Australian Government
Registered Organisations Commission

3 February 2022

Martin Byrne
Federal President
The Australian Institute of Marine and Power Engineers

Sent via email: mbyrne@aimpe.asn.au
CC: pran.rathod@hayesknight.com.au

Dear Martin Byrne,

The Australian Institute of Marine and Power Engineers
Financial Report for the year ended 30 June 2021 – (FR2021/152)

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the Australian Institute of Marine and Power Engineers (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 31 January 2022.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Documents Not Lodged on Time

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the ROC website. In particular, I draw your attention to the fact sheet titled 'Financial reporting process' which explains the timeline requirements, and the fact sheet titled 'Summary of financial reporting timeline's' which sets out the timelines in diagrammatical format.

I note that the following timescale requirements were not met:

Documents must be lodged with ROC within 14 days after general

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the general meeting of members referred to in section 266. The designated officer's certificate indicates that this meeting occurred on the 14 December 2021. If this is correct the documents should have been lodged with the ROC by 28 December 2021. The full report was not lodged until 31 January 2022. If this date is correct, the organisation should have applied to the Commissioner for an extension of time to allow a longer period to lodge the required documents.

Please provide a written response signed by a relevant officer detailing the reasons for not lodging the documents with the ROC within 14 days after the general meeting.

Issues in Statement of Comprehensive Income

AASB 15 - Separate disclosure of revenue from contracts with customers

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 113(a) requires an entity to disclose revenue from contracts with customers separately unless already disclosed separately in the statement of comprehensive income. It appears that no such disclosure has been made.

AASB 15 - Disaggregation of revenue from contracts with customers

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. It appears that no such disclosure has been made.

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

Reporting Requirements

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

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

If you have any queries regarding this letter, please contact me on (02) 6240 0777 or by email at Madeleine.Hurrell@roc.gov.au.

Yours sincerely

Madeleine Hurrell

Madeleine Hurrell
Registered Organisations Commission

Australian Institute of Marine and Power Engineers

s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 30th June 2021

I Martin Byrne being the Federal President of the Australian Institute of Marine and Power Engineers certify:

- that the documents lodged herewith are copies of the full report for the Australian Institute of Marine and Power Engineers for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and

- that the full report was provided to members of the reporting unit on 11th October 2021 by publishing online on the AIMPE website (https://www.aimpe.asn.au/auth/conferences-annual-reports.html) and on 25th October 2021 or thereabouts by publication in the AIMPE magazine posted to each member's home address; and

- that the full report was presented to a meeting of the committee of management on 9th September 2021 and to a general meeting of members of the reporting unit on 14th December 2021 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:

Name of prescribed designated officer: Martin Byrne

Title of prescribed designated officer: Federal President

Dated: 31st January 2022

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

Annual Financial Report For The Year Ended 30 June 2021

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
30 June 2021

CONTENTS	**Page**

Hayes Knight

Hayes Knight (NSW) Pty Ltd
ABN 25 125 243 692

Level 2, 115 Pitt St, Sydney NSW 2000
GPO Box 4565 Sydney NSW 2001
T: 02 9221 6666 **F:** 02 9221 6305
www.hayesknight.com.au

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Australian Institute of Marine and Power Engineers ("the Institute"), which comprises the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2021, notes to the financial statements including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Insitiute as at 30 June 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and

b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

I declare that the Management's use of the going concern basis in the preparation of the financial statements of the Institute is appropriate.

Basis of Opinion

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

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

Information Other than Financial Report and Auditor's Report Thereon

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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

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

Hayes Knight (NSW) Pty Ltd
ABN 25 125 243 692

Level 2, 115 Pitt St, Sydney NSW 2000
GPO Box 4565 Sydney NSW 2001
T: 02 9221 6666 **F:** 02 9221 6305
www.hayesknight.com.au

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibility for the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.

- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Institute audit. I remain solely responsible for my audit opinion.

Hayes Knight (NSW) Pty Ltd
ABN 25 125 243 692

Level 2, 115 Pitt St, Sydney NSW 2000
GPO Box 4565 Sydney NSW 2001
T: 02 9221 6666 **F:** 02 9221 6305
www.hayesknight.com.au

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

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

Report on Other Legal and Regulatory Requirements

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

In my opinion, no such matters were noted.

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

Dated at Sydney, this 7th day of October 2021

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2021.

Categories of expenditures	**2021 $**	**2020 $**
Remuneration and other employment-related costs and expenses - employees	**1,153,796**	1,279,285
Advertising	**557**	-
Operating costs	**526,866**	595,800
Donations to political parties	**9,400**	136
Legal costs	**12,461**	29,377

Signature of designated officer: Martin Byrne

Name and title of designated officer: Martin Byrne, Federal; President

Dated at Sydney, this 6th day of October 2021

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The AIMPE Federal Executive (the Committee of Management) presents its Operating Report on the reporting unit for the financial year ended 30 June 2021.

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

The principal activities of the AIMPE continue to be the protection of the rights and entitlements of AIMPE members both individually and collectively, the defence of professional standards for marine engineers and the promotion of the Australian maritime industry.

During 2020-21 AIMPE significantly changed its operations due to the continuing COVID-19 pandemic. Federal Executive meetings, enterprise bargaining, members meetings and Federal Council utilised videoconference facilities to continue to pursue our objectives.

The Australian Electoral Commission again deferred Branch elections eventually completing overdue elections. The AEC also decided that the elections for a new Federal Executive would not be held in person at Federal Council but rather by postal ballot.

AIMPE continued to promote our proposal for a coastal tanker fleet. This has been supported by the AMOU and is a key part of AIMPE's promotion of the Australian maritime industry.

Significant changes in financial affairs

Regarding the financial affairs of the AIMPE in 2020-21 – membership fee income was again down on the fee income in the previous financial year due to a further small decline in overall membership numbers. Total expenditure was substantially below the expenditure in the previous financial year due to the restrictions on activity imposed during the pandemic. As a result, there was an operational surplus of $49,090 – the first surplus in 6 years.

AIMPE again received assistance from the Federal Government of $50,000. There was also been payroll tax assistance from some State governments. AIMPE was not qualified for and has not accessed the JobKeeper scheme.

Right of members to resign

Members are entitled to resign by providing a notice of resignation in writing to the Branch Secretary of the Branch to which the number belongs as provided by Rule 31.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

No member of the Federal Executive of the AIMPE is a trustee of a superannuation entity or an exempt public sector superannuation scheme. No member of the Federal Executive of the AIMPE is a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

The Federal President and the Federal Treasurer are the AIMPE representatives on the Policy Committee of the AIMPE Superannuation Plan. These positions are advisory in nature and are honorary only. The trustee of the plan is the AMP.

No employee of the AIMPE is a trustee of a superannuation entity or an exempt public sector superannuation scheme. No employee of the AIMPE is a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Number of members
The AIMPE had 1,696 fee paying members as at 30 June 2021.

This compares with 1,800 fee paying members as at 30 June 2020.

AIMPE retains a significant number of Honorary members who have retired from the maritime industry. As at 30 June 2021 AIMPE had 947 Honorary members - an increase of 16 over the course of the year.

Number of employees
The total number of people employed by AIMPE during the course of 2020-21 was 10 (comprising 8 full-time staff, 1 part-time staff and one casual). The amount of work carried out by our part-time staff member was equivalent to the work of 0.5 full time equivalent [FTE] employees.

Names of committee of management members and period positions held during the financial year

The Federal Executive of the AIMPE for 2020-21 was elected on 3rd June 2019 by the 2019 Federal Council in a ballot conducted by AEC. During the COVID-19 pandemic the term of office continued due to the 'holding over' principle as notified by the AEC, however two Federal Executive members ceased to be eligible to hold office during 2020-21. The Federal Executive is the Committee of Management of the organisation for the purposes of the Fair Work (Registered Organisations) Act 2009. The persons who held office on the Federal Executive (Committee of Management) during the Financial Year were:

Position	Name	Period of service
Federal President	Martin Byrne	1.7.20 - 30.6.21
Senior Vice President	Derek MacLucas	1.7.20 - 12.1.21
Vice President	Mark Jones	1.7.20 - 30.6.21
Vice President	John Hartree	1.7.20 - 9.5.21
Federal Treasurer	Ian McAllister	1.7.20 - 30.6.21

This report was prepared by Martin Byrne who is the AIMPE Federal President.

Signature of designated officer: Martin Byrne

Name and title of designated officer: Martin Byrne, Federal; President

Dated at Sydney, this 6th day of October 2021

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

On 9th September 2021 the AIMPE Federal Executive passed the following resolution in relation to the general purpose financial report for the financial year ended 30 June 2021:

The AIMPE Federal Executive declares that in its opinion:

a) the financial statements and notes comply with 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 general purpose financial report 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 the 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 the 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 Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or 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 AIMPE Federal Executive.

Signature of designated officer: Martin Byrne

Name and title of designated officer: Martin Byrne, Federal; President

Dated at Sydney, this 6th day of October 2021

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue		**1,608,266**	1,698,784
Membership subscriptions (including arrears, entrance fees		**-**	-
and less refunds)		**-**	-
Capitation fee and other revenue from another reporting unit	**3A**	**1,608,266**	1,698,784
Compulsory levies	**3B**		
Total revenue			
Other income			
Interest received	**3C**	**26,055**	29,285
Rental revenue	**3D**	**88,604**	80,486
Other revenue	**3E**	**72,519**	56,100
Grants and / or donations	**3F**	**-**	-
Unrealised losses on revaluation of assets	**3G**	**(43,274)**	(15,192)
Net gains from sales of assets	**3H**	**-**	35,471
Revenue from recovery of wages activities	**3I**	**-**	-
Total other income		**143,904**	186,150
Total revenue and other income		**1,752,170**	1,884,934
Expenses			
Employee expenses	**4A**	**1,153,796**	1,279,285
Capitation fees and other expense to another reporting unit	**4B**	**-**	-
Affiliation fees	**4C**	**27,353**	24,362
Administration expenses	**4D**	**167,276**	206,463
Grants or donations	**4E**	**9,400**	136
Depreciation and amortisation	**4F**	**65,143**	67,862
Legal costs	**4G**	**12,461**	29,377
Audit fees	**17**	**23,600**	37,700
Projects	**4H**	**125,244**	145,594
Other expenses	**4I**	**118,807**	113,819
Total expenses		**1,703,080**	1,904,598
Surplus/(Deficit) for the year		**49,090**	(19,664)
Other comprehensive income		**-**	-
Items that will not be subsequently reclassified to profit or loss:			
- Movements in reserves on sale of WA property		**-**	(81,034)
- Asset revaluation increment		**306,050**	-
Total comprehensive income for the year		**355,140**	(100,698)

The accompanying notes form part of these financial statements.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	5	2,752,701	2,666,750
Trade and other receivables	6	8,644	6,767
Total current assets		2,761,345	2,673,517
Non-current assets			
Property, plant and equipment	7	6,386,776	6,134,056
Intangible	8	-	5,647
Financial assets	9	52,686	95,960
Total non-current assets		6,439,462	6,235,663
Total assets		9,200,807	8,909,180
Current liabilities			
Trade payables	10	95,945	108,058
Other payables	11	213,540	295,048
Provisions - employee benefits	12	497,405	437,872
Total current liabilities		806,890	840,978
Non-current liabilities			
Provisions - employee benefits	12	36,403	65,828
Total non-current liabilities		36,403	65,828
Total liabilities		843,293	906,806
Net assets		8,357,514	8,002,374
Equity			
General funds	13A	2,342,483	2,293,393
Reserves	13B	6,015,031	5,708,981
Total equity		8,357,514	8,002,374

The accompanying notes form part of these financial statements.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	General Funds	Asset revaluation reserve	Capital realisation reserve	Total
	$	$	$	$
Balance at 1 July 2019	2,313,057	4,692,149	1,097,866	8,103,072
Deficit for the year	(19,664)	-	-	(19,664)
Comprehensive income for the year	-	(81,034)	-	(81,034)
Balance at 30 June 2020	2,293,393	4,611,115	1,097,866	8,002,374
Surplus for the year	49,090	-	-	49,090
Comprehensive income for the year	-	306,050	-	306,050
Transfer of gain on properties previously sold	-	(432,848)	432,848	-
Balance at 30 June 2021	2,342,483	4,484,317	1,530,714	8,357,514

The accompanying notes form part of these financial statements.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Contribution, entrance fees and levies received from members		**1,767,216**	1,759,683
Receipts from other reporting units	**14(b)**	**155,984**	131,323
Payments to suppliers and employees		**(1,634,338)**	(1,635,676)
Payments relating to projects		**(125,244)**	(145,594)
Payments relating to "On Watch"		**(118,807)**	(113,819)
Payments to other reporting units	**14(b)**	**(155,984)**	(131,323)
Interest received Rental		**26,055**	45,540
income received		**97,464**	80,486
Other income received		**79,771**	68,600
Net cash provided by operating activities	**14(a)**	**92,117**	59,220
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of property, plant and equipment and shares		**-**	458,701
Payment for property, plant and equipment		**(6,166)**	(44,057)
Net cash (used in)/provided by investing activities		**(6,166)**	414,644
Net increase in cash held		**85,951**	473,864
Cash at beginning of financial year		**2,666,750**	2,192,886
Cash at end of financial year	**5**	**2,752,701**	2,666,750

The accompanying notes form part of these financial statements.

Note 1 Statement of significant accounting policies

Basis of preparation

This 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 that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Institute of Marine and Power Engineers (" the Institute") 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.

The following is a summary of the material policies adopted in the preparation of the financial statements.

(a) New Australian Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Institute for the annual reporting period ended 30 June 2021. The Institute's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Institute, is considered not significant.

(b) Adoption of New Australian Accounting Standards

Any new and revised standards that became effective for the first time in the current financial year have been adopted. 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 material 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.

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 2023. Earlier application is permitted. The reporting unit does not expect the adoption of this amendment to have an impact on its financial statements.

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

(c) Income tax

The Institute is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

(d) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Institute in respect of services provided by employees up to reporting date.

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

(e) Revenue

The Institute enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions and rental income.

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 the Institute has a contract with a customer, the Institute recognises revenue when or as it transfers control of goods or services to the customer. The Institute 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.

Membership subscriptions

Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates. Any amounts received in relation to period after 30 June 2021 are deferred and included as "membership subscription received in advance" and included as liabilities (refer Note 11.)

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 an accruals basis using the effective interest method.

Rental income

Leases in which the Institute 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.

Dividend income

Dividend income is recognised when the right to receive a dividend has been established.

(f) Current versus non-current classification

The Institute 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
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Institute classifies all other liabilities as non-current.

(g) 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 Tax Office.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(h) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(i) Financial instruments

Financial assets and financial liabilities are recognised when the Institute becomes a party to the contractual provisions of the instrument.

(j) Financial assets

Contract assets and receivables

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

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

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

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

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

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

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

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

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

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

Financial assets at amortised cost
The Institute measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Institute's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through other comprehensive income

The Institute measures debt instruments at fair value through other comprehensive income (OCI) if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Institute's debt instruments at fair value through other comprehensive income includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Institute can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Institute benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Institute elected to classify irrevocably its listed and non-listed equity investments under this category.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition
A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or

  The Institute has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  a) The Institute has transferred substantially all the risks and rewards of the asset; or

  b) The Institute has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

Offsetting
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

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

(i) **Trade receivables**
For trade receivables that do not have a significant financing component, the Institute applies a simplified approach in calculating ECLs which requires lifetime ECLs to be recognised from initial recognition of the receivables.

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

Debt instruments other than trade receivables
For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Institute recognises an allowance for ECLs using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Institute expects to receive, discounted at an approximation of the original EIR.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

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

(k) Financial liabilities

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

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

The Institute's financial liabilities include trade and other payables.

Subsequent measurement

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

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

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

Financial liabilities at amortised cost
After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

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

(l) 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.

(m) Property, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The depreciation rates used for each class of asset are:

Class of fixed asset	**Depreciation rate**	
	2021	2020
Buildings	**2-10%**	2-10%
Plant and equipment	**2-66.7%**	2-66.7%
Motor vehicle	**25%**	25%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

(n) 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Institute's intangible assets are:

	2021	**2020**
Intangibles	5 years	5 years

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.

(o) Investments

Shares in listed companies held as current assets are valued by delegated authority of the President at those shares' market value at each balance date.

(p) Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Institute was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(q) Comparative amounts

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

(r) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty and judgements

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

(i) Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(ii) Impairment review

As described in Note 1(p), management is required to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgement requiring assessment as to whether the asset can be supported by the net present value of future cashflows derived from the use of such assets.

(s) Fair value measurement

The Institute measures non-financial assets such as land and buildings, at fair value at each balance sheet date.

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

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

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Institute determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Institute has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy.

(t) Going concern

The Institute is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

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

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 2 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

(i) 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.

(ii) 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.

(iii) A reporting unit must comply with an application made under subsection (1).

Note 3 Revenue

		2021	2020
		$	$
3A	**Capitation fees and other revenue from another reporting unit**		
	Capitation fees	**-**	**-**
	Other revenue from another reporting unit	**-**	**-**
		-	**-**
3B	**Compulsory levies**		
	Total compulsory levies	**-**	**-**
3C	**Interest received**		
	Deposits	**26,055**	29,285
3D	**Rental revenue**	**85,318**	75,236
	Properties	**3,286**	5,250
	Car park leases	**88,604**	80,486
3E	**Other revenue**	**4,774**	5,760
	Dividend received	**67,500**	50,000
	Government subsidies	**245**	340
	Sundry	**72,519**	56,100
3F	**Grants and / or donations**	**-**	-
	Grants	**-**	-
	Donations	**-**	-
3G	**Unrealised losses on revaluation of assets**		
	Revaluation of shares in listed companies	**(43,274)**	(15,192)
3H	**Net gains from sales of assets**		
	Gains from sales of property, plant and equipment	-	35,471
3I	**Revenue from recovery of wages activity**	**-**	-
	Amounts recovered from employers in respect of wages	**-**	-
	Interest received on recovered money	**-**	**-**

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 4 Expenses

	2021 $	2020 $
4A Employee expenses		
Holders of office:		
- Wages and salaries (includes honorariums)	**468**	780
- Superannuation	**-**	-
- Leave and other entitlements	**-**	-
- Separation and redundancies	**-**	-
- Other employee benefits	**-**	-
Subtotal employee expenses holders of office	**468**	780
Employees other than office holders:		
- Salaries and wages	**849,310**	851,964
- Superannuation	**133,478**	135,695
- Leave and other entitlements	**153,778**	78,639
- Separation and redundancies	**-**	188,958
- Other employee benefits	**16,762**	23,249
Subtotal employee expenses employees other than office holders	**1,153,328**	1,278,505
Total employee expenses	**1,153,796**	1,279,285

Martin Byrne held office during the year however this was an unpaid position.

	2021 $	2020 $
4B Capitation fees and other expense to another reporting unit	**-**	-
Capitation fees	**-**	-
Other expense to another reporting unit	**-**	**-**

	2021 $	2020 $
4C Affiliation fees		
Head office		
Australian Council of Trade Institutes	**11,374**	11,380
International Transport Workers' Federation	**3,423**	3,740
Nautilus	**4,524**	-
Victoria		
Victorian Trades Hall Council	**912**	884
Geelong Trades Hall Council	**58**	46
Tasmania		
Institutes Tasmania	**384**	584
Western Australia		
Institutes WA	**-**	623
South Australia		
SW Trades & Labor Council	**24**	-
Queensland		
Institute Shopper	**740**	1,005
Queensland Council of Institutes	**3,257**	3,450
Newcastle		
Newcastle Trades Hall Council	**447**	440
NSW District		
Workers Health Centre Affiliation	**399**	399
Institutes NSW	**1,811**	1,811
Total Affiliation fees	**27,353**	24,362

4D Administration expenses

	2021 $	2020 $
Total paid to employers for payroll deductions of membership subscriptions	**-**	-
Compulsory levies	**-**	-
Fees/allowances - meeting and conferences	**-**	-
Conference and Meeting expenses (include conference Note 18 & travel and accommodation Note 19).	**9,751**	25,221
Property expenses	**90,330**	103,819
Office expenses	**12,096**	10,639
Information communications technology	**18,664**	26,273
Other expenses		
Advertising	**557**	-
Bank charges and government duties	**8,232**	9,599
Entertainment	**411**	494
Florist/death notices	**249**	132
Member advantage program	**1,922**	1,922
Motor vehicle costs	**20,984**	21,629
Publications/subscriptions	**1,524**	2,305
Staff amenities	**1,129**	2,060
Staff training	**341**	1,115
Sundry	**1,086**	1,255
	167,276	206,463

4E Grants or donations

	2021 $	2020 $
Grants:		
Total paid that were $1,000 or less	**-**	-
Total paid that exceeded $1,000	**-**	-
Donations:		
Total paid that were $1,000 or less	**900**	136
Total paid that exceeded $1,000	**8,500**	-
Total grants or donations	**9,400**	136

4F Depreciation and amortisation

	2021 $	2020 $
Depreciation		
Land and buildings	**43,276**	44,177
Property, plant and equipment	**16,220**	18,038
Total depreciation	**59,496**	62,215
Amortisation		
AIMPE App	**5,647**	5,647
Total amortisation	**5,647**	5,647
Total depreciation and amortisation	**65,143**	67,862

4G Legal costs

	2021 $	2020 $
Litigation	**-**	-
Other legal costs	**12,461**	29,377
Total legal costs	**12,461**	29,377

4H Projects

	2021 $	2020 $
Home Affairs and Defence	**4,217**	7,098
Dredges	**16**	218
Federal Council	**20,837**	280
Federal Executive	**3,356**	18,035
Federal President Expense	**91**	653
International Conferences - ITF/IMO	**-**	24
Maritime Industry Seagoing Award	**18,892**	8,962
Navaids/barges/Small Ships	**-**	237
NMSC/Qualification	**355**	6,879
Offshore expenses	**14,943**	9,634
Port Services Award	**59**	287
Queensland District MSQ	**13**	13
Shipping Reform and Political Lobby	**37,937**	48,547
Surveyors	**4,374**	9,672
Tarong Power Station	**447**	-
Tourism	**520**	-
Tugs	**19,187**	34,758
Project - QLD Branch Organising - QLD	**-**	297
	125,244	145,594

4I Other expenses

	2021 $	2020 $
Penalties - via RO Act or the *Fair Work Act 2009* *	**-**	-
On Watch expenses	**118,807**	113,819
	118,807	113,819

Note 5 Cash and cash equivalents

	2021 $	2020 $
Cash on hand	**1,646**	1,796
Cash at bank	**325,530**	988,706
Short term deposits	**2,425,525**	1,676,248
	2,752,701	2,666,750

Note 6 Trade and other receivables

	2021 $	2020 $
Receivables from other reporting unit	**-**	-
Less allowance for expected credit losses	**-**	-
Other Receivables:		
Accrued income	**7,268**	3,249
Sundry debtors	**-**	3,131
GST receivable	**1,376**	387
	8,644	6,767

Note 7 Property, plant and equipment

	2021 $	2020 $
Land and buildings		
Freehold land and buildings (at 2021 valuation)		
Sydney	**3,173,139**	2,601,906
South Australia	**758,469**	655,000
Newcastle	**743,948**	675,000
Victoria	**1,306,460**	1,630,000
Queensland	**400,000**	631,576
	6,382,016	6,193,482
Less accumulated depreciation	**(52,968)**	(127,208)
Net land and buildings	**6,329,048**	6,066,274
Motor vehicle		
At cost	**117,900**	117,900
Less accumulated depreciation	**(103,722)**	(98,996)
Net motor vehicle	**14,178**	18,904
Furniture and fittings		
At cost	**164,672**	165,197
Less accumulated depreciation	**(142,088)**	(138,652)
Net furniture and fittings	**22,584**	26,545
Office equipment		
At cost	**112,127**	106,057
Less accumulated depreciation	**(91,161)**	(83,724)
Net office equipment	**20,966**	22,333
Total land, buildings, plant and equipment	**6,386,776**	6,134,056

Fair value of the properties was determined by using market comparable approach or income capitalisation approach. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation, being 30 June 2021, the properties' fair values are based on valuations performed by Preston Rowe Paterson, who are accredited independent valuers.

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2021	Balance at beginning of year $	Additions $	Disposal $	Revaluation $	Depreciation/ Amortisation expense $	Carrying amount at the end year $
Land and buildings	6,066,274	-	-	306,050	(43,276)	6,329,048
Motor vehicle	18,904	-	-	-	(4,726)	14,178
Furniture and fittings	26,545	99	-	-	(4,060)	22,584
Office equipment	22,333	6,067	-	-	(7,434)	20,966
Total	6,134,056	6,166	-	306,050	(59,496)	6,386,776

2020	Balance at beginning of year $	Additions $	Disposal $	Revaluation $	Depreciation/ Amortisation expense $	Carrying amount at the end year $
Land and buildings	6,575,709	32,453	(416,677)	(81,034)	(44,177)	6,066,274
Motor vehicle	28,584	(3,766)	-	-	(5,914)	18,904
Furniture and fittings	28,118	3,960	(682)	-	(4,851)	26,545
Office equipment	24,078	7,644	(2,105)	-	(7,284)	22,333
Total	6,656,489	40,291	(419,464)	(81,034)	(62,226)	6,134,056

Note 8 Intangibles

	2021 $	2020 $
AIMPE App - at cost	**23,350**	23,350
Less Accumulated amortisation	**(23,350)**	(17,703)
	-	5,647

Set out below are the carrying amounts of intangible asset recognised and the movements during the period:

As at 1 July 2020	5,647
Amortisation	(5,647)
As at 30 June 2021	-

Note 9 Financial assets

	2021 $	2020 $
Financial assets at fair value through profit or loss		
Shares in listed companies - at market value	**52,686**	95,960

Note 10 Trade payables

	2021 $	2020 $
Current		
Trade creditors and accruals	**95,945**	108,058
Payables to other reporting units	**-**	-
	95,945	108,058

Note 11 Other payables

	2021 $	2020 $
Membership contributions received in advance	**213,540**	295,048
Payable to employers for making payroll deductions of membership subscriptions	**-**	-
Legal costs		
Litigation	**-**	-
Other legal costs	**-**	-
	213,540	295,048

The settlement for trade and other payable is usually made within 30 days

Note 12 Provisions - employee benefits

	2021 $	2020 $
Holders of office:		
Annual leave	**-**	-
Long service leave	**-**	-
Separation and redundancies	**-**	-
Other	**-**	-
	-	-
Employees other than office holders:		
Annual leave	**118,581**	118,404
Long service leave	**415,227**	385,296
Separation and redundancies	**-**	-
Other	**-**	-
	533,808	503,700
Total current provisions - employee benefits	**533,808**	503,700
Current	**497,405**	437,872
Non current	**36,403**	65,828
	533,808	503,700

The movement in the current year provisions has been charged to operational expenditure at salary levels applicable as at 30 June.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 13 Equity

	2021	2020
	$	$
13A General funds		
Retained profit at the beginning of the year	**2,293,393**	2,313,057
Surplus/(Deficit) for the year	**49,090**	(19,664)
Retained profit at the end of the year	**2,342,483**	2,293,393
13B Reserves		
Asset Revaluation Reserve		
Opening balance	**4,611,115**	4,692,149
Asset revaluation decrement on sale of freehold land and buildings	**-**	(81,034)
Transfer of gain on properties previously sold	**(432,848)**	-
Asset revaluation increment	**306,050**	-
Closing balance	**4,484,317**	4,611,115
Capital Realisation Reserve		
Opening balance	**1,097,866**	1,097,866
Transfer of gain on properties previously sold	**432,848**	-
Closing balance	**1,530,714**	1,097,866
	6,015,031	5,708,981
13C Other specific disclosures - funds		
Compulsory levy/Voluntary contribution fund - if invested in assets	**-**	-
Other funds required by rules	**-**	-
	-	-

Note 14 Cash flow

	2021	2020
	$	$
(a) Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Statement of cash flows	**2,752,701**	2,666,750
Statement of financial position	**2,752,701**	2,666,750
Difference	**-**	-
Reconciliation of cash flow from operations with operating surplus/(deficit)		
Surplus/(Deficit) for the year	**49,090**	(19,664)
Non cash flow in operating activities:		
Unrealised loss in investment	**43,274**	15,192
Depreciation and amortisation	**65,143**	67,862
Surplus on sales of property, plant and equipment	**-**	(35,470)
(Increase)/Decrease in trade debtors	**(1,877)**	14,945
Increase/(Decrease) in provisions	**30,108**	(49,894)
Increase/(Decrease) in trade creditors and accruals	**(93,621)**	66,249
Net cash provided by operating activities	**92,117**	59,220
(b) Cash inflow information		
Cash inflows		
Receipts/Transfers from other reporting units - (branch transfers)	**155,984**	131,323
Cash outflows		
Payments/Transfers to other reporting units - (branch transfers)	**(155,984)**	(131,323)

Note 15 Commitments and contingencies

(a) Operating lease commitments - as lessee

The disclosure requirements under AASB16 Leases were considered but were not applicable given that no current lease agreements have been entered into at the date of signing the financial statements:

	2021 $	2020 $
- not later than 1 year	-	-
- later than 1 year but not more than 5 years	-	-
- more than 5 years	-	-
Balance at the end of the year	-	-

(b) Operating lease commitments - as lessor

The disclosure requirements under AASB16 Leases were considered but were not applicable given that no current lease agreements have been entered into at the date of signing the financial statements:

	2021 $	2020 $
- not later than 1 year	66,500	64,543
- later than 1 year but not more than 5 years	116,522	183,023
Balance at the end of the year	183,022	247,566

Note 16 Related party information

16A Related party transactions for the reporting period

There were no related party transactions for the year ended 30 June 2021. (2020: NIL)

16B Key management personnel remuneration for the reporting period

	2021 $	2020 $
Short-term employee benefits		
Salary (including annual leave taken)	170,869	158,932
Annual leave accrued	22,452	638
Performance bonus	-	-
Total short-term employee benefits	193,320	159,570
Post-employment benefits		
Superannuation	5,004	13,056
Total post-employment benefits	5,004	13,056
Other long-term benefits		
Long service leave	4,174	4,169
Total other long-term benefits	4,174	4,169
Termination benefits	-	-
Total	202,498	176,795

Honorariums paid to selected officials are not included in the above remuneration figures. The honorariums are voluntary payments intended to cover the costs of holding office and are not considered remuneration. Honorariums are disclosed under other employee expenses (note 4A) and under project expenses.

16C Transactions with key management personnel and their family members

There were no transactions with key management personnel and their family members for the year ended 30 June 2021. (2020: NIL)

Note 17 Auditor's remuneration

	2021	2020
	$	$
Amounts received, or due and receivable, by Auditors for:		
Financial statement audit services - by KSG Assurance and Audit Services	**600**	26,350
Financial statement audit services - by Hayes Knight	**17,000**	-
Other services	**6,000**	11,350
	23,600	37,700
Auditing the Accounts (Branches)	-	6,350

Note 18 Meeting and conference expenses - Conferences

There were no transactions in meeting and conference expenses - conferences for the year ended 30 June 2021. (2020: NIL)

Note 19 Meeting and conference expenses - travel and accommodation

	2021	2020
	$	$
Head office	**5,541**	14,068
Sydney branch	**-**	-
NSW districts	**-**	14
Newcastle branch	**79**	-
South Australia branch	**-**	910
Victoria branch	**1,433**	475
Western Australia branch	**603**	2,635
Queensland branch	**2,095**	7,119
	9,751	25,221

Note 20 Segment reporting

The Institute operates predominantly in one business and geographical segment, being a Institute of employees providing industrial and workplace relations services to its members in Australia.

Note 21 Financial instruments

(a) Interest rate risk

The Institute's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets is not material. The Institute's exposure to interest rate risk is detailed in note 21F.

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying value of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of those financial statements and note 21D.

The Institute does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Institute.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Institute might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Institute manages that risk by preparing cash flow forecasts and only investing surplus cash. The Institute's exposure to liquidity risk is disclosed in note 21E.

(d) Net fair values

Assets and liabilities have been valued at their net fair value at balance date. This value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying value exceeds fair net values have not been written down as the Institute intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements and at note 22A.

Note 21A Categories of financial instruments

	2021	2020
	$	$
Financial assets		
Cash	**327,176**	990,502
Receivables	**8,644**	6,380
Held to maturity investments		
- Term deposits	**2,425,525**	1,676,248
Fair value through profit or loss		
- Shares in listed companies (at market value)	**52,686**	95,960
Carrying amount of financial assets	**2,814,031**	2,769,090
Financial liabilities		
Other financial liabilities		
- Contributions received in advance	**213,540**	295,048
- Trade and other payables	**95,945**	108,058
Carrying amount of financial liabilities	**309,485**	403,106

Note 21B Net income and expense from financial assets

	2021	2020
	$	$
Cash and cash equivalents		
- Interest	**50**	122
Held to maturity investments		
- Interest	**26,005**	29,162
Available for sale assets		
- Dividends	**4,774**	5,760
- Change in market value	**(43,274)**	(15,192)
- Loss on sale of shares	**-**	-
Net gain from financial assets	**(12,445)**	19,852

Note 21C Net income and expense from financial liabilities

There were no income and expense from financial liabilities for the year ended 30 June 2021. (2020: NIL)

Note 21D Credit risk

The following table illustrates the Institute's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2021	2020
	$	$
Financial assets		
Cash and cash equivalents	**327,176**	990,502
Receivables	**8,644**	6,380
Held to maturity investments	**2,425,525**	1,676,248
Fair value through profit or loss assets	**52,686**	95,960
Total	**2,814,031**	2,769,090
Financial liabilities		
Other financial liabilities	**309,485**	403,106

No assets have been pledged or held as collateral.

Credit quality of financial assets not past due or individually determined as impaired:

	Not past due or impaired 2021	**Past due or impaired 2021**	Not past due or impaired 2020	Past due or impaired 2020
	$	**$**	$	$
Cash and cash equivalents	**327,176**	**-**	990,502	-
Receivables	**8,644**	**-**	6,380	-
Held to maturity investments	**2,425,525**	**-**	1,676,248	-
Fair value through profit or loss assets	**52,686**	**-**	95,960	-
	2,814,031	**-**	2,769,090	-

Ageing of financial assets that were past due by not impaired 2021:

	0-30 days $	31-60 days $	61-90 days $	90+ days $	Total $
Cash and cash equivalents	**327,176**	**-**	**-**	**-**	**327,176**
Receivables	**8,644**	**-**	**-**	**-**	**8,644**
Held to maturity investments	**2,425,525**	**-**	**-**	**-**	**2,425,525**
Fair value through profit or loss assets	**52,686**	**-**	**-**	**-**	**52,686**
	2,814,031	**-**	**-**	**-**	**2,814,031**

Ageing of financial assets that were past due by not impaired 2020:

	0-30 days $	31-60 days $	61-90 days $	90+ days $	Total $
Cash and cash equivalents	990,502	-	-	-	990,502
Receivables	6,380	-	-	-	6,380
Held to maturity investments	1,676,248	-	-	-	1,676,248
Fair value through profit or loss assets	95,960	-	-	-	95,960
	2,769,090	-	-	-	2,769,090

Note 21E Liquidity risk

Contractual maturities for financial liabilities 2021:

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Other financial liabilities	**309,485**	**-**	**-**	**-**	**-**	**309,485**
Total	**309,485**	**-**	**-**	**-**	**-**	**309,485**

Contractual maturities for financial liabilities 2020:

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Other financial liabilities	403,106	-	-	-	-	403,106
Total	403,106	-	-	-	-	403,106

Note 21F Interest rate risk

Sensitivity analysis of the risk that the Institute is exposed to for 2021

	Change in risk variable %	Effect on Profit and loss $	 Equity $
Interest rate risk	**1%**	**24,255**	**24,255**
Interest rate risk	**-1%**	**(24,255)**	**(24,255)**

Sensitivity analysis of the risk that the Institute is exposed to for 2020

	Change in risk variable %	Effect on Profit and loss $	 Equity $
Interest rate risk	1%	25,450	25,450
Interest rate risk	-1%	(25,450)	(25,450)

Note 21G Changes in liabilities arising from financing activities

	1 July 2020	Cash flows	30 June 2021
	$	$	$
Contribution received in advance	295,048	(81,508)	213,540
Trade and other payable	108,058	(9,113)	98,945
	403,106	(90,621)	312,485

	1 July 2019	Cash flows	30 June 2020
	$	$	$
Contribution received in advance	235,746	59,302	295,048
Trade and other payable	100,724	7,334	108,058
	336,470	66,636	403,106

Note 22 Fair value measurement

Note 22A Financial assets and liabilities

Management of the Institute assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table contains the carrying amounts and related fair values for the Institute’s financial assets and liabilities:

	Carrying Amount 2021	**Fair Value 2021**	Carrying Amount 2020	Fair Value 2020
	$	**$**	$	$
Financial assets				
Cash and cash equivalents	**327,176**	**327,176**	990,502	990,502
Receivables	**8,644**	**8,644**	6,380	6,380
Held to maturity investments	**2,425,525**	**2,425,525**	1,676,248	1,676,248
Fair value through profit or loss assets	**52,686**	**52,686**	95,960	95,960
Total	**2,814,031**	**2,814,031**	2,769,090	2,769,090
Financial liabilities				
Contribution received in advance	**213,540**	**213,540**	295,048	295,048
Trade and other payable	**95,945**	**95,945**	108,058	108,058
Total	**309,485**	**309,485**	403,106	403,106

Note 22B Financial and non-financial assets and liabilities fair value hierarchy

Fair value hierarchy – 30 June 2021

	Date of valuation	Level 2
Assets measured at fair value	30/06/2021	**$**
Properties		**6,120,000**
Total		**6,120,000**

Fair value hierarchy – 30 June 2020

	Date of valuation	Level 2
Assets measured at fair value	30/06/2017	**$**
Properties		6,091,576
Total		6,091,576

Except for the properties which are measured at level 2 of fair value hierarchy as disclosed above, all other financial and non-financial assets and liabilities are measured at level 1 of the fair value hierarchy.

Note 23 Events after the reporting period

(a) As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Institute is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Institute.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
OFFICER DECLARATION STATEMENT

I, Martin Byrne, being the federal President of the Australian Institute of Marine and Power Engineers, declare that the following activities did not occur during the reporting period ending 30 June 2021.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission

- have another entity administer the financial affairs of the reporting unit

- make a payment to a former related party of the reporting unit

Signed by the officer: Martin Byrne

Dated at Sydney, this 6th day of October 2021