

Australian Parachute Federation Limited

ABN 75 061 266 510

Financial Statements

For the Year Ended 31 December 2023

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Directors' Report

31 December 2023

The board of directors present their financial report on Australian Parachute Federation Limited (APF) for the financial year ended 31 December 2023.

Board of Directors

The names of each person who held a position on the Board of Directors during the year ended 31 December 2023 or at the date of this statement are as follows:

	<u>Appointed</u>	<u>Resigned</u>
David R SMITH		
Trevor M COLLINS		
Mick C CONNOLLY	21-Aug-23	
Mark W GAZLEY		
Vivian C MERZ		
Zaire PIEPER		26-May-23
Karen L FULLER	9-May-23	
John SWANLAND		
Anna C E VAN DER VLUGT		9-May-23
Dale R A FINDLAY	9-May-23	

Company Secretary

Andrew Mulholland has held the role of Company Secretary since July 2015.

Corporate Objectives

- To promote and foster parachuting and provide for its regulation and administration
- Represent the interests of its members and of parachuting generally
- Promote the safety of members
- Seek and obtain improved facilities for the enjoyment of parachuting
- Be the only administration organisation for recreational parachuting recognised by the Civil Aviation Safety Authority (CASA)
- Be the only parachuting organisation in Australia recognised by the Fédération Aéronautique Internationale, the International Skydiving Commission (ISC), the Air Sport Australia Confederation and the Australian Sports Commission and to be recognised as the authority on parachuting
- Act as final arbiter on all matters pertaining to the conduct of parachuting activities in Australia, including disciplinary matters
- Pursue such commercial arrangements as are appropriate to further the objects
- Use and protect the intellectual property
- Have regard to the public interest in its operations
- Undertake and or do all such things or activities which are necessary, incidental or conducive to the advancement of these objects.

Strategies for Achieving Corporate Objectives

- Provide a framework to service, regulate, manage and oversee parachuting activities in Australia
- Control aviation activities in Australian skies associated with parachuting aircraft as authorised by CASA to self-regulate
- Ongoing education and risk management to ensure members activities are conducted under the highest levels of safety
- Developing an inclusive culture and community that respects the varied individuals who participate in the sport of parachuting
- Promoting skydiving through competition involvement at all levels

Principal Activities

The principal activities of the Company during the financial year were:

To promote and foster parachuting in Australia and to protect the right and opportunity to parachute in Australia in the event it is ever threatened or adversely affected.

Significant Changes

No significant change in the nature of these activities occurred during the financial year.

Events Subsequent to Balance Date

No adjusting or non-adjusting events have occurred between the 31/12/2023 and the date of resolution passed by the directors.

Performance Measurement

The key performance indicators used to measure performance are:

- Number of sporting licenced members
- Number of new student members
- Number of instructors
- Number of skydiving clubs
- Number and type of incidents and injuries

Meetings of Directors

The number of Directors' meetings held and attended by each of the Directors during the financial year are:

Name	Number Eligible to Attend	Number Attended
David R SMITH	4	4
Trevor M COLLINS	4	4
Mick C Connolly	2	2
Mark W GAZLEY	4	4
Vivian C MERZ	4	3
Zaire PIEPER	1	1
Karen L Fuller	2	2
John SWANLAND	4	4
Dale R A Findlay	2	2
Anna C E VAN DER VLUGT	2	0

Information on Directors and Responsible Parties

David Smith

Special Responsibilities Deputy Chair (appointed 22/11/2022); Former Chair (retired 22/11/2022); Governance Committee; Remuneration Committee

Experience David was appointed Board Director in 2015 after the APF moved to become a company limited by guarantee and the APF President position was abolished. He then went on to be appointed Chairman in December 2018. David has over 50 years in skydiving having joined the APF in 1968 and was a CI of Wilton Parachute Centre for five years and part-owner of Parachutes Australia for 20 years. More recently, David became part-owner of Air Safety Solutions which manufactures LPUs and SPRs. David is an expert in parachute certification, manufacture and maintenance and held the position of Director of Rigging for 17 years. David is a pilot, Director of two other skydiving related companies and a Life Member of the APF.

Trevor Collins

Special Responsibilities Chair (appointed 22/11/2022); Deputy Chair (retired 22/11/2022); Information & Communications Technology Committee, Remuneration Committee

Experience Trevor was appointed Board Director over 40 years ago and held the position of Chairman from 2001 to 2008. He is an active skydiver of over 44 years. He has held the position of Chief Instructor for Darwin Parachute Club NT (DPC) for more than 20 years and is an Honorary Life Member of the Club. He is Public Officer of the DPC and Top End Aerial Sports Association and was the NT Area Safety Officer for more than 30 years. In his professional life, Trevor held many project management and program director roles over the years in the NT Government. He was a Director and Owners Representative for seven years in New Future Alliance for the construction and renovation of housing in remote areas of the NT, with an annual turnover of up to \$80m. He is now retired. Trevor is a Director of two other skydiving related companies and an APF Life Member.

Dale Findlay
(Appointed May 2023)

Qualifications
Special Responsibilities
Experience

B. Eng (Mech), Grad Cert (Project Management), MBA (Exec)
Risk and Audit Committee Member

Dale is a passionate advocate for sports development and participation. He is currently serving his first term as Director for the APF, elected by the South Queensland Parachute Council area members. In this role, he is also an active member of the risk and audit committee.

Professionally, Dale has extensive experience in engineering, working in both the resource sector and aerospace. He currently leverages his technical and leadership skills as a business development manager for Boeing in Brisbane. Dale is also a member of the Engineers Australia Divisional Committee for Queensland.

Mark Gazley

Special Responsibilities
Experience

Remuneration Committee

Mark was appointed to the Board in 2019.

Mark has been a career skydiver since 1997, prior to this he was involved in retail and logistics management. Mark is a Chief Instructor and has owned and operated predominantly Tandem DZ's since 2004. He recently opened Malaysia's first commercial skydive operation, a project which challenged him for 4 years. He has represented Australia at 2 WPC's, firstly in 2003, and was a medalist recently in 2018. He also represented Australia on the recent 200 way World Record Vertical attempts. In the role of Director, his goals are to seek positive change, whilst respecting and progressing the contributions and values of previous generations. Strategies include: The development of systemised sustainable programs, fostering and harnessing the skills/energy of new members and encouraging them to step up and contribute; a more targeted and realistic approach to sport sustainability. Mark intends to draw from his diverse exposure within skydiving and links within the broader community, to ensure the needs of all members are met.

Vivian Merz

Qualifications
Special Responsibilities
Experience

Master of Mathematics; Diploma of Paramedicine

Risk & Audit Committee

Vivian joined the Board in 2019 by election at a meeting of NSWPC members.

She has completed 7 years in skydiving, and has coached for 2 years. She also has 100+ hours in vertical wind tunnels. Vivian's vision for the APF is to increase transparency between the Board, the members and the overall community and to aid sport safety, increase and retain sports jumpers through a prudent and effective governing body in the sport. Being a former credit risk manager for a large global investment bank, Vivian took up skydiving in 2014, and has since completed over 600 jumps, has competed in various competitions in Europe and Australia, and holds multiple Australian sequential bigway records. Prior to the appointment onto the Board she held the NSW State Coach role for 18 months and has been actively engaged in coaching and helping develop the sport at a local level.

Karen Fuller
(Appointed May 2023)

Qualifications

Batchelor of Medicine and Batchelor of Surgery, Fellowship with the Australian College of GPs, Masters of Public Health and Tropical Medicine, currently working part time as a GP in Remote Aboriginal Health

Special Responsibilities
Experience

Chair of the Awards Committee

Karen joined the Board of Directors in 2023, Skydiver for 28 years, starting in South Australia, now living and jumping in North Queensland, 4 way formation skydiving competitor with a passion for coaching and event organising.

Zaire Pieper
(Resigned May 2023)

Experience

Zaire (Zai) was elected to the APF Board in May 2021 and has held multiple committee positions including on the Funding Committee, Rigging Committee (Chair), and previously the North Queensland Parachute Council. Zai is a graduate of the Australian Institute of Company Directors and has worked in the skydiving industry since 2018 having held instructor, DZSO, and DZ management roles in addition to being the owner and Managing Director of a skydiving related company.

Mick Connolly
(Appointed August 2023)

Qualifications
Special Responsibilities
Experience

B.Bus (Acc) & B.Sc (Sec)
IT Committee; Governance Committee; Risk & Audit Committee
Mick is serving his first term as a Director with the APF. Mick is a former senior public servant with nearly 40 years of experience in a range of regulatory and administrative roles retiring in 2022.
Since retiring Mick spends much of his time travelling visiting grandchildren and remains active as an AFF instructor and fun jumper.

John Swanland

Qualifications
Special Responsibilities
Experience

Dip Computer Education (Melb); M Ed (Melb)
Chair Governance Committee
John has served six terms as Chair of the Victorian Tasmanian Parachute Council (VTPC) and has served four terms as VTPC Treasurer. John has also served multiple terms as Chair of the Area Board of Review and is currently the appointed APF National Review Officer.

In his professional life, John had a long career in education where he was promoted several times to positions including Head of Faculty, Head of Department and Head of School.

After retiring at the end of 2007 John now spends much of his time in volunteer and charity work.

Anna Van Der Vlugt
(resigned May 2023)

Qualifications
Experience

Bach Business – Accounting & Finance, Bach Social Work
Anna was a board member between 2018 and 2021 through election by North Queensland Parachute Council members and was re-elected to the board by South Queensland Parachute Council members in 2022. Anna has also previously held the North Queensland Parachute Council treasurer role.
Beginning skydiving in 2007, Anna bought herself the AFF course as a graduation present for completing studies in social work and business. She worked full time in the sport between 2015 and 2020, working as a Tandem Master in North Queensland. Anna continues to be an active sports jumper.

Andrew Mulholland

Qualifications
Special Responsibilities
Experience

Bach of Economics; Bach of Arts; Fellow FINSIA (ret), Associate CPA Australia (ret)
Company Secretary; Public Officer; Risk & Audit Committee
Andrew joined the APF Board as Director in 2015 and held the position through 2018. He has held many voluntary administrative positions in the industry, including Treasurer VPC (VTPC) in the 1990s and President and Treasurer of Commando Skydivers in the 2000s. Andrew began skydiving in 1976 and has been a recreational skydiver for over 40 years, with 10 years in both instructing and flag and demonstration jumps.
He participated on each Australian largest freefall formation record since the 81 way in October 1999, competed at State, National and International levels, and was a jump pilot 2005-2016. Andrew is a Director of two other Skydiving related companies and a Life Member of the APF.

Member's Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1.00 towards meeting any outstanding obligations of the company.

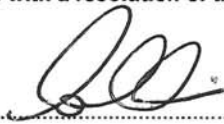
Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2023 has been received and can be found on page 5 of the financial report.

Operating Result

The surplus for the year amounted to \$235,308 (2022: \$137,791 surplus).

Signed in accordance with a resolution of the directors:

Trevor Collins – Chair.....


Dated this 16th day of APRIL 2024

Auditor's Independence Declaration

As auditor of Australian Parachute Federation for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Audit Australia

Crowe Audit Australia



John Zabala FCA
Partner

16 April 2024
Brisbane

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2023

		2023	2022
	Note	\$	\$
Revenue	2.4, 2.5	4,574,297	3,203,874
Other income	4	843,951	609,975
Employee benefits expense		(1,215,683)	(978,046)
Depreciation and amortisation expense		(163,547)	(154,995)
Other expenses	5	(3,803,710)	(2,543,017)
Surplus/(Deficit) for the year		235,308	137,791
Total comprehensive income attributable to members		235,308	137,791

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	774,748	412,764
Trade and other receivables	7	21,755	11,738
Prepayments	8	880,332	868,693
TOTAL CURRENT ASSETS		1,676,835	1,293,195
NON-CURRENT ASSETS			
Property, Plant and equipment	9	788,466	825,927
Financial assets		1	1
TOTAL NON-CURRENT ASSETS		788,467	825,928
TOTAL ASSETS		2,465,302	2,119,123
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	402,800	202,633
Lease Liabilities		94,510	98,434
Borrowings		13,802	5,609
Provisions	11	196,274	180,716
Income in advance	12	507,561	521,260
TOTAL CURRENT LIABILITIES		1,214,947	1,008,652
NON-CURRENT LIABILITIES			
Lease Liabilities		512,725	595,431
Provisions	11	10,132	13,468
Income in advance	12	79,485	88,867
TOTAL NON-CURRENT LIABILITIES		602,342	697,766
TOTAL LIABILITIES		1,817,289	1,706,418
NET ASSETS		648,013	412,705
EQUITY			
Retained earnings		648,013	412,705
TOTAL EQUITY		648,013	412,705

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2023

2023

	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 January 2023	-	412,705	412,705
Surplus/(Deficit) for the year	-	235,308	235,308
Other Comprehensive Income	-	-	-
Balance at 31 December 2023	-	648,013	648,013

2022

	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 January 2022	-	274,914	274,914
Surplus/(Deficit) for the year	-	137,791	137,791
Other Comprehensive Income	-	-	-
Balance at 31 December 2022	-	412,705	412,705

Statement of Cash Flows

For the Year Ended 31 December 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from operations	5,380,815	3,989,411
Payments to suppliers and employees	(4,792,362)	(4,092,834)
Interest received	4,335	1,867
Interest paid on Lease Liabilities	(26,281)	(29,733)
Net cash provided by/(used in) operating activities	15 <u>566,507</u>	<u>(131,289)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(126,086)	(32,444)
Proceeds/(Purchase) of Investments	-	-
Net cash provided by/(used in) investing activities	<u>(126,086)</u>	<u>(32,444)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds (Repayments) of borrowings	8,193	2,991
Proceeds (Repayments) leasing liabilities	(86,630)	(83,176)
Net cash provided by/(used in) financing activities	<u>(78,437)</u>	<u>(80,185)</u>
Net increase/(decrease) in cash and cash equivalents held	361,984	(243,918)
Cash and cash equivalents at beginning of year	<u>412,764</u>	<u>656,682</u>
Cash and cash equivalents at end of financial year	6 <u>774,748</u>	<u>412,764</u>

Notes to the Financial Statements

For the Year Ended 31 December 2023

The financial statements cover Australian Parachute Federation Limited as an individual entity, incorporated and domiciled in Australia. Australian Parachute Federation Limited is a not-for-profit Company limited by Guarantee, incorporated under the *Corporations Act 2001*. The financial statements were authorised for issue as of the date shown on signing of the Director's Report.

The functional and presentation currency of Australian Parachute Federation Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated. When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

1 Basis of Preparation

The Directors have prepared the financial statements on the basis that the Company is not a reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements and have been prepared to meet the reporting requirements of the *Corporations Act 2001*. The company is a not-for-profit entity for the financial reporting purpose under the Australian Accounting Standards.

The financial statements do not consolidate the company's subsidiaries because, in the opinion of the Directors, the significant cost of doing so outweighs any potential benefits. Additionally, it is unlikely that there are users of the financial statements who require consolidated reports for their needs.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards (except for the requirements set out in AASB 10 *Consolidated Financial Statements*) and Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest whole dollar.

2 Summary of Significant Accounting Policies

2.1. Income Tax

The Company is exempt from income tax under Division 50-1 of the *Income Tax Assessment Act 1997* (ITAA 1997) as a company established for the encouragement of a game or sport.

2.2. Goods and Services tax (GST)

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

Receivables and payable are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

2.3. Sub-Committees

The Company has delegated some non-regulatory sport parachuting activities at a local level to seven regional councils. These Councils operate as 'Sub-Committees' of the Company.

2.4. Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however, where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Revenue from memberships subscriptions and qualifications are brought to account in the year to which they relate. That proportion of monies received which relates to the period after the end of the reporting period is brought to account in the statement of financial position as income in advance.

Revenue from life memberships of the Company are earned over a 20-year period. The effect of discounting on these revenues is considered immaterial and has been omitted.

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies (cont.)

2.5. Revenue and other income

Government Grants

Government grants received without “sufficiently specific” promises to be delivered are recognised as revenue when the Company obtains control over the grant which is usually upon receipt of funds.

Government grants received with specific obligations are recognised as revenue when obligations are met. That proportion of monies received which relates to outstanding obligations at the end of the reporting period is brought to account in the statement of financial position as income in advance.

Other Income

Interest received is recognised using the effective interest method.

Trust distributions are recognised when the right to receive them has been established.

Other income is recognised when the related goods or services have been provided and the income has been earned.

2.6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits and short-term highly liquid investments with original maturities of three months or less.

2.7. Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Most sales are made on the basis of normal credit terms and do not bear interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to present value where material. Discounting is omitted where the effect of discounting is immaterial.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

2.8. Leased Assets

For any new contracts entered, the Company considers whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The asset is measured at cost and consists of the initial measurement of the lease liability, any initial direct costs incurred, an estimate of costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Company depreciates the asset on a straight-line basis from lease commencement date to the earlier of the end of useful life of the asset or the end of the lease term. The Company also assesses the asset for impairment when such indicators exist.

At commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or market rates available at commencement for a loan commensurate with the liability.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the associated asset, or profit and loss if the asset is already zero.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment.

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies (cont.)

2.9. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at its cost less any accumulated depreciation and any impairment losses. 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 relate to revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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

Depreciation

The depreciable amount of plant and equipment is depreciated on a straight-line basis. Depreciation commences from the time the asset is available for its intended use.

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

Class of Fixed Asset:	Depreciation Rate
Office furniture and equipment	10%,20% and 33.33%
Membership System	20%
Right-Of-Use Assets	10%

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

2.10. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

2.11. Provisions

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cashflows are discounted using market yields on the national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions to all superannuation plans for the benefit of employees of the Company are charged to profit and loss during the financial period in which they are incurred. Amounts due at the end of the reporting period but not yet paid are included with employee benefits in the statement of financial position under the trade and other payables.

2.12. Public liability insurance

The annual premium is expensed in the year to which it relates. That portion of the expense which relates to the period after the reporting date is brought to account in the statement of financial position as prepayments.

2.13. Aggregate deductible

As part of arrangements with its insurers the Company is required to set aside each year an amount referred to as the "aggregate deductible" to cover claims and legal fees for the year. The Parachuting Protection Trust (of which Parachuting Protection Company is the trustee) holds the accumulated unspent balance of these monies and has agreed to indemnify the Company for any claims and legal fees deemed payable from those funds.

The aggregate deductible is expensed proportionately over the year to which it relates. That proportion of the expense which relates to the period after the reporting period is included in the statement of financial position as prepayments and the proportion of the expense unpaid at the end of the reporting period is included in the statement of the financial position payables.

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies (cont.)

2.14. Distribution to Parachute Advancement Company (PAC) Trust

During each reporting period the Company considers whether to make a distribution to PAC Trust to enable PAC Trust to fund its activities. In the 2023 reporting period, refund of \$447,497 of Prior Year Aggregate Deductibles was distributed to PAC. Distributions to PAC Trust are charged to comprehensive income in the period in which they are incurred.

2.15. Distribution from PAC Trust

Distributions from PAC Trust are made to the Company for the purpose of funding Australian teams attending World Parachuting Championships and for projects to assist the sport of parachuting in Australia.

3 Critical Accounting Estimates and Judgments

Those charged with governance evaluate estimates and judgments 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 the Company.

Extension options for leases

When the Company has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including past practice and costs that will be incurred to change the asset if an option is not taken, to help determine the lease term. \$509,324 of potential lease payments have been included in lease liabilities for assets where it is reasonably certain the extension option will be exercised.

Other key estimates and underlying assumptions are:

- Useful life of assets (see note 2.9); and
- Provision for employee entitlements (see note 2.11)

4 Other Income

	2023	2022
	\$	\$
Trust Distributions	373,077	609,611
Other Income	23,377	364
Refund-Prior Year Aggregate	447,497	-
	843,951	609,975

5 Other Expenses

Insurances	(2,212,908)	(1,446,785)
Competition and Teams	(117,605)	(74,590)
Sport Development	(110,322)	(85,295)
Sub-Committee Expenses	(168,511)	(250,448)
Finance Costs	(26,281)	(29,733)
Conferences & Meetings	(99,203)	(83,681)
Distributions to PAC	(448,372)	(78)
Other Expenses	(620,508)	(572,407)
	(3,803,710)	(2,543,017)

6 Cash and Cash Equivalents

Cash at bank and in hand	477,369	191,187
Sub-Committee cash at bank	297,379	221,577
	774,748	412,764

Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Trade and Other Receivables

	2023	2022
	\$	\$
Trade receivables	21,671	2,705
Other receivables	84	9,033
Amounts Receivable from Related Entities		
Intercompany Loans	-	-
	<u>21,755</u>	<u>11,738</u>

8 Other Assets

CURRENT		
Prepaid Aggregate Deductible	458,334	458,333
Prepaid Insurances	360,498	360,386
Other Prepayments	40,209	39,185
Deposits	21,291	10,789
	<u>880,332</u>	<u>868,693</u>

9 Property, Plant and Equipment

	Furniture & Fixtures	IT Systems	Right of Use Assets	Total
	\$	\$	\$	\$
Gross carrying amount				
Balance 1 January 2023	142,036	439,889	931,817	1,513,742
Additions	17,405	108,682	-	126,087
Disposals	-	-	-	-
Balance at 31 December 2023	159,441	548,571	931,817	1,639,829
Depreciation and impairment				
Balance 1 January 2023	(119,477)	(294,053)	(274,285)	(687,815)
Disposals	-	-	-	-
Depreciation	(14,815)	(55,551)	(93,182)	(163,548)
Balance at 31 December 2023	(134,292)	(349,604)	(367,467)	(851,363)
Carrying amount at 31 December 2023	25,149	198,967	564,350	788,466

Notes to the Financial Statements

For the Year Ended 31 December 2023

10 Trade and other payables

	2023	2022
	\$	\$
Trade payables	358,872	136,265
GST payable	9,589	30,155
Withholding taxes payable	22,067	14,410
Superannuation payable	12,272	21,803
Amounts Payable to Related Entities		
Intercompany Loans	-	-
	402,800	202,633

11 Provisions

CURRENT		
Provision for Annual Leave	114,238	105,164
Provision for Long Service Leave	82,036	75,552
	196,274	180,716
NON-CURRENT		
Provision for Long Service Leave	10,132	13,468
	10,132	13,468

12 Income in advance

CURRENT		
Membership Fees received in advance	320,368	318,556
Club Deposits	140,017	134,390
Other Income in advance	47,176	68,314
	507,561	521,260
NON-CURRENT		
Membership Fees received in advance	79,485	88,867
Other Income in advance	-	-
	79,485	88,867

Notes to the Financial Statements

For the Year Ended 31 December 2023

13 Leases

The Company has a single lease for an office. On the balance sheet the lease is included in property, plant and equipment as a right of use asset and as a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Notes 2.8 and 2.9).

The lease allows for subletting of part, but not the whole, of the premises with the Lessor's consent. The Company is prohibited from selling or pledging the underlying leased asset as security. The lease requires the Company to keep the property in a good state of repair and redecorate the premises at the end of the lease. The following table describes the nature of the Company's lease:

	Remaining lease term	Extension Option	Option to Purchase	Variable Payments linked to an index	Termination Option
Office Building	1 Year	Yes	No	No	No

Depreciation, additions and the carrying amount of right of use assets are presented in Note 9. Lease Liabilities are disclosed in the Statement of Financial Position and interest paid on lease liabilities is presented in the Statement of Cash Flows.

The lease liabilities are secured by the related underlying assets.

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Variable lease payments related to outgoings and services are not recognised as lease liabilities and are expensed as incurred. Redecoration costs on lease expiry have not been recognised as a liability as they are considered immaterial.

14 Capital Commitments

14.1. Expense commitments

	2023 \$	2022 \$
Production of magazine:		
- not later than one year	-	37,135
- between one year and five years	-	-
	-	37,135

The Federation's online magazine is produced under contract covering four issues per annum. In December 2022 the contract was extended for 6 months to June 2023. There are no further expense commitments in 2023.

Notes to the Financial Statements

For the Year Ended 31 December 2023

15 Cash Flow Information

15.1. Reconciliation of result for the year to cashflows from operating activities

	2023	2022
	\$	\$
Reconciliation of net income to net cash provided by operating activities:		
Surplus/(Deficit) for the year	235,308	137,791
Non-cash flows in profit:		
- depreciation	163,547	154,995
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	9,983	187,740
- (increase)/decrease in prepayments	(11,639)	(5,811)
- increase/(decrease) in trade and other payables	180,167	(610,861)
- increase/(decrease) in income in advance	(23,081)	(10,311)
- increase/(decrease) in provisions	12,222	15,168
Cashflows from operations	<u>566,507</u>	<u>(131,289)</u>

16 Financial Risk Management

16.1. Financial Risk Management Policies

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 to the financial statements.

The Company's financial instruments consist of deposits with banks, accounts receivable and payable, loans to and from trusts in which the Company is a beneficiary and lessee. The main risks the Company is exposed through its financial instrument are interest rate risk, credit risk and liquidity risk.

16.2. Credit Risk

The Company monitors credit risk by actively assessing the rating quality and liquidity of counter parties. Most of the operating income of the Company is from membership activities for which no credit terms are allowed. Receivables from trusts of which the Company is a beneficiary are payable and have historically been paid on request. Grant funds are receivables under enforceable contracts.

16.3. Liquidity Risk

The Company manages liquidity risk by the regular monitoring of actual operating income and expenses against budgets and ensuring that adequate funds are available to meet financial obligations as they fall due. Trade and other creditors and accruals are expected to be settled on normal commercial terms.

16.4. Interest Rate Risk

Interest rate risk for the financial assets is managed by the Company selecting interest earning investments in financial institutions which are regulated by the Australian Prudential Regulation Authority. Exposure to interest on financial liabilities is limited to credit card facilities (used for purchase of travel and other regular expenses).

There are no unrecognised financial assets or liabilities.

A sensitivity analysis has not been undertaken for the interest rate risk of the Company as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

17 Fair value measurement of financial instruments

The carrying amounts of the current receivables, current payables and current borrowings are considered to be a reasonable approximation of their fair value.

Notes to the Financial Statements

For the Year Ended 31 December 2023

18 Contingent Liabilities

18.1. Claims

There are a series of liability claims in process against the Company that fall under the public liability cover. The amount of each claim cannot be reliably estimated but are expected to be within the indemnity provided by the aggregate deductible and public liability cover.

20 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company.

20 Fees paid to auditor

	2023	2022
	\$	\$
Audit of Financial Statements	12,489	11,712
Other Services	-	1,375
	<u>12,489</u>	<u>13,087</u>

Other services include Fringe Benefits Tax preparation and lodgement and ASIC Lodgements.

22 Events after the reporting period

No adjusting events have occurred between the 31/12/2023 and the date of resolution passed by the directors.

Australian Parachute Federation Limited

Directors' Declaration

In the opinion of the Directors the financial report as set out on pages 6 to 18:

- Presents a true and fair view of the financial position of Australian Parachute Federation Limited as at 31 December 2023 and its performance for the year ended on that date in accordance with the Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* (including Australian Accounting Interpretations) of the Australian Accounting Standards Board;
- At the date of this statement there are reasonable grounds to believe that Australian Parachute Federation Limited will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

Trevor Collins – Chair.....

Dated this 16th day of APRIL 2024

Independent Auditor's Report

To the Members of Australian Parachute Federation Limited

Opinion

We have audited the special purpose financial report (the financial report) of Australian Parachute Federation Limited (the Company) which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year then ended.
- (b) Complying with Australian Accounting Standards to the extent described in Note 1 to the financial report and the *Corporations Regulations 2001*.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Director Report for the year ended 31 December 2023 but does not include the financial report and our auditor's report thereon.

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 on the other information obtained prior to the date of this auditor's report, 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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 the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Crowe Audit Australia

Crowe Audit Australia



John Zabala FCA
Partner

Brisbane
16 April 2024