



Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620

Financial Statements
For the year ended 31 December 2020

Higgins Tonna & CO
Public Accountants
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Report Required under Subsection 255 (2A)

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

2020 Expenditure required under s.255 (2A) RO Act

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31st December 2020.

Descriptive form

Account	2020	2019
1. Categories of expenditure		
Advertising	0	0
Donations to political parties	0	0
Legal	149,486	387,735
Operating Costs	528,227	756,387
Remuneration and other employment-related costs and expenses - employees	1,164,685	1,171,125
Total Categories of expenditure	1,842,398	2,315,247

 31.5.21

Stephen Purvinas
Federal Secretary

Operating Statement

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

The Committee of management presents its operating report of The Australian Licenced Aircraft Engineers Association (hereinafter referred to as 'ALAEA') for the year ended 31 December 2020.

Committee Members

The names of Committee of Management members who have held office throughout the year and at the date of this report are:

<u>Current committee members</u>	<u>Current committee members</u>
Appointed from 1 July 2002 (continuing) <ul style="list-style-type: none">• Stephen Purvinas (Federal Secretary)	Appointed from 11 March 2017 (continuing) <ul style="list-style-type: none">• Christian Tamblyn
Appointed from 1 July 2004 (continuing) <ul style="list-style-type: none">• Michael Weitenberg (Senior Vice President)	Appointed from 12 August 2017 (continuing) <ul style="list-style-type: none">• Brett McClenahan to 19 January 2021 (resigned)• Mike Davies
Appointed from 1 July 2006 (continuing) <ul style="list-style-type: none">• Mark Gant (Trustee)• Stephen Re (Trustee)	Appointed from 1 July 2018 (continuing) <ul style="list-style-type: none">• Rodney Wyse (Federal President)• Christopher Burleigh (resigned)• Craig Hyde to 17 December 2020 (resigned)
Appointed from 24 June 2009 (continuing) <ul style="list-style-type: none">• Bradley Cox to 1 February 2021 (resigned)	Appointed 27th September 2020 (continuing) <ul style="list-style-type: none">• Brian Taber to 30 September 2020 (resigned)
Appointed from 3 April 2013 (continuing) <ul style="list-style-type: none">• Mathew Rea	Appointed from 19 January 2021 <ul style="list-style-type: none">• Michael Ward
Appointed from 1 July 2014 (continuing) <ul style="list-style-type: none">• Wayne Derndorfer (Vice President) from 8 March 2021• Luke Murray (Assistant Federal Secretary) to 28 August 2020 (resigned)• Robert Toovey to 18 August 2020 (resigned)• Peter Gill (Vice President) to 2 March 2021 (Assistant Federal Secretary) from 2 March 2021	Appointed from 1 February 2021 <ul style="list-style-type: none">• Kevin Baldacchino
	Appointed from 2 February 2021 <ul style="list-style-type: none">• Patrick Hildebrandt
	Appointed from 2 March 2021 <ul style="list-style-type: none">• Matthew Whiley• Christopher Burleigh
	Appointed from 8 March 2021 <ul style="list-style-type: none">• Stephen Foulis
	Appointed from 10 April 2021 <ul style="list-style-type: none">• Eddy Azzopardi

Operating Statement

Australian Licenced Aircraft Engineers Association
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Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year.

ALAEA has many stakeholders, including the members we care for and their families, our staff and volunteers, the broader community who use air travel, the government agencies that regulate air travel industry and our suppliers. ALAEA sees its position as being the peak body to advise government and assist in advising on the effective regulation of the air travel industry in respect of maintenance and safety issues which are paramount not only to those who use the air travel but to those who may be impacted by that air travel — notably the wider Australian community. There have been no significant changes in the nature of these activities.

In keeping with this philosophy, the principal activities of ALAEA during the financial year achieved the following results:

- provided welfare and support facilities and other services including information on technical developments in the aircraft industry, journals and employment related information to members of ALAEA.
- provided legal representation for workplace related matters and negotiating Enterprise Agreements (EA's) as well as contract assessments and advice on behalf of members of ALAEA
- promoted and enforced high standards in aircraft maintenance.
- provided a means of liaison between the Australian Government, the Civil Aviation Safety Authority, National Training Authorities and Licenced Aircraft Maintenance Engineers in connection with all matters involving Licenced Aircraft Engineers and the general promotion of safety standards in the aircraft industry.

Significant Changes in Financial Affairs

In the opinion of the Committee of Management, there were no significant changes in the state of affairs of ALAEA that occurred during the financial year under review not otherwise disclosed in this report.

Number of Members

At balance date there were 2,913 members of ALAEA. This number consisted of 695 members that have chosen not to resign from the Association but have taken associate status, meaning they pay no dues and have relinquished voting rights but are entitled to ongoing representation and association benefits if required.

Number of Employees

At balance date there were 7.9 equivalent full-time employees (2019: 8).

Operating Statement

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Rights of Members to Resign

Part 6 of ALAEA's constitution provides the following:

- 1) A member of the Association may resign from membership by written notice addressed and delivered to the Federal secretary or addressed and delivered to the officer performing the duties of the Federal Secretary at the Registered Office of the Association.
- 2) A member ceases to be eligible for membership if he ceases to be employed:
 - a) in or in connection with an industry or industrial pursuit in respect of which ALAEA has constitutional coverage.
- 3) A notice of resignation from membership of the Association takes effect:
 - a) where the member ceases to be eligible to become a member of the Association:
 - i) on the day on which the notice is received by the Association; or
 - ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to become a member;whichever is later.
 - b) in any other cases, a member's notice of resignation shall take effect:
 - i) at the end of two weeks after the notice is received by the Association;
 - ii) or on the day specified in the notice;whichever is later.
- 4) Any dues payable but not paid by the former member, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
- 5) A notice delivered to the person mentioned in (1) above shall be taken to have been received by the Association when it is delivered.
- 6) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with (1) above.
- 7) 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 Association that his resignation has been accepted.

Operating Statement

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For the year ended 31 December 2020

Contingencies and Commitments

There are no contingencies or commitments other than stated at Notes 21 & 23.

Officers or members who are a Trustee of a superannuation entity or Director of a company that is a Trustee of a superannuation entity where being a member or officer of a registered organisation is a criterion for them holding such position

There are no officers or members holding such position.

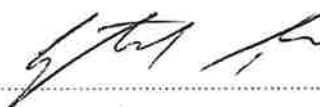
Signed in accordance with a resolution of the Members of the Committee of Management

Mark Gant (Trustee)

Stephen Re (Trustee)


.....
31/5/2021

Dated


.....
31/5/2021

Dated

Committee of Management Statement

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

On 31/5/2021 Australian Licenced Aircraft Engineers Association ("ALAEA") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 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 reporting unit for the financial year to which they relate;
- d) 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
- e) during the financial year to which the GPFR relates and since the end of that year:
 - i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v) where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management of ALAEA.

Designated Officer: **Stephen Purvinas**

Title of Office held: **Federal Secretary**

Signature:


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Dated:

31 - 5 - 2021
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Statement of Comprehensive Income

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2020

Account	Notes	2020	2019
Income			
Revenue			
Membership Subscriptions	3	1,900,425	1,982,604
Capitation fees & other revenue from another reporting unit**		0	0
Investment Income	3	35,385	73,722
Rental Revenue	3	2,957	40,371
Other Revenue	3	117,564	60,000
Grants and/or donations**		0	0
Revenue from recovery of wages activity**		0	0
Levies**		0	0
Other gains and losses	3	37,405	0
Total Revenue		2,093,736	2,156,697
Total Income		2,093,736	2,156,697
Expenses			
Employee benefits expenses	4	1,164,685	1,171,125
Capitation fees & other expense to another reporting unit**		0	0
Affiliation fees	5	47,538	56,566
Administration expenses	6	119,471	135,055
Grants and donations	7	5,000	30,000
Depreciation and amortisation	8	36,438	25,441
Legal costs	9	149,486	387,735
Industrial and management expenses	10	305,780	496,325
Audit Fees	11	14,000	13,000
Total Expenses		1,842,398	2,315,247
Surplus (deficit) for the year		251,338	(158,550)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		0	0
Total comprehensive income for the year		251,338	(158,550)

Statement of Financial Position

Australian Licenced Aircraft Engineers Association
 ABN 84 234 747 620
 For the year ended 31 December 2020

Account	Notes	31 Dec 2020	31 Dec 2019
Assets			
Current Assets			
Cash and cash equivalents	13	2,580,475	2,298,462
Trade and other receivables	14	11,312	13,979
Other current assets	15	40,584	54,473
Total Current Assets		2,632,371	2,366,914
Non-Current Assets			
Property, Plant & Equipment	16	254,573	252,542
Investment Property	17	1,350,000	1,310,937
Intangible assets	18	19,760	24,700
Financial assets	19	3,778	0
Total Non-Current Assets		1,628,111	1,588,179
Total Assets		4,260,482	3,955,093
Liabilities			
Current Liabilities			
Trade Payables	20 (a)	71,444	134,256
Other payables	20 (b)	211,359	148,130
Employee provisions	21	218,028	164,394
Total Current Liabilities		500,831	446,780
Total Liabilities		500,831	446,780
Net Assets		3,759,651	3,508,313
Equity			
Retained earnings (accumulated deficit)		3,759,651	3,508,313
Total Equity		3,759,651	3,508,313

Statement of Changes in Equity

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2020

Account	Retained Earnings	Total
Balance at 1 January 2019		
Opening Balance Equity	3,666,863	3,666,863
Surplus / (deficit)	(158,550)	(158,550)
Total other comprehensive income for the year	0	0
Balance at 31 December 2019		
Opening Balance Equity	3,508,313	3,508,313
Surplus / (deficit)	251,338	251,338
Balance at 31 December 2020	3,759,651	3,759,651

Statement of Cash Flows

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

Account	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (incl. Members)		2,154,584	2,162,455
Receipts from other reporting unit/controlled entity(s)		0	0
Interest		36,158	70,948
Rental receipts		23,826	48,908
Other		117,500	60,000
Net cash provided by (used in) Operating Activities			
Cash Used			
Employees		(1,063,080)	(1,235,822)
Suppliers		(951,790)	(1,302,955)
Payment to other reporting units/controlled entity(s)		0	0
Net cash from (used by) operating activities		317,198	(196,466)
INVESTING ACTIVITIES			
Cash Received			
Cash used			
Purchase of plant and equipment	16	(21,735)	(28,722)
Purchase of land and buildings	16, 17	(13,450)	(1,328,498)
Other		-	-
Net cash from (used by) investing activities		(35,185)	(1,357,220)
FINANCING ACTIVITIES			
Net cash from (used by) financing activities		0	0
Net increase (decrease) in cash held	22	282,013	(1,553,686)
Cash & cash equivalents at the beginning of the reporting period		2,298,462	3,852,148
Cash & cash equivalents at the end of the reporting period	13	2,580,475	2,298,462

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Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2020

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Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

1. Summary of Significant Accounting Policies

The financial report covers The Australian Licenced Aircraft Engineers Association (hereinafter also referred to as "ALAEA") as an individual not for profit entity. ALAEA is a Trade Union registered under the *Fair Work (Registered Organisations) Act 2009* and is domiciled in Australia and affiliated to the ACTU.

1.1 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 (RO Act)*. For the purpose of preparing the general purpose financial statements, ALAEA is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, 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 Significant accounting estimates and judgements

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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

Key estimates

Impairment – General

ALAEA assesses impairment at the end of each reporting period by evaluation of conditions and events specific to ALAEA that may be indicative of impairment triggers. Recoverable amounts of relevant assets are re-assessed using estimates of sale values.

Impairment of intangible assets has been recognised over 5 years commencing in the current year.

Key Judgements

Provision for employee benefits (short term)

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
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1.3 Significant accounting estimates and judgements (continued)

short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

Provision for employee benefits (long term)

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in Note 1.15. The amount of these provisions would change should any of these factors change in the next 12 months.

The fair value of liabilities and ALAEA's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, detailed in the respective note to the financial statements

1.4 New and amended Accounting Policies Adopted by the Association

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

The amendments provide a new definition of materials that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to ALAEA.

AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business

The amendment to AASB 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the financial statements of ALAEA but may impact future periods should ALAEA enter into any business combinations.

Notes to the Financial Statements

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1.4 New and amended Accounting Policies Adopted by the Association (continued)

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the accounting standard setter in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The amendments had no impact on the financial statements of ALAEA.

1.5 Changes in accounting, estimates & errors AASB 140 Investment properties

There was a change in accounting policy from the cost model to adoption of the fair value model under AASB 140. The change in accounting policy in restating the investment property at fair value provides reliable and more relevant information for users in evaluating the economic benefits of the asset. The amount of the adjustment is as follows:

	2020	2019
22 Kyabra Street Newstead QLD – at cost	1,310,937	1,308,965
Additions	1,658	1,972
	1,312,595	1,310,937
Adjustment to fair value	37,405	0
Fair Value	1,350,000	1,310,937

The property was purchased in June 2019. The directors determined the cost value to approximate fair value as at 31 December 2019. Movement in fair value in 2019, if any, is considered immaterial to the presentation of the financial statements.

1.6 New Accounting Standards for Application in Future Periods

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on ALAEA include:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022.

Earlier application is permitted. ALAEA does not expect the adoption of this amendment to have an impact on its financial statements.

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

1.7 Current versus non-current classification

ALAEA presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

1.8 Revenue and other income

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

ALAEA enters into arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions joining fees and grants.

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

Revenue from contracts with customers

Where ALAEA has a contract with a customer, ALAEA recognises revenue when or as it transfers control goods or services to the customer. ALAEA accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

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 ALAEA.

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

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
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1.8 Revenue and other income (continued)

If there is more than one distinct good or service promised in the membership subscription, ALAEA allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that ALAEA charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), ALAEA recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, ALAEA has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from ALAEA at their standalone selling price, ALAEA accounts for those sales as a separate contract with a customer. Membership fees received relating to future financial periods are recognised as deferred income.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial asset.

Rental income

Leases in which ALAEA as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Rents are recognised as income in the period in which they are earned.

Volunteer Services

As ALAEA does not engage volunteers there are no services donated by volunteers which require inclusion in the financial statements.

Government Grants

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

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
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1.9 Land and buildings, Plant and Equipment

Land and Buildings

Freehold land and buildings are measured on the cost basis less subsequent depreciation for buildings and impairment losses.

ALAEA does not believe that it is necessary to revalue land and buildings at this time.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a valuation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Notes 1.11 and 1.12 for details of impairment)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to ALAEA commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate	Depreciation basis
Buildings	5% - 10%	Prime cost
Office equipment & furniture	10% - 33.3%	Prime cost
Motor vehicles	12.5%-15%	Prime cost

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Each asset class's carrying amount is written down immediately to its recoverable amount if the class's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income when the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
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1.10 Investment Property

Investment properties are held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on the derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period in which the property is derecognised.

1.11 Financial Instruments

Initial Recognition & Measurement

Financial assets and financial liabilities are recognised when ALAEA becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that ALAEA commits to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.

Classification and Subsequent Measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- Amortised cost; or
- Fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liability is subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

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1.11 Financial Instruments (continued)

A financial liability is held for trading if:

- It is incurred for the purpose of repurchasing or repaying in the near term;
- it is part of a portfolio where there is an actual pattern of short-term profit taking or;
- it is a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through other comprehensive income; or fair value through profit and loss

on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

Fair value through profit or loss

By default, all other financial assets that do not meet the conditions of amortised cost and fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

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1.11 Financial Instruments (continued)

The entity initially designates a financial instrument as measured at fair value through profit and loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the entity was documented appropriately, so that the performance of the financial liability that was part of an entity's financial liabilities of financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. no practical ability to make a unilateral decision to sell the asset to a third party).

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1.12 Impairment of non-financial assets

At the end of each reporting period, ALAEA assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs of disposal and its value in use, to the asset's carrying amount. For non-cash generating specialised assets measured using the cost basis, the recoverable amount is determined using current replacement cost in AASB 13 *Fair Value Measurement*. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, ALAEA estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.13 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before reporting ALAEA transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when ALAEA performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some consideration received (or receivable) from a customer. ALAEA refund liabilities arise from customers' right of return. The liability is measured at the amount ALAEA ultimately expects it will have to return to the customer. ALAEA updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.14 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.

1.15 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.

Short-term employee benefits

Provision is made for ALAEA's obligation for short-term employee benefits. Short-term employee benefits are benefits (as defined in AASB 119 *Employee Benefits*), (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Notes to the Financial Statements

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1.15 Employee Benefits (continued)

ALAEA's obligations for short-term employee benefits such as wages, salaries and annual leave are recognised as a part of other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Any re-measurements of obligations of other long-term employee benefit-obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

ALAEA's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

ALAEA makes contributions to employee superannuation plans (not controlled by ALAEA, its Trustees or its Committee members). Such contributions are charged as expenses as incurred. ALAEA has no legal obligation to cover any shortfall in those superannuation plans' obligations to provide benefits to employees on retirement.

1.16 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months to twelve months.

1.17 Leases

ALAEA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

ALAEA as a lessee

ALAEA applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. ALAEA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets

ALAEA's short-term leases are those that have a lease term of 12 months or less from the commencement. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

ALAEA as a lessor

ALAEA enters into-lease agreements as a lessor with respect to its investment property. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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1.17 Leases (continued)

When the association is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. ALAEA is not an intermediate lessor.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the association's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the association's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the association applied AASB 15 to allocate the consideration under the contract to each component.

1.18 Fair Value measurement

ALAEA measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

'Fair value' is the price ALAEA would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values maybe made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to ALAEA at reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

"The fair value of liabilities and ALAEA's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, detailed in the respective note to the financial statements.

Notes to the Financial Statements

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1.19 Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Notes 1.11 and 1.12 for further discussion on the determination of impairment losses.

1.20 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount 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 statement of financial position.

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 are presented as operating cash flows included in receipts from customers or payments to suppliers.

1.21 Income Tax and Fringe Benefit Tax (FBT)

ALAFEA is a registered Trade Union and exempt from income tax under Section 50-1 of the *Income Tax Assessment Act 1997*.

ALAEA has obligations for Fringe Benefits Tax (FBT).

1.22 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

ALAEA acquired certain education manuals in prior years. The expected useful life for amortisation of these manuals is 5 years. ALAEA has determined that due to this useful life these assets will be carried at cost less accumulated impairment.

Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Notes to the Financial Statements

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1.23 Provisions

Provisions are recognised when ALAEA has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

1.24 Affiliation Fee

ALAEA is required to pay an annual affiliation fee to the ACTU. Other voluntary affiliation fees are also paid to other relevant organisations.

1.25 Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by ALAEA during the reporting period and employee RDO's which remain unpaid. The balance (including employee RDO's as these may be taken at any time by employees or requested to be paid out at any time by employees) is recognised as a current liability with amounts other than all RDO's normally paid within 60 days of recognition of the liability.

1.26 Comparative Figures

Where required by Accounting Standards or the reporting requirements of the *Fair Work (Registered Organisations) Act 2009* comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

1.27 Going concern

ALAEA is not reliant on any agreed financial support of another reporting unit to continue on a going concern basis.

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

The Management Committee has determined that the going concern basis of preparation of the financial report is appropriate, (Refer to note 2 for subsequent events)

Notes to the Financial Statements

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1.28 Additional Information required by the Fair Work Commission by way of reporting guidelines made under Section 255 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*

The reporting guidelines became effective so as to apply to each financial year of a reporting unit that ends on or after 30 June 2016. The major effect was to stipulate that all reporting units apply Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 *Application for Tiers of Australian Accounting Standards*.

In addition to the aforementioned, the guidelines list information to be provided beyond that necessary to comply with the presentation of Tier 1 General Purpose Financial Statements (GPFS). As such items do not form part of GPFS that additional information has generally been suffixed by (**).

2. Events After the Reporting Period

With the exception of legal expenses to be incurred as shown in Note 23 and damages or other claims as a result of future unsuccessful defence of legal matters which claims are unable to be quantified at this time, there has not been any matter or circumstances in the opinion of the Committee of Management subsequent to the end of the financial year that has significantly affected or may significantly affect the operations of ALAEA, the results of those operations or the state of affairs of ALAEA in subsequent accounting periods.

Notes to the Financial Statements

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3. Revenue and Income	2020	2019
Membership Subscriptions**		
- Generally applied	1,881,451	1,962,847
- Welfare Fund applied	18,974	19,757
Total Membership Subscriptions	1,900,425	1,982,604
Interest earned (from cash on deposit)	35,385	73,722
Rental Revenue		
Rent Received	21,660	44,462
Rental Expenses	(18,703)	(4,091)
Net Rental Revenue	2,957	40,371
Other income		
Litigation receipts for members	0	60,000
Government grants – cash flow boosts	100,000	0
Government grants – Revenue WA	17,500	0
Commissions	64	0
Total other income	117,564	60,000
Other Gains and Losses		
Revaluation gain – Investment Property	37,405	0
Total other gains and losses	37,405	0
Total Revenue	2,093,736	2,156,697
4. Employee benefits expense	2020	2019
Employee expenses**		
Employee expenses Officeholders**		
Wages and salaries	349,225	356,060
Superannuation	37,733	38,081
Leave and other entitlements	38,153	(3,959)
Other employee expenses	0	0
Total Employee expenses Officeholders**	425,111	390,182
Employees other than Officeholders		
Wages and Salaries	624,312	731,118
Superannuation	66,989	77,334
Leave and other entitlements	22,345	(49,218)
Separation and redundancies	0	0
Other employee expenses	0	0
Total Employees other than Officeholders	713,646	759,234
Total Employee expenses**	1,138,757	1,149,415
Other employee costs		
Payroll Tax	4,714	20,921
Staff training	21,214	789
Total Other employee costs	25,928	21,710
Total Employee benefits expense	1,164,685	1,171,125

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	2020	2019
5. Affiliation fees		
ACTU	18,716	18,464
Unions NSW	5,170	4,949
Union Shopper	0	6,772
Victoria Labour Council	4,811	4,735
Aircraft Engineers International	9,213	9,028
International Transport Workers Federation	9,628	9,498
Global Cabin Air Quality Executive	0	2,532
International Federation of Airworthiness	0	590
Total Affiliation fees	47,538	56,566
6. Administration	2020	2019
Total paid to employers for payroll deductions of membership subscriptions**	0	0
Compulsory levies***	0	0
Property Expenses	35,949	43,689
Seminars	2,902	3,132
Postage, printing and stationery	11,188	13,007
Information communications technology	32,552	40,750
Finance cost - bank charges and currency changes	17,644	18,058
Industrial library	19,236	16,419
Total Administration	119,471	135,055
7. Grants and donations	2020	2019
Grants**		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	0	0
Donations - paid generally**		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	0	0
Total Donations - paid generally	0	0
Donations - paid from Welfare Fund**		
Total paid that were \$1,000 or less	0	0
Total that exceeded \$1000	5,000	30,000
Total paid from Welfare Fund	5,000	30,000
8. Depreciation and amortisation	2020	2019
Depreciation		
Land and Buildings	4,883	4,165
Office equipment	24,884	19,545
Motor vehicles	1,731	1,731
Total Depreciation	31,498	25,441
Amortisation		
Intangibles	4,940	0
Total Depreciation and amortisation	36,438	25,441

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9. Legal Costs	2020	2019
Litigation	147,331	381,422
Other legal matters	2,155	6,313
Total Legal costs	149,486	387,735

10. Industrial and management expenses	2020	2019
Conference and meeting expenses**	62,741	236,624
Fees/allowances - meeting and conferences**	4,500	13,171
Other Industrial & management expenses	238,539	246,530
Total Industrial and management expenses	305,780	496,325

11. Audit fees	2020	2019
Remuneration of auditor for:		
Auditing or review of financial report	14,000	13,000
Total Remuneration of auditor for:	14,000	13,000
Total audit fees - No other services were provided by the auditors of the financial statements		

12. Penalties	2020	2019
Penalties - via RO Act or the Fair Work Act 2009**	0	0
Other fines or Penalties**	0	0

13. Cash and cash equivalents	2020	2019
Short Term Deposits	1,910,500	1,875,413
Cash at bank	669,975	423,049
Total Cash and cash equivalents	2,580,475	2,298,462

14. Trade and Other Receivables	2020	2019
Receivables from other reporting entities**	0	0
Less allowance for expected credit losses **	0	0
Subscriptions Receivable	11,312	8,079
Other Receivables	0	5,900
Total Trade and Other Receivables	11,312	13,979

There are no impaired receivables in the current or previous financial year.

15. Other current assets	2020	2019
Accrued interest	8,382	14,072
Prepayments	32,202	40,401
Total Other current assets	40,584	54,473

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16. Property, Plant & Equipment	2020	2019
Land and buildings		
Land at Cost	110,000	110,000
Buildings		
Buildings at Cost	492,259	480,466
Accumulated Depreciation of Buildings	(410,747)	(405,864)
Total Buildings	81,512	74,602
Total Land and buildings	191,512	184,602
Plant and Equipment		
Plant & Equipment at cost	109,968	98,654
Accumulated Amortisation of Leasehold Improvements	(54,573)	(40,110)
Total Plant and Equipment	55,395	58,544
Motor Vehicles		
Motor vehicles (at cost)	13,844	13,844
Accumulated depreciation of Motor Vehicles	(6,179)	(4,448)
Total Motor Vehicles	7,665	9,396
Total Property, Plant & Equipment	254,572	252,542

Movement in carrying amounts:

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:

	Freehold Land	Buildings	Office Equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Net book value at 1 January 2019	110,000	59,234	51,339	11,127	231,700
Additions by purchase	-	19,533	26,732	-	46,265
Disposals:	-	-	-	-	-
* From disposal of entities (including restructuring)	-	-	-	-	-
* Other	-	-	-	-	-
Depreciation expense	-	(4,165)	(19,527)	(1,731)	(25,423)
Balance as at 31 December 2019	110,000	74,602	58,544	9,396	252,542
Additions by purchase	-	11,793	21,735	-	33,528
Disposals	-	-	-	-	-
* From disposal of entities (including restructuring)	-	-	-	-	-
* Other	-	-	-	-	-
Depreciation expense	-	(4,883)	(24,884)	(1,731)	(31,498)
Net book value as at 31 December 2020	110,000	81,512	55,395	7,665	254,572

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17. Investment Property	2020	2019
22 Kyabra Street, Newstead QLD – at Cost	1,310,937	1,308,965
Fixtures & Fittings		
Fixtures & fittings – Kyabra – at cost	0	1,990
Less accumulated depreciation – Fixtures & fittings	0	(18)
Total Fixtures & Fittings	0	1,972
Total Investment Property	0	1,310,937
Cost model applied 2019		
Additions 2020	1,658	0
Balance @ cost	1,312,595	1,310,937
Fair value adjustment	37,405	0
Fair Value	1,350,000	1,310,937

The property was purchased in June 2019. The 2020 fair value was not based on a valuation by a qualified independent valuer. Fair value was determined by directors' assessment with consideration of a market appraisal by the managing agent undertaken with due regard to current market conditions and comparable sales and listings. The highest and best use of the investment property is not considered to be different from its current use.

Rental income earned and received from the investment property during the year was \$21,660 (2019: \$44,462).

Direct expenses incurred in relation to the investment property that generate rental income during the year was \$18,703 (2019: \$4,091).

During the year and as at year end, no restrictions on the realisation of investment property or remittance of income and proceeds of disposal were present.

ALAEA does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

18. Intangibles	2020	2019
Copyright editions	24,700	24,700
Accumulated amortisation	(4,940)	0
Total Intangibles	19,760	24,700

Intangible asset

ALAEA acquired certain education manuals during prior years. The expected useful life of these manuals is 5 years. Amortisation of these costs commenced in the 2020 year.

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19. Financial Assets	2020	2019
Loan to subsidiary		
Aviation Recruitment Australia Pty Ltd	3,778	0
Total non-current assets	3,778	0

The amount related to incorporation costs and advance payment for stage 1 set up of a job listing website for aviation maintenance engineering jobs. ALAEA wholly owns and controls the company.
 The company has not commenced trading and no further activity was undertaken during the year.

20. Trade and Other Payables	2020	2019
(a) Trade Payables		
Trade Payables	62,856	96,534
Payables to other reporting units**	0	0
Legal fees payable-litigation**	0	0
Legal fees payable-other**	8,588	37,722
Total Trade Payables	71,444	134,256
Settlement is usually made within 60 days.		
(b) Other Payables		
Employee benefits payable – non office holders	50,663	29,031
Employee benefits payable - office holders	59,603	37,954
Payable to employers for making payroll deductions of memberships**	0	0
Membership fees received in advance	67,350	63,033
GST payable	23,788	16,533
Welfare Fund contributions payable	8,074	0
Fighting Fund contributions payable	1,881	1,579
Total Other Payables	211,359	148,130
Other Payables are expected to be settled in no more than 12 months	282,803	282,386

21. Provisions	2020	2019
Employee benefits - non office holders**		
Long Service Leave	28,519	40,847
Annual Leave	72,596	44,348
Separations & redundancies	0	0
Other	0	0
Total Employee benefits – non office holders	101,115	85,195
Employee benefits - office holders**		
Long Service Leave	75,351	38,847
Annual Leave	41,562	40,352
Separations and redundancies	0	0
Other	0	0
Total Employee benefits - office holders	116,913	79,199
Total Employee benefits	218,028	164,394
Analysis of total provisions		
Current	218,028	164,394
Non-Current	0	0
Total Analysis of total provisions	218,028	164,394

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
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For the year ended 31 December 2020

21. Provisions (continued)

Analysis of provisions	2020	2019
Annual Leave		
Opening balance at beginning of year	84,700	97,340
Additional provisions raised during year	64,131	53,325
Amounts used	(34,673)	(65,965)
Adjustment	0	0
Total Annual Leave	114,158	84,700
Long Service Leave		
Opening balance at beginning of year	79,694	115,261
Additional provisions raised during year	42,518	8,897
Amounts used	(18,342)	(44,464)
Adjustments	0	0
Total Long Service Leave	103,870	79,694
Total Analysis of provisions	218,028	164,394
Number of employees at year end		
- No office holders	7	8
- Office holders	15	17

Movements in provisions

Provision for Employee Benefits

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience ALAEA does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since ALAEA does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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 upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.15.

Provision for Conferences and Training

ALAEA no longer provides for estimated conference and training expenses. ALAEA will incur costs in the future in connection with the Federal conference, it is estimated that ALAEA may incur costs of approximately \$120,000 in the year ending 31 December 2022 in the holding of the Federal conference.

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

22. Cash Flow

(a) Cash Flows Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:	2020	2019
Balance Sheet	2,580,475	2,298,462
Cash flow statement	2,580,475	2,298,462
Difference	0	0
Reconciliation of profit/(deficit) to net cash from operating activities		
Profit/(deficit) for the year	251,338	(158,550)
Adjustments for non-cash items		
Depreciation / amortisation	36,438	25,441
Fair value adjustments in investment property	(37,405)	0
Gain on disposal of asset	0	0
Total Adjustments for non-cash items	(967)	25,441
Changes in assets/liabilities		
(Increase)/decrease in net receivables	4,578	(11,311)
(Increase)/decrease in prepayments	8,198	(19,460)
Increase/(decrease) in supplier payments	(42,336)	31,591
Increase/(decrease) in other payables	(9,672)	(15,970)
Increase/(decrease) in employee provisions	106,059	(48,207)
Total changes in assets / liabilities	66,827	(63,357)
Total Reconciliation of profit/(deficit) to net cash from operating activities	317,198	(196,466)

(b) Cash flow information

Cash inflows - ALAEA	2,332,068	2,342,311
Cash outflows - ALAEA	2,050,055	(3,895,997)
Total Cash flow information	282,013	(1,553,686)

There were no cash inflows/outflows from any other reporting unit.

23. Contingent Liabilities, Assets & Commitments

Estimates of the potential financial effect of contingent liabilities that may become payable:

(a) Contingent Liabilities

Claims:

ALAEA is unable to quantify the cost of legal actions which may be commenced in the next 12 months in respect of members or in defending actions taken against members and ALAEA.

Based on past experience ALAEA has estimated that it may incur expenses for legal actions of \$150,000 during the 12 months to 31 December 2021.

ALAEA is unable to quantify the additional cost to the association from the possible claims for damages by third parties in the event of losing any of the above legal actions.

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
 ABN 84 234 747 620
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23. Contingent Liabilities, Assets & Commitments (continued)

(b) Operating lease arrangements

ALAEA as lessor.

Disclosure required by AASB16.

Operating leases, in which ALAEA is the lessor, relate to a commercial investment property owned by ALAEA with lease terms of between 1 to 2 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The lease values year 1 relate to the period from January 2020 to April 2020 when the property was vacated. At the date of the report the property remains untenanted. Under the prevailing economic conditions due to the effects of COVID-19 it is not possible at this time to ascertain when the property may be leased, or the amount of any future lease values.

Maturity analysis of operating lease payments:

	31/12/2020	31/12/2019
Year 1	21,660	44,462
Year 2	-	21,660
Year 3	-	-
Year 4	-	-
Year 5	-	-
Total	21,660	66,122

The following table present the amounts reported in profit and loss:

	31/12/2020	31/12/2019
Lease income on operating leases	21,660	44,462

24. Related Party Disclosures

2020

2019

(i) Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from Officeholders includes:

Membership subscriptions received from Officeholders	14,445	16,831
Total Revenue received from Officeholders includes:	14,455	16,831

Expenses paid to Officeholders includes:

Committee and other meeting attendance fees paid to officeholders in compensation of daily pay not received from employers	46,031	72,283
Total Expenses paid to Officeholders includes:	46,031	72,283

Amounts owed by Officeholders includes:

Funds advanced against un-vouched expenses	0	0
Membership subscriptions due at year end	0	0

Loans to Aviation Recruitment Australia Pty Ltd

Incorporation costs	1,946	0
Website construction stage 1	1,833	0
Loans to Aviation Recruitment Australia Pty Ltd	3,779	0

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
 ABN 84 234 747 620
 For the year ended 31 December 2020

24. Related Party Disclosures (continued)

Amounts owed to Officeholders includes:	2020	2019
Expense re-imburements payable	0	0
Loans from/to Officeholders	0	0
Expenses paid to ACTU:		
Affiliation fees paid to the ACTU which amount is included in the determination of operating profit before income tax	18,715	18,464

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Amounts owed and amounts owing at the year-end are unsecured and interest free and settlement occurs in cash. Expenses remaining un-vouched after 2 weeks are deducted from any future expense reimbursement claim. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2020, ALAEA has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2019: \$ Nil). This assessment is undertaken each financial year through assessing the exposure and history of settlements with the related party and the market in which the related party operates.

The loan provided to Aviation Recruitment Australia Pty Ltd is currently interest free and has no set end date for repayment at the reporting date. The company is in the preliminary set-up phase and has not commenced trading.

(ii) Key management personnel remuneration for the reporting period	2020	2019
Short-term employee benefits		
Salary (including annual leave & RDO taken)	338,050	331,015
Annual leave & RDO accrued	12,020	3,846
Performance bonus	0	0
Total Short-term employee benefits	350,070	334,861
Post-employment benefits	0	0
Other long-term benefits		
Long service leave	36,504	4,025
Total Other long-term benefits	36,504	4,025
Termination benefits	0	0
Total benefits	386,574	338,886
(iii) Transactions with key management personnel and their close family members	2020	2019
Loan to/from management personnel	0	0
Other transactions with key management personnel		
Membership subscription fees paid by Officeholders	14,445	16,831
Total Other transactions with key management personnel	14,445	16,831
(iv) Transactions with former related parties	2020	2019
(iv) Transaction with former related parties	0	0
Total (iv) Transactions with former related parties	0	0

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

25. Financial Risk Management

Financial instruments:

ALAEA's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with *AASB 9: Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:-

Financial Instruments	2020	2019
Financial Assets		
Cash and cash equivalents	2,580,475	2,298,462
Loans and receivables	11,312	13,979
Total Financial Assets	2,591,787	2,312,441
Financial liabilities at amortised cost		
Trade and other payables	215,453	219,353
Total Financial liabilities at amortised cost	215,543	219,353

Financial Risk Management Policies

The Delegated Officers and Employees of the Committee of Management ("DOECOM") are responsible for monitoring and managing ALAEA's compliance with its risk management strategy and consists of senior DOECOM members. The finance committee's overall risk management strategy is to assist ALAEA in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks ALAEA is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. There have been no substantive changes in the types of risks ALAEA is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of their obligations to ALAEA that could lead to a financial loss to ALAEA.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counter parties) ensuring, to the extent possible, that members and counter parties to transactions are of sound credit worthiness.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
 ABN 84 234 747 620
 For the year ended 31 December 2020

25. Financial Risk Management (continued)

In respect of trade and other receivables, ALAEA is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables may consist of membership subscriptions collected by employers at year end and remitted to ALAEA in the following month. Based on historical information about member default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy.

The credit risk for cash and cash equivalents is considered negligible since the counter parties are reputable banks with high quality external credit ratings. The carrying amounts disclosed above are ALAEA's maximum possible credit risk exposure in relation to these instruments.

(b) Liquidity risk

Liquidity risk arises from the possibility that ALAEA might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. ALAEA manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- proactively monitoring the recovery of unpaid subscriptions;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. ALAEA does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	<i>Financial liability and financial asset maturity analysis</i>					
	Within 1 Year		1 to 5 years		Over 5 years	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment:	-	-	-	-	-	-
Accounts payable and other payables (excluding estimated annual leave and deferred income)	215,453	219,353	-	-	-	-
Total expected outflows	215,453	219,353	-	-	-	-
Financial Assets	-	-	-	-	-	-
Cash Flows Realisable	-	-	-	-	-	-
Cash	2,224,262	2,039,385	356,213	259,077	-	-
Accounts receivable and other debtors	11,312	13,979	-	-	-	-
Other financial assets	-	-	-	-	-	-
Total Anticipated Inflows	2,235,574	2,053,364	356,213	259,077	-	-
Net/(outflow)/inflow on financial instruments	2,020,121	1,834,010	356,213	259,077	-	-

Financial assets pledge as collateral: No financial assets have been pledged as security for any financial liability

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

25. Financial Risk Management (continued)

(c) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments which expose ALAEA to interest rate risk are limited to fixed interest securities and cash on hand assets.

ALAEA's investments in short term deposits all pay fixed interest rates.

ALAEA also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

Interest rate sensitivity analysis

The following table illustrates sensitivities to ALAEA's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

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

	Profit	Equity
Year ended 31 December 2020	\$	\$
+/- 0.5% in interest rates	+/- 2,211	+/- 2,211
	Profit	Equity
Year ended 31 December 2019	\$	\$
+/- 0.5% in interest rates	+/-2,004	+/-2,004

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

26. Fair Value Measurements

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position.

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying value as presented in the statement of financial position.

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
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 For the year ended 31 December 2020

26. Fair Values Measurements (continued)

	2020		2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Financial Assets Cash and cash equivalents	2,580,475	2,580,475	2,298,462	2,298,462
Accounts receivable and other debtors	11,312	11,312	13,979	13,979
Total financial assets	2,591,787	2,591,787	2,312,441	2,312,441
Financial liabilities Accounts payable and other payables	215,453	215,453	219,353	219,353
Total financial liabilities	215,453	215,453	219,353	219,353

The fair values disclosed in the above table have been determined based on the following methodologies:

- i. Cash and cash equivalents, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.
- ii. Accounts payable and other payables exclude amounts relating to the provision for annual leave and deferred income, which are outside the scope of AASB 9.

27. Fighting Fund

This Fund commenced 22 November 2010 and is applied solely for the financial assistance of members of ALAEA who are affected by loss of wages during negotiations with employers and at the direction of the COM for union related assistance. The fund is administered by the Federal Executive of ALAEA. No contributions were received into the fighting fund during the years ended 31 December 2020, 2019, 2018, 2017 and 2016.

A summary of the Fighting Fund position follows:

Income & Expenditure Statement for the year ended 31 December 2020

Fighting Fund	2020	2019
Income		
Contributions from Members	0	0
Interest Received	302	480
Total Income	302	480
Expenses		
Bank Fees	0	24
Surplus/(deficit) for the year	302	456
Accumulated Funds		
Accumulated Funds at beginning of year	20,869	20,413
Accumulated Funds at end of year	21,171	20,869

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

27. Fighting Fund (continued)

Balance Sheet for the year ended 31 December 2020

Current Assets	2020	2019
Cash & Cash Equivalent		
Cash at Bank	0	0
Term Deposit	19,290	19,289
Receivables - ALAEA	1,881	1,580
Total Cash & Cash Equivalent	21,171	20,869
Net Assets	21,171	20,869
Accumulated funds	21,171	20,869

28. Mortality and Other Benefits

ALAEA contributes to a Welfare Fund for members of ALAEA. The Fund is administered by the Federal Executive of ALAEA. ALAEA contributed \$18,974 into the Welfare Fund during the year (2019 \$19,755).

A summary of the Welfare Fund position follows:

Income & Expenditure Statement for the year ended 31 December 2020

Mortality and other benefits	2020	2019
Income		
Contributions from General Fund	18,974	19,757
Interest Income	4,917	5,017
Total Income	23,891	24,774
Expenses		
Welfare donations to members	5,000	30,000
Total Expenses	5,000	30,000
Surplus for the year	18,891	(5,226)
Accumulated funds at the beginning of the year	217,256	222,482
Accumulated funds at end of year	236,147	217,256

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
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For the year ended 31 December 2020

28. Mortality and other Benefits (continued)

Balance Sheet for the year ended 31 December 2020

Mortality and other benefits	2020	2019
Current Assets		
Investments		
Term deposit	228,073	223,156
Receivables - ALAEA	8,074	0
Total Investments	236,147	223,156
Total Current Assets	236,147	223,156
Current Liabilities		
Other Payables		
Payables - ALAEA	0	5,900
Total Other Payables	0	5,900
Total Current Liabilities	0	5,900
Net Assets	236,147	217,256
Accumulated funds	236,147	217,256

29. Recovery of Wages Activity**

ALAEA did not undertake any recovery of wages activities during the year ending 31 December 2020.

30. Acquisitions through Amalgamations, Restructures or General Manager Determinations**

ALAEA has not acquired an asset or a liability during the financial year as a result of:

- an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit forms part) was the amalgamated organisation; or
- a restructure of the branches of the organisation; or
- a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- are vocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1),

31. Business Combinations **

ALAEA has not acquired assets and liabilities during the financial year as part of a business combination.

Notes to the Financial Statements

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

32. Administration of Financial Affairs by a Third Party**

ALAEA did not engage a third party to administer its financial Affairs

33. Section 272 Fair Work (Registered Organisation) 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 Sub-Sections (1), (2) and (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).


34. Association Details

The principal place of business and registered office of ALAEA is:

25 Stoney Creek Rd
Bexley, NSW 2207

35. Authorisation of Financial Statements

The financial statements for the year ended 31 December 2020 (including comparatives) were approved by the Committee on 31 / 5 / 2021.


31/5/2021

Mark Gant
Trustee


31/5/2021

Stephen Re
Trustee

Income and Expense Report

Australian Licenced Aircraft Engineers Association
 ABN 84 234 747 620
 For the year ended 31 December 2020

	Account	2020	2019
Income			
	Members Contributions	1,900,425	1,982,604
	Rental Revenue	2,957	40,371
	Gain on Revaluation Investment Property	37,405	0
Total Income		1,940,786	2,022,975
Other Income			
	Other	117,565	60,000
	Interest Income	35,385	73,722
Total Other Income		152,950	133,722
Total Income		2,093,736	2,156,697
Expenditure			
Employment Costs			
Employees:			
	Salary & annual leave	1,009,859	1,069,568
	Superannuation	104,722	115,416
	Long service leave provision	24,176	(35,567)
		1,138,757	1,149,417
Other:			
	Staff Training	21,214	788
	Payroll Tax	4,714	20,921
	Temporary staffing & placements		0
Total Other:		25,928	21,709
Total employment costs		1,164,685	1,171,126
Industrial			
	Telephone	32,417	33,530
	Professional services	249,499	452,111
	Industrial & travel expenses	60,686	259,501
Total Industrial		342,602	745,142
Management			
	Executive and Representative training & conference	8,517	30,229
	Federal executive expenses	14,319	50,209
	Affiliation fees	47,538	56,566
Total Management		70,373	137,004
Overhead Expenses			
	Amortisation-Copyright Editions	4940	0
	Bank Charges	17,644	18,058
	Computer expenses	80,174	75,287
	Depreciation - building	4,883	4,165
	Depreciation - equipment	24,884	19,545
	Depreciation - motor vehicle	1,731	1,731
	Donations	0	0
	Electricity	3,688	8,346
	Fringe Benefits Tax	(423)	6,268
	Insurance	19,810	17,568
	Library	19,236	16,419
	Membership recruitment costs	7,003	4,306
	Motor Vehicle expenses	2,821	2,169
	Net Currency losses/(gains)	(742)	0
	Postage & Delivery	6,453	5,534
	Printing & Stationery	4,736	7,473
	Rates & Property expenses	37,544	37,652
	Repairs & Maintenance	2,947	7,787
	Staff Amenities	3,520	4,892
	Welfare Fund Contribution and transfers	23,891	24,774
Total Overhead Expenses		264,738	261,974
Total Expenditure		1,842,398	2,315,247
Operating Surplus/ (Deficit) Before Income Tax Adjustments		251,338	(158,550)

Income and Expense Report

Australian Licenced Aircraft Engineers Association

ABN 84 234 747 620

For the year ended 31 December 2020

Current Year Surplus/(deficit) Before Income Tax	251,338	(158,550)
Net Current Year Surplus/(Deficit) After Income Tax	251,338	(158,550)
Accumulated Funds at Beginning of Year	3,508,313	3,666,863
Accumulated Funds at End of Year	3,759,651	3,508,313

Compilation Report

Australian Licenced Aircraft Engineers Association
ABN 84 234 747 620
For the year ended 31 December 2020

Compilation report to Australian Licenced Aircraft Engineers Association.

We have compiled the accompanying:

1. General purpose Financial Statements for the year ended 30 June 2020 comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the Notes to the financial statements (GPFS); and,
2. The Income and Expenditure Statement, Welfare Fund Income and Expenditure Statement and Balance Sheet, and Fighting Fund Income and Expenditure Statement and Balance Sheet (the "Additional Financial Information") in accordance with *APES 315: Compilation of Financial Information*.

The specific purpose for which GPFS were prepared was to assist the Committee in their reporting requirements as required under the *Fair Work (Registered Organisations) Act 2009* and ALAEA's constitution. The specific purpose for which the Additional Financial Information was prepared was to provide information relating to the performance of ALAEA that satisfies the information needs of the Committee members.

The Responsibility of the Committee Members

The Committee of Management and Trustees are solely responsible for the information contained in the general purpose Financial Statements and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the Additional Financial Information, which has been prepared to satisfy the information requirements of the Committee of Management.

Our Responsibility

On the basis of information provided by the Delegated Officers and Employees of the Committee of Management ("DOECOM") we have compiled the accompanying general purpose financial statements in accordance with the basis of accounting adopted and *APES 315 Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the DOECOM provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. Whilst ALAEA is independently audited, no audit or review has been performed by our Firm and accordingly no assurance is expressed by us.

The GPFS and Additional Information were compiled exclusively for the benefit of the Committee of Management and Trustees. We do not accept responsibility to any other person for the contents of the GPFS or the Additional Information. No person should rely on the Additional Financial Information without having an audit or review conducted. The audit conducted of the GPFS does not include an audit of the Additional Information.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the committee who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Belinda Tonna

Belinda Tonna
Higgins Tonna & Co

Dated:



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Australia

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**Auditor's Independence Declaration
to the Committee of The Australian Licenced Aircraft Engineers Association**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in APES 110 *Code of Ethics for Professional Accountants* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Mazars Audit (QLD) Pty Limited
Authorised Audit Company: 338599**

Matthew Green
Director

Brisbane, 31 May 2020

Independent Audit Report to the members of the Australian Licenced Aircraft Engineers Association

Opinion

We have audited the accompanying financial report of the Australian Licenced Aircraft Engineers Association (the Entity), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the Section 255(2A) Expenditure Report, and the statement by the Committee of Management.

In our opinion, the financial report of Australian Licenced Aircraft Engineers Association is in accordance with the requirements of the Reporting Guidelines and Chapter 8, Part 3, of the *Fair Work (Registered Organisations) Act 2009*, including:

- (a) giving a true and fair view of the Entity's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- (a) complying with Australian Accounting Standards and the requirements of the Reporting Guidelines and Chapter 8, Part 3, of the *Fair Work (Registered Organisations) Act 2009*.

In accordance with the *Fair Work (Registered Organisations) Act 2009*, we report as follows:

- (a) The Branch has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the Union's expenditure.
- (b) All the information and explanations that officers or employees of the Branch were required to provide have been provided.
- (c) There was no deficiency, failure or shortcoming in any matters referred to.
- (d) No recovery of wages activity occurred during the reporting period.
- (e) The use of the going concern assumption in the basis of accounting remains appropriate.

Basis for Opinion

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

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

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Other Information

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and *Fair Work (Registered Organisations) Act 2009*, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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- Conclude on the appropriateness 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

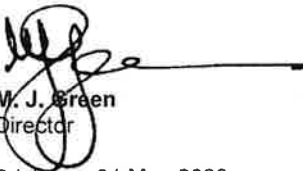
We are independent of the Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia.

Declarations

I declare that I am an approved auditor as registered by the RO Commissioner (Reg. No. AA2017/147) as defined in the *Fair Work (Registered Organisations) Act 2009*.



Mazars Audit (QLD) Pty Limited
Authorised Audit Company: 338599



M. J. Green
Director

Brisbane, 31 May 2020

Ref: HCALAEA/1736041_1

