



3 December 2014

Mr Martin Byrne
Federal Treasurer
Australian Institute of Marine and Power Engineers
52 Buckingham Street
Surry Hills NSW 2010

via e-mail: mbyrne@aimpe.asn.au

Dear Mr Byrne

**Australian Institute of Marine and Power Engineers
Financial Report for the year ended 30 June 2014 - FR2014/229**

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Australian Institute of Marine and Power Engineers. The financial report was lodged with the Fair Work Commission (FWC) on 1 December 2014.

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

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

Please note that next financial report may be subject to an advanced compliance review.

Reporting Requirements

The FWC website [[Financial Reporting](#)] contains a number of factsheets on the financial reporting process and timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends using the model statements to help comply with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or via email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch



File No.:

The Australian Institute of Marine and Power Engineers

s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER¹

Certificate for the period ended 30th June 2014

I *Martin Byrne* being the *Federal Treasurer* 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 30th June 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report*² was provided to members of the reporting unit on 18th October 2014 by being placed on the AIMPE website and subsequently a printed copy was circulated to each member at their home address on 30th October 2014; and
- that the full report was presented to a meeting of the committee of management (Federal Executive under AIMPE Rules) of the reporting unit on 14th October 2014 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was presented to meetings of members held in various locations around Australia on 25th November 2014 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 Treasurer.

Dated: 27th November 2014.

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

² Adjust certificate as appropriate to reflect the facts.



AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014

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AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2014

The AIMPE Federal Executive (the Committee of Management) presents its report on the reporting unit for the financial year ended 30th June 2014.

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. As a result of these activities the AIMPE negotiated numerous enterprise agreements with various employers in the maritime industry. These were submitted to the Fair Work Commission for approval (following endorsement by the members concerned). During 2013-14 AIMPE continued to campaign to maintain professional standards for marine engineering and certification. The new Marine Order 72 issued in early 2014 represents a significant achievement of this campaign – although there is also on-going work to refine that regulation. AIMPE is also addressing the regulations under the Marine Safety (Domestic Commercial Vessels) National Law Act 2012 in order to improve the standards implement under this unsatisfactory piece of legislation.

Another matter AIMPE continued to pursue in the Federal political arena was the proliferation of s.457 visas for foreign engineers. The labour market testing requirement [for applicants for new visas] became effective during the year. This applies specifically to “shipping engineers” which was a result of successful AIMPE lobbying. This should assist in reducing the abuse of s.457 visas and also help unemployed Australian marine engineers to obtain employment. In a related matter AIMPE also lodged a formal complaint with the Fair Work Ombudsman on the basis of information received which indicated that foreign engineers were being paid well under the minimum Australian rates of pay on the Wheatstone Dredging Project. This complaint was still outstanding as at 30th June 2014.

In addition AIMPE lobbied against a regulation introduced on 16th June 2014 under the Migration Act which would have allowed foreign seafarers with ‘maritime crew visas’ to work in Australian waters on offshore oil and gas vessels whilst still being paid under foreign terms and conditions. This regulation was subsequently (2014-15 year) disallowed in the Senate largely due to AIMPE’s successful lobbying efforts. However the Assistant Minister subsequently issued a Determination to the effect that the Migration Act does not apply to any worker on a vessel in the offshore oil and gas sector.

To disseminate information to members, AIMPE maintains an active **communication** strategy encompassing direct mail of the union magazine (On Watch) to members’ home address, monthly reports to all ships with members on board, email communications to ships where available and regular monthly meetings at major locations around the country. Ten editions of On Watch were produced and distributed including a combined December-January edition during the holiday season. AIMPE continued in 2013-14 to make the On Watch available online on the union’s website www.aimpe.asn.au . This is available in a password protected members only section of the website.

Throughout 2013-14, AIMPE also retained its long-standing **affiliations** with the International Transport Workers Federation and the Australian Council of Trade Unions. However AIMPE disaffiliated from the Australian Labor Party during 2013-14.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2014

Significant changes in financial affairs

Regarding the **financial affairs** of the AIMPE in 2013-14 – membership fee income was again up on the income in the previous financial year due to another increase in membership numbers as well as a 5% increase in fees.

AIMPE continues to own all of the premises in which our offices are located. During the 2013-14 year, photovoltaic solar panels were installed on the roof of the Head Office building in Sydney and on the roof of the Newcastle Branch office in Wickham. This will reduce the operating costs of these two buildings over the long term by minimizing the electricity bills in both locations.

AIMPE continued in 2013-14 to let some space out to tenants in our Head Office in Surry Hills, Sydney and in our SA Branch office in Port Adelaide. In addition, at the Melbourne premises AIMPE owns 4 car spaces which are leased out on a commercial basis. These leases all assist in defraying the costs of maintaining the three premises in Sydney, Port Adelaide and Melbourne.

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 member belongs as provided by Rule 31.

Officers & employees who are superannuation fund trustee(s) 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 – except that one member of the Federal Executive, Monty Woolley, has established a self-managed superannuation fund. 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 – except that one member of the Federal Executive, Monty Woolley, is a Director of a company that is trustee of his self-managed superannuation fund. 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.

Number of members

The AIMPE had 2,847 fee paying members as at 30th June 2014.

This compares with 2,835 fee paying members as at 30th June 2013 and 2,756 fee paying members as at 30th June 2012. AIMPE's membership has increased modestly each year for at least the last 10 years. However as the oil and gas sector dredging and construction phase comes to an end it is likely that there will be a reduction in membership over coming years.

In addition AIMPE retains a significant number of Honorary members who have retired from the maritime industry. As at 30th June 2014 AIMPE had 678 Honorary members

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2014

Number of employees

The total number of people **employed** by AIMPE during the course of 2013-14 was 19 [comprising 15 full-time staff, 3 part-time staff and 1 casual staff member]. As at 30th June 2014 the number of people employed was 16 – 13 full time and 3 part time staff. The amount of work carried out by part time staff is equivalent to the work of 1.7 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 2013-14 was elected on 4th June 2013 by the 2013 Federal Council in a ballot conducted by the Australian Electoral Commission. The term of office expired on 10th June 2014 when the 2014 Federal Council elected a new Federal Executive. The Federal Executive is the **Committee of Management** of the organisation. The persons elected for 2013-14 were:

Federal President	Terry Snee (1/7/13-30/6/14),
Senior Vice President	Peter Toohey (1/7/13-30/6/14),
Vice Presidents	Henning Christiansen and Monty Woolley (1/7/13-30/6/14),
Federal Treasurer	Martin Byrne (1/7/13-30/6/14).

All members of the Federal Executive completed the full term.

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

Signed



MARTIN BYRNE,
Federal Treasurer, AIMPE

Dated this 14th day of October 2014

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	2014	2013
		\$	\$
REVENUE			
Membership Subscriptions (including arrears, entrance fees and less refunds)		2,969,470	2,768,193
Capitation fees	3A	-	-
Levies	3B	-	-
Interest Received	3C	145,717	188,701
Rental Revenue	3D	50,511	57,007
Other Revenue	3E	6,520	31,208
TOTAL REVENUE		3,172,218	3,045,109
OTHER INCOME			
Grants and/or Donations	3F	-	-
Unrealised Gains on Revaluation of Assets	3G	7,791	-
Net Gains/(Losses) from Sale of Assets	3H	1,166	68,669
TOTAL OTHER INCOME		8,957	68,669
TOTAL INCOME		3,181,175	3,113,778
EXPENSES			
Employee Expenses	4A	1,903,129	1,979,220
Capitation Fees	4B	-	-
Affiliation Fees	4C	26,000	33,370
Administration Expenses	4D	381,527	436,645
Grants and/or Donations	4E	140,435	34,091
Depreciation and Amortisation	4F	83,430	84,201
Finance Costs	4G	-	2,178
Legal Costs	4H	76,913	48,019
Audit Fees	12	58,550	48,790
Projects	4I	366,526	352,290
Other Expenses	4J	133,632	101,956
TOTAL EXPENSES		3,170,142	3,120,760
PROFIT (LOSS) FOR THE YEAR		\$11,033	\$(6,982)
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit or loss			
- Not applicable		-	-
TOTAL COMPREHENSIVE INCOME		\$-	\$-

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	NOTE	2014	2013
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	5A	3,693,531	3,771,457
Trade and Other Receivables	5B	<u>105,360</u>	<u>146,378</u>
TOTAL CURRENT ASSETS		<u>3,798,891</u>	<u>3,917,835</u>
NON-CURRENT ASSETS			
Land and Buildings	6A	4,214,701	4,250,421
Plant and Equipment	6B	155,041	159,910
Other Investments	6C	<u>95,665</u>	<u>87,717</u>
TOTAL NON-CURRENT ASSETS		<u>4,465,407</u>	<u>4,498,048</u>
TOTAL ASSETS		<u>8,264,298</u>	<u>8,415,883</u>
CURRENT LIABILITIES			
Trade Payables	7A	160,954	149,685
Other Payables	7B	597,376	592,890
Employee Provisions	8A	<u>157,789</u>	<u>246,639</u>
TOTAL CURRENT LIABILITIES		<u>916,119</u>	<u>989,214</u>
NON CURRENT LIABILITIES			
Employee Provisions	8A	<u>321,973</u>	<u>411,496</u>
TOTAL NON-CURRENT LIABILITIES		<u>321,973</u>	<u>411,496</u>
TOTAL LIABILITIES		<u>1,238,092</u>	<u>1,400,710</u>
NET ASSETS		<u>\$7,026,206</u>	<u>\$7,015,173</u>
EQUITY			
General Fund	9A	3,392,342	3,381,309
Reserves	9B	<u>3,633,864</u>	<u>3,633,864</u>
TOTAL EQUITY		<u>\$7,026,206</u>	<u>\$7,015,173</u>

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	GENERAL FUND	ASSETS REVALUATION RESERVE	CAPITAL REALISATION RESERVE	TOTAL
NOTE	\$	\$	\$	\$
BALANCE AT 1 JULY 2012	3,388,291	2,535,998	1,097,866	7,022,155
Profit/(Loss) for the year	(6,982)	-	-	(6,982)
Other Comprehensive Income for the Year	-	-	-	-
BALANCE AT 30 JUNE 2013	3,381,309	2,535,998	1,097,866	7,015,173
Profit/(Loss) for the year	11,033	-	-	11,033
Other Comprehensive Income for the Year	-	-	-	-
BALANCE AT 30 JUNE 2014	\$3,392,342	\$2,535,998	\$1,097,866	\$7,026,206

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
RECEIPTS:			
Contributions, Entrance Fees and Levies Received from Members		2,993,534	2,979,052
Receipts/Transfers from Other reporting Units (branch transfers)		239,918	208,117
Interest Received		160,162	188,701
Rental Income Received		50,511	57,007
Other Income Received		8,872	19,636
TOTAL RECEIPTS		<u>3,452,997</u>	<u>3,452,513</u>
PAYMENTS:			
Payments to Suppliers and Employees		2,749,172	2,465,278
Payment Relating to Projects		366,526	352,290
Payments Relating to "On Watch"		133,632	101,956
Payments to Other Reporting Units (branch transfers)		239,918	208,117
TOTAL PAYMENTS		<u>3,489,248</u>	<u>3,127,641</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	10A	<u>(36,251)</u>	<u>324,872</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
RECEIPTS			
Withdrawals from Macquarie Managed Portfolio		-	1,528,431
Proceeds from Sale of Property, Plant and Equipment		18,091	
TOTAL RECEIPTS		<u>18,091</u>	<u>1,528,431</u>
PAYMENTS:			
Payment for Property, Plant and Equipment		59,766	18,065
TOTAL PAYMENTS		<u>59,766</u>	<u>18,065</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(41,675)</u>	<u>1,510,366</u>
Net Increase / (Decrease) in Cash Held		(77,926)	1,835,238
Cash at the Beginning of the Financial year		3,771,457	1,936,219
CASH AT THE END OF THE FINANCIAL YEAR	5A	<u>\$3,693,531</u>	<u>\$3,771,457</u>

The attached notes form part of these accounts

RECOVERY OF WAGES ACTIVITY

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	2014 \$	2013 \$
CASH ASSETS IN RESPECT OF RECOVERED MONEY AT BEGINNING OF YEAR			
RECEIPTS:			
Amounts recovered from employers in respect of wages etc.		-	-
Interest received on recovered money		-	-
TOTAL RECEIPTS		-	-
PAYMENTS:			
Deductions of amounts due in respect of membership for:			
12 months or less		-	-
Greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of:			
The reporting unit:			
Name of account		-	-
Name of fund		-	-
Deductions of fees or reimbursement of expenses			
Payments to workers in respect of recovered money			
TOTAL PAYMENTS		-	-
CASH ASSETS IN RESPECT OF RECOVERED MONEY AT END OF YEAR		-	-
Number of workers to which the monies recovered relates		-	-
AGGREGATE PAYABLES TO WORKERS ATTRIBUTABLE TO RECOVERED MONIES BUT NOT YET DISTRIBUTED			
Payable balance		-	-
Number of workers to which the monies recovered relates		-	-
FUND OR ACCOUNT OPERATED FOR RECOVERY OF WAGES		-	-

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. INFORMATION TO BE PROVIDED TO MEMBERS – 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 Division 7 section 272 which reads as follows:

- (a) A member of a reporting unit, or the Industrial Registrar, 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.
- (b) 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.
- (c) A reporting unit must comply with an application made under subsection (1).

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Institute of Marine and Power Engineers is a not-for-profit entity.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis of accounting and in accordance with historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(a) New Australian Accounting Standards

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.

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a material future impact on the Australian Institute of Marine and Power Engineers.

(b) Income Tax

No provision for income tax is necessary as trade unions are exempt from income tax under Section 50-15 of the *Income Tax assessment Act 1997*.

(c) Property, Plant and Equipment

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, Plant and Equipment (Cont'd)

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the Committee.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2 – 11.25%
Plant and equipment	9 - 60%

Gains

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

(d) Investments

Shares in listed companies held as current assets are valued by the Committee at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities.

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other 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.

Contributions are made by the economic entity to the employee superannuation funds and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Cash

Cash is recognised at its nominal amount. Cash includes cash on hand, at banks and on deposit held at call.

(g) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

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

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(h) 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 Balance Sheet are shown inclusive of GST.

(i) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Instruments (Cont'd)

Classification and subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (ie gains or losses) being recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(j) Events after the reporting period

There were no events that occurred after 30 June 2014, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of AIMPE.

The financial report was authorised for issue on 14th October 2014.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(l) Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(m) Financial Support

AIMPE is not in receipt of any other financial support from another reporting unit of the organisation nor has there been any going concern financial support to another reporting entity. There are no material uncertainties, events or conditions that bring into question the ability of AIMPE to continue as a going concern.

(n) Business Combinations

AIMPE did not acquire or dispose of any business entities during the financial year.

	2014 \$	2013 \$
3. REVENUE		
3A. Capitation Fees		
- Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
3B. Compulsory Levies		
- Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
3C. Interest		
Deposits	145,717	188,701
	<u>\$145,717</u>	<u>\$188,701</u>
3D. Rental Revenue		
Properties	39,653	44,507
Car Park Leases	10,858	12,500
	<u>\$50,511</u>	<u>\$57,007</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
3. REVENUE (CONT'D)		
3E. Other Revenue		
Dividends Received	1,450	3,275
Net Income Received – Macquarie Managed Portfolio	1,454	11,022
Other Trust Distributions	-	493
On Watch Subscriptions	1,595	-
Sundry	2,021	16,418
	<u>\$6,520</u>	<u>\$31,208</u>
3F. Grants and/or Donations		
Grants	-	-
Donations	-	-
	<u>\$-</u>	<u>\$-</u>
3G. Unrealised Gains from Revaluation of Assets		
Revaluation of Shares in Listed Companies	7,791	-
	<u>\$7,791</u>	<u>\$-</u>
3F. Net Gains from Sale of Assets		
Surplus/(Deficit) on Sale of Property, Plant and Equipment	1,166	-
Realised Gains on Investments	-	68,669
	<u>\$1,166</u>	<u>\$68,669</u>
4. EXPENSES		
4A. Employee Expenses		
Holders of Office:		
Wages and Salaries	30,223	214,403
Superannuation	3,543	35,496
Leave and Other Entitlements	(120,149)	50,290
Separation and Redundancies	188,261	-
Other Employee Expenses	194	9,884
	<u>102,072</u>	<u>310,073</u>
Employees Other Than Office Holders:		
Wages and Salaries	1,188,983	1,071,260
Superannuation	242,236	328,994
Leave and Other Entitlements	222,127	215,686
Separation and Redundancies	-	-
Other Employee Expenses	147,711	53,207
	<u>1,801,057</u>	<u>1,669,147</u>
	<u>\$1,903,129</u>	<u>\$1,979,220</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
4. EXPENSES (CONT'D)		
4A. Employee Expenses (Cont'd)		
Employee expenses disclosed under Holders of Office include Robert Ashton (Newcastle Secretary) and Phillip Olsen (Secretary West Australia Branch). Martin Byrne and Henning Christiansen also hold office however these are unpaid positions.		
4B. Capitation Fees		
- Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
4C. Affiliation Fees		
Head Office		
ACTU	8,386	8,865
ITF	5,531	4,325
Victoria		
ALP	275	1,174
Vic Trade Hall	1,282	1,728
Geelong	41	91
SWT&LC	75	-
Tasmania		
ALP	722	719
West Australia		
ALP	131	505
TLC	2,160	1,967
South Australia		
ALP	405	732
Queensland		
ALP	-	4,518
Union Shopper	982	-
QCU	3,460	2,767
Newcastle		
Newcastle Trades Hall Council	331	-
NSW District		
ALP	-	3,648
Unions NSW	2,219	2,331
	<u>\$26,000</u>	<u>\$33,370</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
4. EXPENSES (CONT'D)		
4D. Administration Expenses		
Consideration to Employers for Payroll Deductions	-	-
Compulsory Levies	-	-
Penalties imposed under the RO Act	-	-
Fees/allowances paid to persons to attend meetings and conferences	-	-
Conference and Meeting Expenses (includes conference expenses Note 13 and travel and accommodation Note 14)	116,088	162,206
Property Expenses	97,430	128,112
Office Expenses	31,280	20,075
Information Communications Technology	33,012	40,578
Other Expenses:		
Motor Vehicle Costs	36,788	27,793
Advertising	-	1,126
Bank Charges and Government Duties	23,812	25,268
Computer Software	7,323	7,582
Election Expenses (NSW District)	4,250	-
Entertainment	1,017	723
Florist	273	118
Publications	5,580	4,962
Staff Amenities	3,231	1,502
Staff Training	17,806	1,868
Sundry	3,637	14,732
	<u>\$381,527</u>	<u>\$436,645</u>
4E. Grants and/or Donations		
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations		
Total paid that were \$1,000 or less	2,431	1,000
Total paid that exceeded \$1,000	138,004	33,091
	<u>\$140,435</u>	<u>\$34,091</u>
4F. Depreciation and Amortisation		
Depreciation		
Land and Buildings	39,231	39,238
Property, Plant and Equipment	44,199	44,963
	<u>\$83,430</u>	<u>\$84,201</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
4. EXPENSES (CONT'D)		
4G. Finance Costs		
Interest Paid – Overdrafts	-	2,178
	<u>\$-</u>	<u>\$2,178</u>
4H. Legal Costs		
Litigation	-	-
Other Legal Matters	76,913	48,019
	<u>\$76,913</u>	<u>\$48,019</u>
4I. Projects		
Dredges	33,830	62,603
Federal Council	35,904	28,101
Federal Executive	10,998	12,466
Federal President Expense	18,474	31,371
Federal President Honorarium	45,995	8,610
Maritime Industry Seagoing Award	18,532	11,747
NMITC	6,907	-
NMSC/Qualifications	-	54
NSW Power Industry	3,429	3,033
Offshore expenses	32,777	17,073
Port Authority	-	765
Port Services Award	1,811	950
Red Ensign Campaign/Shipping Reform	-	4,692
Shipping Reform and Political Lobby	84,379	94,936
Surveyors	490	148
Tugs	43,806	49,932
Project – QLD Branch	29,194	25,809
	<u>\$366,526</u>	<u>\$352,290</u>
<p>The Federal president honorarium for 2014 includes an under payment from the 2013 year which was carried over to the 2014 year pursuant to FEX approval.</p>		
4J. Other Expenses		
On Watch Expenses	133,632	101,956
	<u>\$133,632</u>	<u>\$101,956</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
5. CURRENT ASSETS		
5A. Cash and Cash Equivalents		
Cash on Hand	2,210	1,910
Cash at Bank	629,098	621,373
Deposits at Call	3,062,223	3,148,174
	<u>\$3,693,531</u>	<u>\$3,771,457</u>
5B. Trade and Other Receivables		
Receivables from Other Reporting Units	-	-
Less Provision for Doubtful Debts	-	-
Other Receivables:		
Accrued Income	88,435	102,880
Employee Loans	10,000	10,000
Sundry Debtors	6,925	33,498
	<u>\$105,360</u>	<u>\$146,378</u>
6. NON CURRENT ASSETS		
6A. Land and Buildings		
Freehold Land and Buildings		
52 Buckingham Street, Surry Hills		
Sydney (at 2010 Independent Valuation + additions)	1,649,849	1,647,550
South Australia (at 2010 Valuation)	660,000	660,000
Newcastle (at 2010 Valuation + additions)	452,930	451,718
Victoria (at cost plus additions)	1,108,646	1,108,646
Western Australia (at cost plus additions)	426,125	426,125
Queensland (at 2010 Valuation)	320,000	320,000
	<u>4,617,550</u>	<u>4,614,039</u>
Less: Accumulated Depreciation	<u>(402,849)</u>	<u>(363,618)</u>
	<u>\$4,214,701</u>	<u>\$4,250,421</u>
Reconciliation of Opening and Closing Balances of Land and Buildings		
Gross Book Value 1 July 2013	4,614,039	4,614,039
Accumulated Depreciation	<u>(363,618)</u>	<u>(324,380)</u>
Net Book Value 1 July 2013	4,250,421	4,289,659
Additions		
- By purchase	3,511	-
Depreciation Expense	<u>(39,231)</u>	<u>(39,238)</u>
Net Book Value 30 June 2014	<u>\$4,214,701</u>	<u>\$4,250,421</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
6. NON CURRENT ASSETS (CONT'D)		
6A. Land and Buildings (Cont'd)		
Reconciliation of Opening and Closing Balances of Land and Buildings (Cont'd)		
Net Book Value as of 30 June 2014 represented by:		
Gross Book Value	4,617,550	4,614,039
Accumulated Depreciation	<u>(402,849)</u>	<u>(363,618)</u>
Net Book Value 30 June 2014	<u>\$4,214,701</u>	<u>\$4,250,421</u>
6B. Plant and Equipment		
Motor Vehicles		
Motor Vehicles - at cost	142,113	214,931
Less: Accumulated Depreciation	<u>(76,023)</u>	<u>(141,668)</u>
	<u>66,090</u>	<u>73,263</u>
Furniture and Fittings		
Furniture and Fittings - at cost	204,184	191,885
Less: Accumulated Depreciation	<u>(148,333)</u>	<u>(141,472)</u>
	<u>55,851</u>	<u>50,413</u>
Office Equipment		
Office Equipment - at cost	149,037	147,702
Less: Accumulated Depreciation	<u>(116,976)</u>	<u>(112,684)</u>
	<u>32,061</u>	<u>35,018</u>
Sundry Assets		
Items include Noise Level Meters; Bindings for Publications and Reports; Hot Water Systems; Telephone Installations.		
Sundry Assets - at cost	8,799	8,799
Less: Accumulated Depreciation	<u>(7,760)</u>	<u>(7,583)</u>
	<u>1,039</u>	<u>1,216</u>
Total written down value	<u>\$155,041</u>	<u>\$159,910</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

6. NON CURRENT ASSETS (CONT'D)

6B. Plant and Equipment (Cont'd)

Reconciliation of Opening and Closing Balances of Plant and Equipment - 2014

	Motor Vehicles	Furniture and Fittings	Office Equipment	Sundry Assets	Total
Gross Book Value at 1 July 2013	214,931	191,885	147,702	8,799	563,317
Accumulated Depreciation	(141,668)	(141,472)	(112,684)	(7,583)	(403,407)
Net Book Value 1 July 2013	73,263	50,413	35,018	1,216	159,910
Additions:					
By purchase	27,434	12,499	20,545	-	60,478
Disposals - Other	(13,082)	-	(8,066)		(21,148)
Depreciation	(21,525)	(7,061)	(15,436)	(177)	(44,199)
Net Book Value 30 June 2014	66,090	55,851	32,061	1,039	155,041
Net Book Value as of 30 June 2014 represented by:					
Gross Book Value	142,113	204,184	149,037	8,799	504,133
Accumulated Depreciation	(76,023)	(148,333)	(116,976)	(7,760)	(349,092)
Net Book Value 30 June 2014	66,090	55,851	32,061	1,039	155,041

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

6. NON CURRENT ASSETS (CONT'D)

6B. Plant and Equipment (Cont'd)

Reconciliation of Opening and Closing Balances of Property, Plant and Equipment - 2013

	Motor Vehicles	Furniture and Fittings	Office Equipment	Sundry Assets	Total
Gross Book Value at 1 July 2012	214,931	188,896	132,626	8,799	545,252
Accumulated Depreciation	(117,520)	(133,714)	(99,836)	(7,374)	(358,444)
Net Book Value 1 July 2012	97,411	55,182	32,790	1,425	186,808
Additions:					
By purchase	-	2,989	15,076	-	18,065
Disposals - Other Depreciation	(24,148)	(7,758)	(12,848)	(209)	(44,963)
Net Book Value 30 June 2013	73,263	50,413	35,018	1,216	159,910
Net Book Value as of 30 June 2013 represented by:					
Gross Book Value	214,931	191,885	147,702	8,799	563,317
Accumulated Depreciation	(141,668)	(141,472)	(112,684)	(7,583)	(403,407)
Net Book Value 30 June 2013	73,263	50,413	35,018	1,216	159,910

2014
\$

2013
\$

6C. Investments

Shares in Listed Companies - at market value

95,665	87,717
<u>\$95,665</u>	<u>\$87,717</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
7. CURRENT LIABILITIES		
7A. Trade Payables		
Sundry Creditors and Accruals	160,954	149,685
Payables to Other Reporting Units:		
- Not applicable	-	-
	<u>\$160,954</u>	<u>\$149,685</u>
7B. Other Payables		
Membership Contributions Received in Advance	541,435	491,722
GST Payable	55,941	101,168
Consideration to Employers for Payroll Deductions	-	-
Legal Costs Payable	-	-
	<u>\$597,376</u>	<u>\$592,890</u>
8. PROVISIONS		
8A. Employee Provisions		
Office Holders		
Annual Leave	-	95,362
Long Service Leave	-	128,595
Separations and Redundancies	-	-
Other	-	-
	<u>-</u>	<u>223,957</u>
Employees Other Than Office Holders		
Annual Leave	157,789	151,277
Long Service Leave	321,973	282,901
Separations and Redundancies	-	-
Other	-	-
	<u>479,762</u>	<u>434,178</u>
	<u>\$479,762</u>	<u>\$658,135</u>
Current	<u>157,789</u>	<u>246,639</u>
Non Current	<u>321,973</u>	<u>411,496</u>
	<u>\$479,762</u>	<u>\$658,135</u>

The increase/(decrease) in current year provisions have been charged to operational expenditure at salary levels applicable at 30 June.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
9. EQUITY		
9A. General Fund		
Retained Surplus/(Deficit) at the Beginning of the Year	3,381,309	3,388,291
Operating Surplus/(Deficit) for the Year	11,033	(6,982)
Retained Surplus/(Deficit) at the End of the Year	<u>\$3,392,342</u>	<u>\$3,381,309</u>
9B. Reserves		
Asset Revaluation Reserve		
Opening Balance	2,535,998	2,535,998
Revaluation increment on freehold land and buildings	-	-
Closing Balance	<u>2,535,998</u>	<u>2,535,998</u>
Capital Realisation Reserve		
Opening Balance	1,097,866	1,097,866
Transfer to reserves	-	-
Closing Balance	<u>1,097,866</u>	<u>1,097,866</u>
	<u>\$3,633,864</u>	<u>\$3,633,864</u>
10. CASH FLOW		
10A. Cash Flow Reconciliation		
Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus/(Deficit)		
Operating Surplus/(Deficit)	11,033	(6,982)
Add Back:		
Adjustment to Reserves	-	-
Deficit on Sale of Property, Plant and Equipment	-	-
Realised Loss on Investments	-	-
Unrealised Loss on Investments	-	-
Depreciation	83,430	84,201
Increase in Payables	15,755	320,456
Increase in Provisions	-	86,711
Decrease in Receivables	41,017	-
	<u>140,202</u>	<u>491,368</u>
	<u>151,235</u>	<u>484,386</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
10. CASH FLOW (CONT'D)		
10A. Cash Flow Reconciliation (Cont'd)		
Surplus on Sale of Property, Plant and Equipment	1,166	-
Realised Gain on Investments	-	68,669
Unrealised Gain on Investments	7,791	-
Macquarie Managed Portfolio Net Income Reinvested	-	11,022
Decrease in Provisions	178,373	-
Dividend Reinvested	156	551
Increase in Receivables	-	79,272
	187,486	159,514
Net Cash Provided By Operating Activities	\$(36,251)	\$324,872
Reconciliation of Cash:		
Cash on Hand	2,210	1,910
Cash at Bank	629,098	621,373
Deposits at Call	3,062,223	3,148,174
	\$3,693,531	\$3,771,457
(c) The union has no credit stand-by or financing facilities in place.		
(d) There were no non-cash financing or investing activities during the year.		
10B. Cash Flow Information		
Cash Inflows		
Australian Institute of Marine and Power Engineers	\$3,471,088	\$4,980,944
Cash Outflows		
Australian Institute of Marine and Power Engineers	\$3,549,014	\$3,145,706

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
11. RELATED PARTY DISCLOSURES		
11A. Related Party Transactions for the Reporting Period		
Assets transferred to Robert Ashton (Newcastle Branch Secretary):		
- Motor Vehicle	\$7,000	\$-
<p>The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. A motor vehicle with a book value of \$6,002 was transferred to Robert Ashton for a consideration of \$7,000 which represents the market price for such an asset.</p>		
11B. Key Management Personnel Remuneration for the Reporting Period		
Short Term Employee Benefits		
Salary (including annual leave taken)	320,843	627,781
Annual Leave Accrued	(53,799)	(23,060)
Performance Bonus	-	-
Total Short Term Benefits	<u>267,044</u>	<u>604,721</u>
Post-employment Benefits		
Superannuation	72,974	88,426
Total Post Employment Benefits	<u>72,974</u>	<u>88,426</u>
Other Long-term Benefits		
Long Service Leave Accrued	(54,653)	7,776
Total Long-term Benefits	<u>(54,653)</u>	<u>7,776</u>
Termination Benefits	<u>188,261</u>	<u>-</u>
Total Benefits	<u>\$473,626</u>	<u>\$700,923</u>

Key management personnel include Martin Byrne and Henning Christiansen who are employees of the Australian Institute of Marine and Power Engineers but also holders of office. Mr Byrne holds office as Sydney Branch Secretary and Federal Treasurer. Mr Christiansen holds office as Newcastle Federal Councillor and Federal Vice President. Mr Byrne and Mr Christiansen receive remuneration under their employment contracts (which is disclosed above) but do not receive remuneration for holding office.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
11. RELATED PARTY DISCLOSURES (CONT'D)		
11B. Key Management Personnel Remuneration for the Reporting Period (Cont'd)		
Honorariums paid to elected 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).		
11C: Transactions with Key Management Personnel and their Close Family Members		
Other Transactions with Key Management Personnel		
- Jacinta Byrne, daughter of Martin Byrne, was employed by the Australian Institute of Marine and Power Engineers from July 2013 to November 2013 on a casual basis in the role of office assistant. Ms Byrne's employment conditions were the same as offered to unrelated employees and her remuneration was at market rates. Total remuneration including superannuation -	\$2,013	-
- Marie Ashton, wife of Robert Ashton, is employed by the Australian Institute of Marine and Power Engineers on a part-time basis in the role of office assistant. Mrs Ashton's employment conditions were the same as offered to unrelated employees and her remuneration was at market rates. Total remuneration including superannuation for the period whilst Robert Ashton was in office -	\$7,390	\$36,266
12. AUDITOR'S REMUNERATION		
Amounts received, or due and receivable, by Auditors for:		
Financial Statement Audit Services	\$58,550	\$48,790
Other Services	-	-
Included above are amounts received, or due and receivable, by Auditors other than KSG Assurance & Audit Services Pty Ltd		
Auditing the Accounts (Branches)	\$16,850	\$8,080

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
13. CONFERENCE EXPENSES		
ITF	22,987	26,061
WA Offshore	-	34,017
Sydney Offshore	-	43,770
Tugs Conference	36,056	-
	<u>\$59,043</u>	<u>\$103,848</u>
 14. TRAVEL AND ACCOMMODATION		
Head Office	42,546	45,362
NSW District	-	386
Newcastle Branch	8,070	2,330
Victoria Branch	1,042	1,258
Western Australia Branch	313	171
Queensland Branch	4,952	8,851
South Australia Branch	122	-
	<u>\$57,045</u>	<u>\$58,358</u>

15. SEGMENT REPORTING

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

16. FINANCIAL INSTRUMENTS

Interest Rate Risk

The branch'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. AIMPE's exposure to interest rate risk is detailed in note 16F.

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 balance sheet and notes to and forming part of those financial statements and note 16D.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

16. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity Risk

Liquidity risk arises from the possibility that AIMPE might encounter difficulty in settling its debts or meeting its obligations in relation to financial liabilities. AIMPE manages that risk by preparing cash flow forecasts and only investing surplus cash. AIMPE's exposure to liquidity risk is disclosed in note 16E.

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 company 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 balance sheet and in the notes to and forming part of the financial statements and at note 16G.

	2014	2013
	\$	\$
16A. Categories of Financial Instruments		
Financial Assets		
Cash and Cash Equivalents	631,308	623,283
Receivables	105,360	146,378
Held to Maturity Investments		
- Term Deposits	3,062,223	3,148,174
Available for Sale Assets		
- Shares in Listed Companies – at market value	95,665	87,717
Carrying Amount of Financial Assets	<u>\$3,894,556</u>	<u>\$4,005,552</u>
Financial Liabilities		
Other Financial Liabilities		
- Contributions Received in Advance	541,435	491,722
- Trade and Other Payables	216,895	250,853
Carrying Amount of Financial Liabilities	<u>\$758,330</u>	<u>\$742,575</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
16. FINANCIAL INSTRUMENTS (CONT'D)		
16B. Net Income and Expense from Financial Assets		
Cash and Cash Equivalents		
- Interest	2,726	9,031
Receivables		
- Not applicable	-	-
Held to Maturity Investments		
- Interest	142,991	179,667
Available for Sale Assets		
- Dividends	1,450	3,275
- Net income received – Macquarie Managed Portfolio	1,454	11,022
- Other Trust Distributions	-	493
-Realised Gain/(Loss) on Disposal	-	68,669
- Change in Market Value	7,791	-
Net Gain (Loss) from Financial Assets	<u>\$156,412</u>	<u>\$272,157</u>

16C. Net Income and Expense from Financial Liabilities

Other Financial Liabilities

-

Net Gain (Loss) from Financial Liabilities

-	-
<u>\$-</u>	<u>\$-</u>

16D. Credit Risk

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

Financial Assets

Cash and Cash Equivalents	631,308	623,283
Receivables	105,360	146,378
Held to Maturity Investments	3,062,223	3,148,174
Available for Sale Assets	95,665	87,717
Total	<u>\$3,894,556</u>	<u>\$4,005,552</u>

Financial Liabilities

Other Financial Liabilities	758,330	742,575
Total	<u>\$758,330</u>	<u>\$742,575</u>

No assets have been pledged or held as collateral.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

16. FINANCIAL INSTRUMENTS (CONT'D)

16D. Credit Risk (Cont'd)

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

	Not past due or impaired 2014	Past due or impaired 2014	Not past due or impaired 2013	Not past due or impaired 2013
Cash and Cash Equivalents	631,308	-	623,283	-
Receivables	105,360	-	146,378	-
Held to Maturity Investments	3,062,223	-	3,148,174	-
Available for Sale Assets	95,665	-	87,717	-
	<u>\$3,894,556</u>		<u>\$4,005,552</u>	

Ageing of financial assets that were past due but not impaired 2014:

	0 – 30 days	31 – 60 days	61 – 90 days	90+ days	Total
Cash and Cash Equivalents	631,308	-	-	-	631,308
Receivables	105,360	-	-	-	105,360
Held to Maturity Investments	3,062,223	-	-	-	3,062,223
Available for Sale Assets	95,665	-	-	-	95,665
	<u>\$3,894,556</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3,894,556</u>

Ageing of financial assets that were past due but not impaired 2013:

	0 – 30 days	31 – 60 days	61 – 90 days	90+ days	Total
Cash and Cash Equivalents	623,283	-	-	-	623,283
Receivables	146,378	-	-	-	146,378
Held to Maturity Investments	3,148,174	-	-	-	3,148,174
Available for Sale Assets	87,717	-	-	-	87,717
	<u>\$4,005,552</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,005,552</u>

16E. Liquidity Risk

Contractual maturities for financial liabilities 2014:

	On Demand	<1 Year	1-2 Years	2-5 Years	>5 Years	Total
Other Financial Liabilities	541,435	216,895	-	-	-	758,330
	<u>\$541,435</u>	<u>\$216,895</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$758,330</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

16. FINANCIAL INSTRUMENTS (CONT'D)

16E. Liquidity Risk (Cont'd)

Contractual maturities for financial liabilities 2013:

	On Demand	<1 Year	1-2 Years	2-5 Years	>5 Years	Total
Other Financial Liabilities	491,722	250,853	-	-	-	742,575
	\$491,722	\$250,853	\$-	\$-	\$-	\$742,575

16F. Interest Rate Risk

Sensitivity analysis of the risk that the entity is exposed to for 2014

	Change in Risk Variable %	Effect on Profit and Loss	Effect on Equity
Interest Rate Risk	+1%	+37,329	+37,329
Interest Rate Risk	-1%	-37,329	-37,329

Sensitivity analysis of the risk that the entity is exposed to for 2013

	Change in Risk Variable %	Effect on Profit and Loss	Effect on Equity
Interest Rate Risk	+1%	+28,477	+28,477
Interest Rate Risk	-1%	-28,477	-28,477

16G. Net Fair Values

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

	Carrying Amount 2014	Fair Value 2014	Carrying Amount 2013	Fair Value 2013
Cash and Cash Equivalents	631,308	631,308	623,283	623,283
Receivables	105,360	105,360	146,378	146,378
Held to Maturity Investments	3,062,223	3,062,223	3,148,174	3,148,174
Available for Sale Assets	95,665	95,665	87,717	87,717
	\$3,894,556	\$3,894,556	\$4,005,552	\$4,005,552

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2014

17. UNION DETAILS

The principal place of business of the Union is:

Australian Institute of Marine and Power Engineers
52 Buckingham Street
SURRY HILLS NSW 2010

COMMITTEE OF MANAGEMENT STATEMENT

On 14th October 2014 the Committee of Management passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2014:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the financial reporting guidelines of the Industrial Registrar;
- (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;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*.
- (f) in relation to recovery of wages activity:
 - (i) no revenue has been derived by AIMPE in relation to the recovery of wages activity.

Signed on behalf of the Committee of Management by:

TERRY SNEE
Name:

President
Title of Office held:

Signed at Brisbane this 14th day of OCTOBER 2014

Terry Snee

**ACCOUNTANT'S COMPILATION REPORT
TO THE AUSTRALIAN INSTITUTE
OF MARINE AND POWER ENGINEERS**

We have compiled the accompanying general purpose financial statements of the Australian Institute of Marine And Power Engineers which comprise the Statement of Financial Position as at 30 June 2014, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory notes. These have been prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The Responsibility of Committee of Management

The Committee of Management of the Australian Institute of Marine And Power Engineers are solely responsible for the information contained in the general purpose financial statements and have determined that the accounting policies used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Committee of Management we have compiled the accompanying general purpose financial statements in accordance with Australian Accounting Standards and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Committee of Management provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of the Committee of Management. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

Name of Firm: Key Solutions Group (Accountants and Business Consultants) Pty Ltd

Address: Suite 255, High Park Tower, 813 Pacific Highway, Chatswood NSW 2067

Name of Principal:


Glenn Cousins

Date: 14th day of October 2014

Key Solutions Group (Accountants & Business Consultants) Pty Ltd

Level 2, 813 Pacific Highway
Chatswood NSW 2067
PO Box 1290 Chatswood 2057

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F +61 2 9406 5999
E mailus@ksg.com.au



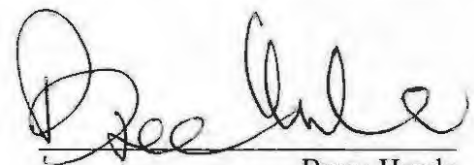
Liability limited by
a scheme approved
under Professional
Standards Legislation

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO COMMITTEE OF MANAGEMENT OF THE AUSTRALIAN INSTITUTE
OF MARINE AND POWER ENGINEERS**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

- (a) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

KSG Assurance & Audit Services Pty Limited
Chartered Accountants



Bruce Howle
Managing Principal

Dated at Sydney this 14th day of October 2014

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

Scope

We have audited the financial report, being a general purpose financial report, of Australian Institute of Marine and Power Engineers ("the Union") for the year ended 30 June 2014 as set out on pages 4 to 34. This report comprises the Committee of Management Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and notes comprising a summary of significant accounting policies and other explanatory information.

The Union's Committee of Management is responsible for the financial report and has determined that the accounting policies used and described in Note 2 to the financial statements are appropriate to meet the needs of the members. The Committee of Management's responsibility also includes such internal control as the Committee determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards and the *Fair Work (Registered Organisations) Act 2009*. Those standards require that we comply with ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on policies used and the reasonableness of accounting estimates made by the members of the Committee of Management, as well as the overall presentation of the financial report.

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

Independence

In conducting our audit, we followed applicable independence requirements of the *Corporations Act 2001*.

Audit Opinion

In our opinion, the financial report of Australian Institute of Marine and Power Engineers is:

- (a) giving a true and fair view of the Union's financial position as at 30 June 2014 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2; and
- (b) complying with Accounting Standards to the extent described in Note 2 and the *Fair Work (Registered Organisations) Act 2009*.

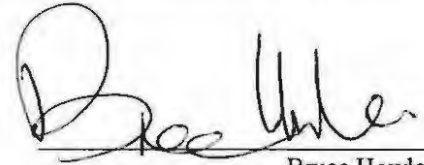
We declare that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statement is appropriate.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE
OF MARINE AND POWER ENGINEERS (CONT'D)**

Basis of accounting

Without modifying our opinion, we draw attention to Note 2 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committee of Management's financial reporting responsibilities to its members and for the purposes of *Fair Work (Registered Organisations) Act 2009*. As a result, the financial report may not be suitable for another purpose.

KSG Assurance & Audit Services Pty Limited



Bruce Howle
Managing Principal

Dated at Sydney this 14th day of October 2014

Holder of Public Practice Certificate issued
by The Institute of Chartered Accountants in Australia