Income received for year	164,606	162,479
The Federation leases premises from the Australian Air Pilots Mutual Benefit Fund (MBF) on normal commercial terms and conditions.		
Lease expense for year	(172,353)	(176,119)
Amounts due to the MBF included in other receivables	48,459	46,200

25: Contingencies

There are no known contingent assets or liabilities at 30 June 2015.

26: Commitments

(a) Non-cancellable operating leases

The Federation leases various offices under non-cancellable operating leases expiring within one to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiatable.

	2015	2014
	\$	\$
Within one year	186,828	163,471
Later than one year but less than five years	352,993	-
Later than five years	-	-
	539,821	163,471

(b) Membership system

	2015	2014
	\$	\$
Contractual obligations for installation of Membership System	-	5,440

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

27: Cash flow information

	2015 \$	2014 \$
Reconciliation of cash flow from operations with surplus for the year		
Surplus for the year	897,609	1,101,515
<i>Investing cash flows included in surplus</i>		
Rental Income	(1,403)	(30,743)
<i>Non-cash flows in surplus</i>		
Depreciation and amortisation	51,078	46,300
Net (gain)/ loss on disposal of property, plant and equipment and software	-	(300,884)
<i>Changes in assets and liabilities</i>		
Decrease/(Increase) in receivables	41,538	(31,004)
Increase in payables	7,281	34,069
(Decrease)/Increase in subscriptions in advance	(15,922)	124,325
(Decrease)/Increase in provisions	(54,191)	50,638
Cash flows from operations	<u>925,990</u>	<u>994,216</u>

28: Events subsequent to reporting date

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of The Federation, the results of those activities or the state of affairs of The Federation in the ensuing or any subsequent financial year.

29: Other information

(i) Going Concern

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

(ii) Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

(iii) Acquisition of assets and liability under specific sections:

The Federation did not acquire any asset or a liability during the financial year as a result of:

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act;

(iv) Acquisition of assets and liability as part of a business combination:

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

30: Wage recovery activities

All wage recovery activity has resulted in payments being made directly to members by employers. The Federation has not derived any revenue in respect of these activities.

31: Capital management

The Federation manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Committee of Management ensure that the overall risk management strategy is in line with this objective.

The capital structure of the entity consists of cash and cash equivalents, listed securities and members' funds, comprising reserves and retained earnings.

The Committee of Management effectively manages the Federation's capital by assessing the Federation's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Committee of Management to control capital of the entity since the previous year. No operations of the entity are subject to external imposed capital requirements.

32: Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by the Committee of Management. The Committee of Management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

(a) Market risk

(i) Foreign exchange risk

The entity is not exposed to foreign exchange risk.

(ii) Price risk

The Federation is exposed to equity securities price. This arises from investments held by the entity and classified in the balance sheet either as available-for-sale or at fair value through profit or loss. The Federation is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the entity only maintains a small portfolio.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

32: Financial risk management (Continued)

(a) Market risk (continued)

The Federation's equity investments are publicly traded and are listed on the ASX.

The table below summarises the impact of increases/decreases of the indexes on the Federation's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/(decreased) by 10% (2014 - 10%) with all other variables held constant and all the Federation's equity instruments moved according to the historical correlation with the index.

	2015	2014
<i>Effect on equity:</i>	\$	\$
Increase of equity index by 10%	17,004	16,832
Decrease of equity index by 10%	(17,004)	(16,832)

Equity would further increase/decrease as a result of gains/ (losses) on equity securities classified as available-for-sale.

(iii) Cash flow and fair value interest rate risk

The Federation has no borrowings and is therefore not exposed to interest rate risk on liabilities. The Federation has investments in a variety of interest-bearing assets which have fixed interest rates and therefore are not subject to interest rate volatility.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks.

The Federation has no significant concentrations of credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	2015	2014
	\$	\$
Cash at bank		
AA- Rating	2,409,113	2,000,534
Deposits at call		
AA- Rating	4,102,115	3,600,003

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

32: Financial risk management (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

2015

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
Financial Assets								
Cash on hand		-	-	-	-	-	613	613
Cash at bank	0.6	2,409,113	-	-	-	-	-	2,409,113
Deposits at bank	2.7	-	4,102,115	-	-	-	-	4,102,115
Other receivables Available for sale financial assets		-	-	-	-	-	66,325	66,325
		-	-	-	-	170,039	-	170,039
		<u>2,409,113</u>	<u>4,102,115</u>	<u>-</u>	<u>-</u>	<u>170,039</u>	<u>66,938</u>	<u>6,748,205</u>
Financial Liabilities								
Other payables		-	-	-	-	-	286,005	286,005
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,005</u>	<u>286,005</u>
Net Financial Assets (Liabilities)		<u>2,409,113</u>	<u>4,102,115</u>	<u>-</u>	<u>-</u>	<u>170,039</u>	<u>(219,067)</u>	<u>6,462,200</u>

2014

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
Financial Assets								
Cash on hand		-	-	-	-	-	157	157
Cash at bank	2.4	2,000,534	-	-	-	-	-	2,000,534
Deposits at bank	3.9	-	3,600,003	-	-	-	-	3,600,003
Other receivables Available for sale financial assets		-	-	-	-	-	56,848	56,848
		-	-	-	-	168,316	-	168,316
		<u>2,000,534</u>	<u>3,600,003</u>	<u>-</u>	<u>-</u>	<u>168,316</u>	<u>57,005</u>	<u>5,825,858</u>
Financial Liabilities								
Other payables		-	-	-	-	-	278,724	278,724
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,724</u>	<u>278,724</u>
Net Financial Assets (Liabilities)		<u>2,000,534</u>	<u>3,600,003</u>	<u>-</u>	<u>-</u>	<u>168,316</u>	<u>(221,719)</u>	<u>5,547,134</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

32: Financial risk management (Continued)

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial assets available-for-sale is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Federation is the current bid price. These are included in level 1. The Federation does not have any financial instruments included in level 2 and level 3.

As at 30 June 2015

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
<i>Available for sale financial assets</i>				
Equity securities	170,039	-	-	170,039
Total	<u>170,039</u>	<u>-</u>	<u>-</u>	<u>170,039</u>

As at 30 June 2014

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
<i>Available for sale financial assets</i>				
Equity securities	168,316	-	-	168,316
Total	<u>168,316</u>	<u>-</u>	<u>-</u>	<u>168,316</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

33: Rule 22 – Disclosure

In terms of the Rule 22 of the Federation the following disclosures are required to be made to members of the Federation and its councils:

(i) Sub-rule 3 – Disclosure of officer’s relevant remuneration and non-cash benefits

In terms of sub-rule 3, the Federation must disclose the identity of the five highest paid officers as well as the amount of the remuneration and value of relevant non-cash benefits :

- No officers have received remuneration or non-cash benefits in terms of this sub-rule for the year ended 30 June 2015.
- Officers are reimbursed for reasonable business expenses as incurred when carrying out business on behalf of the Federation.

(ii) Sub-rule 4 - Disclosure of officer’s material personal interests

In terms of sub-rule 4, the Federation must disclose any material personal interests in a matter that an officer or a relative of the officer has or acquires that relates to the affairs of the Federation which has been disclosed to it by any officer.

- No officers have made any disclosures to the Federations required in terms of this rule.

(iii) Sub-rule 5 - Disclosure by the Federation and Councils of payments

In terms of sub-rule 5, the Federation must declare payments made to each related party or to each declared persons or body of the Federation

- Any such related party transactions are recorded in note 24.
- No payments have been made to any person who may be a declared person.

COMMITTEE OF MANAGEMENT STATEMENT

On 18 September 2015 the Committee of Management of the Australian Federation of Air Pilots passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 June 2015:

The Committee of Management declares that in its opinion;

1. the financial statements and notes comply with Australian Accounting Standards,
2. the financial statements and notes, comply with the reporting guidelines of the General Manager;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and:
5. during the financial year to which the GPFR relates and since the end of that year:
 - a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
 - e. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - f. 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.
6. No revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management



Designated Officer _____

D Booth - President

Dated this 18th day of September 2015



Independent auditor's report to the Committee of Management of Australian Federation of Air Pilots

Report on the financial report

We have audited the accompanying financial report of Australian Federation of Air Pilots (the Registered Organization), which comprises the balance sheet as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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 report

The Committee of Management of the Registered Organization is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the *Fair Work (Registered Organizations) Act 2009* for such internal control as the Committee of Management of the Registered Organization determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 financial report 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 Committee of Management of the Registered Organization, as well as evaluating the overall presentation of the financial report.

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

Auditor's opinion

In our opinion, the financial report of Australian Federation of Air Pilots:

- (i) presents fairly, in all material respects, the Registered Organization's financial position as at 30 June 2015 and of its performance for the year ended on that date;
- (ii) management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate; and



- (iii) complies with Australian Accounting Standards (including Australian Accounting Interpretations) and requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organizations) Act 2009*.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'A.H.', is written over the printed name.

Anthony Hodge
Partner
Registered Auditor with ASIC No. 477454
Chartered Accountants with Australia and New Zealand
Membership number: 46978

Melbourne
18 September 2015