



FAIR WORK
COMMISSION

25 January 2016

Mr Martin Byrne
Federal Treasurer
Australian Institute of Marine and Power Engineers

Sent via email: mbyrne@aimpe.asn.au

Dear Mr Byrne

Re: Lodgement of Financial Statements and Accounts – Australian Institute of Marine and Power Engineers - for year ended 30 June 2015 (FR2015/211)

I refer to the financial report for the Australian Institute of Marine and Power Engineers. The report was lodged with the Fair Work Commission on 7 January 2016.

The financial report has been filed based on a primary review. This involved confirming whether 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.

You are not required to take any further action in respect of the report lodged, but I make the following comments to assist you when preparing next year's report. Please note that the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

Timescale requirements

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

I note that the following timescale requirements were not met:

Documents must be lodged with the FWC within 14 days of General Meeting

Section 268 of the RO Act requires the full report and the designated officer's certificate to be lodged with the FWC within 14 days of presentation to the meeting of members. The Designated Officer's Certificate indicates that this occurred on 15 December 2015. If this is correct the full report should have been lodged with the FWC by 29 December 2015. The full report was however not lodged until 7 January 2016.

The organisation should have applied for an extension of time to lodge the required reports and the designated officer's certificate in accordance with section 268 of the RO Act.

Please note that in future financial years if the organisation cannot lodge on time, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the required date of lodgement (i.e. the 14th day after presentation).

Difference in figure reporting in LGD statement and financial report

A Loans, Grants and Donations statement was lodged with the FWC as required under subsection 237(1) of the RO Act on 14 August 2015. The figure for donations that exceeded \$1,000 disclosed in the financial report was different to the total of the amounts on the Loans, Grants and Donations Statement.

Ms Cathy Han of your office has advised me that the difference was due to the amounts disclosed in the Loans, Grants and Donations statement including GST and reflecting transaction records kept on a cash basis, whereas the amounts in the financial report did not include GST and were reported on an accrual basis.

FWC would query whether expense transactions that include/require the payment of GST fall within the category of donations as required by section 237 and the Reporting Guidelines, but in any case would expect that the total of donations disclosed in the statement of loans, grants or donations would reconcile with the total of donations exceeding \$1,000 disclosed in the financial report.

The organisation should ensure that its disclosures of donations exceeding \$1,000 in next year's report and statement of loans, grants and donations correspond with each other and satisfy itself that it has disclosed amounts that are correctly classified as donations.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

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 2015

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 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; 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 23rd October 2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report*² was then provided to members of the reporting unit on 26th October 2015 by being placed on the AIMPE website (http://www.aimpe.asn.au/files/financial_returns_on_watch_insert_nov_2015.pdf); and
- that the full report was presented to meetings of members held in various locations around Australia on 15th December 2015 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: 7th January 2016.

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 2015

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AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The Australian Institute of Marine and Power Engineers Federal Executive (the Committee of Management) presents its report on the reporting unit for the financial year ended 30th June 2015.

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 Australian Institute of Marine and Power Engineers (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.

A major concern of AIMPE in 2014-15 was the on-going failure of the Coastal Trading Act to revitalise Australian shipping. This failure was demonstrated by the withdrawal of several coastal trading ships including the Tandara Spirit, the British Loyalty and the Hugli Spirit – all petroleum tanker ships. Many of the cargoes previously carried by these ships have subsequently been carried by foreign flag ships with foreign crews under the Temporary Licence regime. AIMPE continues to draw attention to this failure of public policy to ensure the retention of a key strategic industry and to seek to persuade policy makers that Australia is making an enormous strategic mistake in allowing the shipping industry to wither away.

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 2013-14. This statutory amendment applies specifically to “shipping engineers” and was a result of successful AIMPE lobbying. However it appears that the abuse of s.457 visas is continuing which remains a matter of serious concern to AIMPE. AIMPE negotiated numerous enterprise agreements during 2014-15 with various employers in the maritime industry. These were submitted to the Fair Work Commission for approval (following endorsement by the members concerned).

AIMPE also continued to maintain a National Employment Roster to help unemployed Australian Marine Engineers to obtain employment. This is circulated to most major employers in the Australian maritime industry on a regular basis. Employment engagements remain the legal responsibility of each individual maritime employer. Unfortunately the number of members on this Roster has increased significantly during the 2014-15 period.

AIMPE also works to assist new entrant trainees who wish to study Marine Engineering and after successful studies to gain the essential sea-time necessary to obtain the required Certificate of Competency as a Marine Engineer. In addition AIMPE encourages maritime employers to support such trainees in order to ensure the supply of qualified personnel into the future.

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. Eleven editions of On Watch were produced and distributed including a combined December-January edition during the holiday season. AIMPE continued in 2014-15 to make the On Watch available to members online via the union's website www.aimpe.asn.au .

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2015 (CONT'D)

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year (cont'd)

Throughout 2014-15, AIMPE also retained its long-standing **affiliations** with the International Transport Workers Federation and the Australian Council of Trade Unions. AIMPE Federal Council in June 2015 also authorised affiliation with the Nautilus Federation – a group of like-minded trade unions which represent maritime officers in various countries around the world. AIMPE is not affiliated with any political party.

Significant changes in financial affairs

Regarding the **financial affairs** of the AIMPE in 2014-15 – membership fee income was slightly down in comparison to the fee income in the previous financial year due to the decline in overall membership numbers. However expenditure was held below the expenditure in the previous financial year and so a larger surplus was recorded.

AIMPE continues to own all of the premises in which our offices are located. New valuations of several of these properties were obtained with a substantial increase in the value of the Sydney Head Office recorded which was partially offset by a reduction in the assessed value of the Brisbane premises. The value of the AIMPE properties in Newcastle and Port Adelaide were comparatively stable. An increase in the value of the property in WA is also reflected in the 2014-15 accounts.

AIMPE continued in 2014-15 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) (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 – 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.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2015 (CONT'D)

Number of members

The AIMPE had 2,731 fee paying members as at 30th June 2015.

This compares with 2,847 fee paying members as at 30th June 2014. After ten years of consistent modest membership growth, 2014-15 saw a decline in membership as more Australian flag ships were withdrawn from service and replaced by foreign ships using Temporary Licences issued by the Federal Government. In addition, the completion of a number of major Dredging projects and the contraction of the Offshore Oil and Gas sector had a negative effect on the employment of Australian Marine Engineers.

AIMPE retains a significant number of Honorary members who have retired from the maritime industry. As at 30th June 2015 AIMPE had 777 Honorary members – an increase of 99 over the course of the year.

Number of employees

The total number of people **employed** by AIMPE during the course of 2014-15 was 17 [comprising 11 full-time staff, 5 part-time staff and 1 casual staff member]. During the previous financial year the number of people employed was 19 – 15 full time and 3 part time staff and 1 casual employee. The amount of work carried out by part time staff is equivalent to the work of 2.05 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 2014-15 was elected on 10th June 2014 by the 2014 Federal Council in a ballot conducted by the Australian Electoral Commission. The term of office expired on 22nd June 2015 when the 2015 Federal Council elected a new Federal Executive. The Federal Executive is the **Committee of Management** of the organisation. The persons elected on 10th June 2014 for 2014-15 were:

Position	Name	Period of Service During Financial Year
Federal President	Terry Snee	1/7/14-30/6/15
Senior Vice President	Peter Toohey	1/7/14-30/6/15
Vice President	Henning Christiansen	1/7/14-22/6/15
Vice President	Monty Woolley	1/7/14-30/6/15
Vice President	Chris Blackmore	22/6/15-30/6/15
Federal Treasurer	Martin Byrne	1/7/14-30/6/15

All members of the Federal Executive listed above completed the full term on 22nd June 2015, apart from Chris Blackmore who was elected to the position of Vice President from the 22nd June 2015.

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

Signed



MARTIN BYRNE,
Federal Treasurer

Dated this 23rd day of OCTOBER, 2015

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 \$	2014 \$
REVENUE			
Membership Subscriptions (including arrears, entrance fees and less refunds)		2,966,169	2,969,470
Capitation fees	3A	-	-
Compulsory Levies	3B	-	-
Interest Received	3C	139,742	145,717
Rental Revenue	3D	61,234	50,511
Other Revenue	3E	7,716	6,520
TOTAL REVENUE		3,174,861	3,172,218
OTHER INCOME			
Grants and/or Donations	3F	-	-
Unrealised Gains on Revaluation of Assets	3G	5,688	7,791
Net Gains/(Losses) from Sale of Assets	3H	(1,866)	1,166
TOTAL OTHER INCOME		3,822	8,957
TOTAL INCOME		3,178,683	3,181,175
EXPENSES			
Employee Expenses	4A	1,783,694	1,903,129
Capitation Fees	4B	-	-
Affiliation Fees	4C	24,710	26,000
Administration Expenses	4D	353,578	381,527
Grants and/or Donations/Fundraising	4E	6,577	140,435
Depreciation and Amortisation	4F	76,110	83,430
Finance Costs	4G	-	-
Legal Costs	4H	97,011	76,913
Audit Fees	13	53,799	58,550
Projects	4I	354,711	366,526
Other Expenses	4J	132,898	133,632
TOTAL EXPENSES		2,883,088	3,170,142
SURPLUS (DEFICIT) FOR THE YEAR		\$295,595	\$11,033
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit or loss:-			
Increase in market value of land and buildings		758,530	-
TOTAL OTHER COMPREHENSIVE INCOME		\$758,530	\$-

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5A	4,069,672	3,693,531
Trade and Other Receivables	5B	83,248	105,360
TOTAL CURRENT ASSETS		4,152,920	3,798,891
NON CURRENT ASSETS			
Land and Buildings	6A	4,950,505	4,214,701
Plant and Equipment	6B	135,019	155,041
Investments	6C	99,126	95,665
TOTAL NON CURRENT ASSETS		5,184,650	4,465,407
TOTAL ASSETS		9,337,570	8,264,298
CURRENT LIABILITIES			
Trade Payables	7A	206,690	160,954
Other Payables	7B	518,209	597,376
Employee Provisions	8A	166,224	157,789
TOTAL CURRENT LIABILITIES		891,123	916,119
NON CURRENT LIABILITIES			
Employee Provisions	8A	366,116	321,973
TOTAL NON-CURRENT LIABILITIES		366,116	321,973
TOTAL LIABILITIES		1,257,239	1,238,092
NET ASSETS		\$8,080,331	\$7,026,206
EQUITY			
General Fund	9A	3,687,937	3,392,342
Reserves	9B	4,392,394	3,633,864
TOTAL EQUITY		\$8,080,331	\$7,026,206

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 2015**

	GENERAL FUND	ASSETS REVALUATION RESERVE	CAPITAL REALISATION RESERVE	TOTAL
	\$	\$	\$	\$
BALANCE AT 1 JULY 2013	3,381,309	2,535,998	1,097,866	7,015,173
Surplus/(Deficit) 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
Surplus/(Deficit) for the year	295,595	-	-	295,595
Other Comprehensive Income for the Year	-	758,530	-	758,530
BALANCE AT 30 JUNE 2015	\$3,687,937	\$3,294,528	\$1,097,866	\$8,080,331

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015	2014
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
RECEIPTS:			
Contributions, Entrance Fees and Levies Received from Members		2,888,947	2,993,534
Receipts/Transfers from Other reporting Units (branch transfers)		278,683	239,918
Interest Received		156,759	160,162
Rental Income Received		61,234	50,511
Other Income Received		7,608	8,872
TOTAL RECEIPTS		<u>3,393,231</u>	<u>3,452,997</u>
PAYMENTS:			
Payments to Suppliers and Employees		2,217,905	2,749,172
Payment Relating to Projects		354,711	366,526
Payments Relating to "On Watch"		132,898	133,632
Payments to Other Reporting Units (branch transfers)		278,683	239,918
TOTAL PAYMENTS		<u>2,984,197</u>	<u>3,489,248</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	10A	<u>409,034</u>	<u>(36,251)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
RECEIPTS			
Return of Capital Listed Shares		2,336	-
Proceeds from Sale of Property, Plant and Equipment		-	18,091
TOTAL RECEIPTS		<u>2,336</u>	<u>18,091</u>
PAYMENTS:			
Payment for Property, Plant and Equipment		<u>(35,229)</u>	59,766
TOTAL PAYMENTS		<u>(35,229)</u>	<u>59,766</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(32,893)</u>	<u>(41,675)</u>
Net Increase / (Decrease) in Cash Held		376,141	(77,926)
Cash at the Beginning of the Financial year		3,693,531	3,771,457
CASH AT THE END OF THE FINANCIAL YEAR	5A	<u>\$4,069,672</u>	<u>\$3,693,531</u>

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

RECOVERY OF WAGES ACTIVITY

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 \$	2014 \$
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		<u>-</u>	<u>-</u>
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 – N/A		-	-
Name of fund – N/A		-	-
Deductions of fees or reimbursement of expenses		-	-
Payments to workers in respect of recovered money		-	-
TOTAL PAYMENTS		<u>-</u>	<u>-</u>
CASH ASSETS IN RESPECT OF RECOVERED MONEY AT END OF YEAR		<u>\$-</u>	<u>\$-</u>
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		<u>-</u>	<u>-</u>
FUND OR ACCOUNT OPERATED FOR RECOVERY OF WAGES		<u>\$-</u>	<u>\$-</u>

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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 subsections (1) to (3) of section 272, which read as follows:

Information to be provided to members or General Manager

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (2) The application must be in writing and must specify the period in which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit;
- (3) A reporting unit must comply with an application made under subsection (1).

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.

The financial report was authorised for issue on 23 October 2015 by the Committee of Management of the Australian Institute of Marine and Power Engineers.

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 signoff 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*.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

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

(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.

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 Australian Institute of Marine and Power Engineer's (union) 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 and annual 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.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

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

(e) Employee Benefits (Cont'd)

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

(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 Statement of Financial Position are shown inclusive of GST.

(i) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the union 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.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

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

(i) Financial Instruments (Cont'd)

Derecognition

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.

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.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

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

(j) Events after the reporting period

There were no events that occurred after 30 June 2015, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the union.

(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

The union 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 the union to continue as a going concern.

(n) Business Combinations

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

	2015	2014
	\$	\$
3. REVENUE		
3A. Capitation Fees		
Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
3B. Compulsory Levies		
Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
3C. Interest		
Deposits	139,742	145,717
	<u>\$139,742</u>	<u>\$145,717</u>
3D. Rental Revenue		
Properties	48,754	39,653
Car Park Leases	12,480	10,858
	<u>\$61,234</u>	<u>\$50,511</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
3. REVENUE (CONT'D)		
3E. Other Revenue		
Dividends Received	4,405	1,450
Net Income Received – Macquarie Managed Portfolio	373	1,454
On Watch Subscriptions	1,400	1,595
Sundry	1,538	2,021
	<u>\$7,716</u>	<u>\$6,520</u>
3F. Grants and/or Donations		
Grants	-	-
Donations	-	-
	<u>\$-</u>	<u>\$-</u>
3G. Unrealised Gains on Revaluation of Assets		
Revaluation of Shares in Listed Companies	5,688	7,791
	<u>\$5,688</u>	<u>\$7,791</u>
3H. Net Gains/(Losses) from Sale of Assets		
Gains/(Losses) on Sale of Property, Plant and Equipment	(1,866)	1,166
Realised Gains on Investments	-	-
	<u>\$(1,866)</u>	<u>\$1,166</u>
4. EXPENSES		
4A. Employee Expenses		
Holders of Office:		
Wages and Salaries (includes honorariums)	572	30,223
Superannuation	-	3,543
Leave and Other Entitlements	-	(120,149)
Separation and Redundancies	-	188,261
Other Employee Expenses	-	194
	<u>572</u>	<u>102,072</u>
Employees Other Than Office Holders:		
Wages and Salaries	1,182,879	1,188,983
Superannuation	290,508	242,236
Leave and Other Entitlements	234,840	222,127
Separation and Redundancies	-	-
Other Employee Expenses	74,895	147,711
	<u>1,783,122</u>	<u>1,801,057</u>
	<u>\$1,783,694</u>	<u>\$1,903,129</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
4. EXPENSES (CONT'D)		
4A. Employee Expenses (Cont'd)		
Employee expenses disclosed under Holders of Office include Robert Ashton (Newcastle Secretary, retired 2014 year) and Phillip Olsen (Secretary West Australia Branch, retired 2014 year). Martin Byrne and Henning Christiansen also held office however these are unpaid positions.		
4B. Capitation Fees		
- Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
4C. Affiliation Fees		
Head Office		
ACTU	8,724	8,386
ITF	6,279	5,531
Victoria		
ALP	-	275
Victorian Trades Hall Council	1,319	1,282
Geelong Trades Hall Council	41	41
SWT&LC	75	75
Tasmania		
ALP	-	722
Unions Tasmania	742	-
West Australia		
ALP	-	131
TLC	2,340	2,160
South Australia		
ALP	-	405
Queensland		
Union Shopper	1,322	982
QCU	-	3,460
Newcastle		
Newcastle Trades Hall Council	404	331
NSW District		
Workers Health Centre Affiliation	1,061	-
Unions NSW	2,403	2,219
	<u>\$24,710</u>	<u>\$26,000</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
4. EXPENSES (CONT'D)		
4D. Administration Expenses		
Consideration to Employers for Payroll Deductions		-
Compulsory Levies	-	-
Penalties imposed under the Fair Work (Registered Organisations) Act 2009	-	-
Fees/allowances paid to persons to attend meetings and conferences	-	-
Conference and Meeting Expenses (includes conference expenses Note 14 and travel and accommodation Note 15)	74,092	116,088
Property Expenses	103,168	97,430
Office Expenses	23,241	31,280
Information Communications Technology	47,651	40,335
Other Expenses:		
ACTU IR Levy	14,376	-
Motor Vehicle Costs	28,068	36,788
Advertising	201	-
Bank Charges and Government Duties	19,729	23,812
Election Expenses (NSW District)	-	4,250
Entertainment	2,507	1,017
Florist	539	273
Publications	7,884	5,580
Staff Amenities	3,467	3,231
Staff Training	16,674	17,806
Sundry	11,981	3,637
	\$353,578	\$381,527
4E. Grants and/or Donations/Fundraising		
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations/Fundraising		
Total paid that were \$1,000 or less	1,759	2,431
Total paid that exceeded \$1,000	4,818	138,004
	\$6,577	\$140,435
4F. Depreciation and Amortisation		
Depreciation		
Land and Buildings	39,528	39,231
Property, Plant and Equipment	36,582	44,199
	\$76,110	\$83,430

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
4. EXPENSES (CONT'D)		
4G. Finance Costs		
Interest Paid – Overdrafts	-	-
	<u>\$-</u>	<u>\$-</u>
4H. Legal Costs		
Litigation	-	-
Other Legal Matters	97,011	76,913
	<u>\$97,011</u>	<u>\$76,913</u>
4I. Projects		
Dredges	7,393	33,830
Federal Council	30,515	35,904
Federal Executive	11,952	10,998
Federal President Expense	20,631	18,474
Federal President Honorarium	29,200	45,995
International Conferences – ITF/IMO	20,608	-
Maritime Industry Seagoing Award	14,423	18,532
NMSC/Qualification	7,003	6,907
NSW Power Industry	6,532	3,429
Offshore expenses	16,352	32,777
Port Authority	-	-
Port Services Award	2,121	1,811
Shipping Reform and Political Lobby	107,684	84,379
Surveyors	527	490
Tugs	47,006	43,806
Project – QLD Branch	32,764	29,194
	<u>\$354,711</u>	<u>\$366,526</u>
4J. Other Expenses		
On Watch Expenses	132,898	133,632
	<u>\$132,898</u>	<u>\$133,632</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
5. CURRENT ASSETS		
5A. Cash and Cash Equivalents		
Cash on Hand	3,210	2,210
Cash at Bank	628,212	629,098
Deposits at Call	3,438,250	3,062,223
	<u>\$4,069,672</u>	<u>\$3,693,531</u>
5B. Trade and Other Receivables		
Receivables from Other Reporting Units	-	-
Less Provision for Doubtful Debts	-	-
Other Receivables:		
Accrued Income	71,418	88,435
Employee Loans	5,000	10,000
Sundry Debtors	6,830	6,925
	<u>\$83,248</u>	<u>\$105,360</u>
6. NON CURRENT ASSETS		
6A. Land and Buildings		
Freehold Land and Buildings		
52 Buckingham Street, Surry Hills Sydney (at 2015 Valuation)	2,050,000	1,649,849
South Australia (at 2015 Valuation)	650,000	660,000
Newcastle (at 2015 Valuation)	450,000	452,930
Victoria (at cost plus additions)	1,108,646	1,108,646
Western Australia (at 2014 Valuation plus additions)	600,000	426,125
Queensland (at 2015 Valuation)	220,000	320,000
	<u>5,078,646</u>	<u>4,617,550</u>
Less: Accumulated Depreciation	<u>(128,141)</u>	<u>(402,849)</u>
	<u>\$4,950,505</u>	<u>\$4,214,701</u>
Reconciliation of Opening and Closing Balances of Land and Buildings		
Gross Book Value 1 July 2014	4,617,550	4,614,039
Accumulated Depreciation	<u>(402,849)</u>	<u>(363,618)</u>
Net Book Value 1 July 2014	4,214,701	4,250,421
Additions		
- By purchase	16,802	3,511
- By revaluations	758,530	-
Depreciation Expense	<u>(39,528)</u>	<u>(39,231)</u>
Net Book Value 30 June 2015	<u>\$4,950,505</u>	<u>\$4,214,701</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
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 2015 represented by:		
Gross Book Value	5,078,646	4,617,550
Accumulated Depreciation	(128,141)	(402,849)
Net Book Value 30 June 2015	<u>\$4,950,505</u>	<u>\$4,214,701</u>
6B. Plant and Equipment		
Motor Vehicles		
Motor Vehicles - at cost	154,244	142,113
Less: Accumulated Depreciation	<u>(93,973)</u>	<u>(76,023)</u>
	60,271	66,090
Furniture and Fittings		
Furniture and Fittings - at cost	185,694	204,184
Less: Accumulated Depreciation	<u>(132,340)</u>	<u>(148,333)</u>
	53,354	55,851
Office Equipment		
Office Equipment - at cost	126,782	149,037
Less: Accumulated Depreciation	<u>(106,242)</u>	<u>(116,976)</u>
	20,540	32,061
Sundry Assets		
Items include Noise Level Meters; Bindings for Publications and Reports; Hot Water Systems; Telephone Installations.		
Sundry Assets - at cost	8,462	8,799
Less: Accumulated Depreciation	<u>(7,608)</u>	<u>(7,760)</u>
	854	1,039
Total written down value	<u>\$135,019</u>	<u>\$155,041</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

6. NON CURRENT ASSETS (CONT'D)

6B. Plant and Equipment (Cont'd)

Reconciliation of Opening and Closing Balances of Plant and Equipment - 2015

	Motor Vehicles	Furniture and Fittings	Office Equipment	Sundry Assets	Total
Gross Book Value :					
1 July 2014	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 1 July 2014	66,090	55,851	32,061	1039	155,041
Additions:					
By purchase	12,131	4,295	2,000	-	18,426
Disposals - Other Depreciation	-	(529)	(1,301)	(36)	(1,866)
	(17,950)	(6,263)	(12,220)	(149)	(36,582)
Net Book Value 30 June 2015	\$60,271	\$53,354	\$20,540	\$854	\$135,019
Net Book Value as of 30 June 2015 represented by:					
Gross Book Value	154,244	185,694	126,785	8,462	475,185
Accumulated Depreciation	(93,973)	(132,340)	(106,245)	(7,608)	(340,166)
Net Book Value 30 June 2015	\$60,271	\$53,354	\$20,540	\$854	\$135,019

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

6. NON CURRENT ASSETS (CONT'D)

6B. Plant and Equipment (Cont'd)

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

	Motor Vehicles	Furniture and Fittings	Office Equipment	Sundry Assets	Total
Gross Book Value :					
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

2015
\$

2014
\$

6C. Investments

Shares in Listed Companies - at market value

99,126	95,665
<u>99,126</u>	<u>95,665</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
7. CURRENT LIABILITIES		
7A. Trade Payables		
Sundry Creditors and Accruals	206,690	160,954
Payables to Other Reporting Units:		
- Not applicable	-	-
	<u>\$206,690</u>	<u>\$160,954</u>
7B. Other Payables		
Membership Contributions Received in Advance	506,037	541,435
GST Payable	12,172	55,941
Consideration to Employers for Payroll Deductions	-	-
Legal Costs Payable	-	-
	<u>\$518,209</u>	<u>\$597,376</u>
8. PROVISIONS		
8A. Employee Provisions		
Office Holders		
Annual Leave	-	-
Long Service Leave	-	-
Separations and Redundancies	-	-
Other	-	-
	<u>-</u>	<u>-</u>
Employees Other Than Office Holders		
Annual Leave	166,224	157,789
Long Service Leave	366,116	321,973
Separations and Redundancies	-	-
Other	-	-
	<u>532,340</u>	<u>479,762</u>
	<u>\$532,340</u>	<u>\$479,762</u>
Current	166,224	157,789
Non Current	366,116	321,973
	<u>\$532,340</u>	<u>\$479,762</u>

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

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
9. EQUITY		
9A. General Fund		
Retained Surplus/(Deficit) at the Beginning of the Year	3,392,342	3,381,309
Operating Surplus/(Deficit) for the Year	<u>295,595</u>	<u>11,033</u>
Retained Surplus/(Deficit) at the End of the Year	<u>\$3,687,937</u>	<u>\$3,392,342</u>
9B. Reserves		
Asset Revaluation Reserve		
Opening Balance	2,535,998	2,535,998
Revaluation increment on freehold land and buildings	<u>758,530</u>	<u>-</u>
Closing Balance	<u>3,294,528</u>	<u>2,535,998</u>
Capital Realisation Reserve		
Opening Balance	1,097,866	1,097,866
Transfer to reserves	<u>-</u>	<u>-</u>
Closing Balance	<u>1,097,866</u>	<u>1,097,866</u>
	<u>\$4,392,394</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)	295,595	11,033
Add Back:		
Adjustment to Reserves	-	-
Deficit on Sale of Property, Plant and Equipment	1,866	-
Realised Loss on Investments	-	-
Unrealised Loss on Investments	-	-
Depreciation	76,110	83,430
Increase in Payables	-	15,755
Increase in Provisions	52,578	-
Decrease in Receivables	<u>22,112</u>	<u>41,017</u>
	<u>152,666</u>	<u>140,202</u>
	<u>448,261</u>	<u>151,235</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
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	-	-
Unrealised Gain on Investments	5,688	7,791
Macquarie Managed Portfolio Net Income Reinvested	-	-
Decrease in Provisions	-	178,373
Dividend Reinvested	108	156
Decrease in Payables	33,431	-
	39,227	187,486
Net Cash Provided By Operating Activities	\$409,034	\$(36,251)
Reconciliation of Cash:		
Cash on Hand	3,210	2,210
Cash at Bank	628,212	629,098
Deposits at Call	3,438,250	3,062,223
	\$4,069,672	\$3,693,531
(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 apart from dividend reinvestments.		
10B. Cash Flow Information		
Cash Inflows		
Australian Institute of Marine and Power Engineers	\$3,395,567	\$3,471,088
Cash Outflows		
Australian Institute of Marine and Power Engineers	\$3,019,426	\$3,549,014
11. Operating Lease Commitments		
During the financial year the union entered into a residential tenancy agreement for a term of twelve months on a unit in Kingston Canberra. At the 30 June 2015 eight months were left on the lease term. Future minimum rental payable under non-cancellable operating leases at 30 June are as follows:		
Due within one year	13,688	-
After one year but not more than five years	-	-
After five years	-	-
	\$13,688	\$-

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
12. RELATED PARTY DISCLOSURES		
12A. 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>		
12B. Key Management Personnel Remuneration for the Reporting Period		
Short Term Employee Benefits		
Salary (including annual leave taken)	258,301	320,843
Annual Leave Accrued	(1,984)	(53,799)
Performance Bonus	-	-
Total Short Term Benefits	<u>256,317</u>	<u>267,044</u>
Post-employment Benefits		
Superannuation	106,517	72,974
Total Post Employment Benefits	<u>106,517</u>	<u>72,974</u>
Other Long-term Benefits		
Long Service Leave Accrued	20,815	(54,653)
Total Long-term Benefits	<u>20,815</u>	<u>(54,653)</u>
Termination Benefits	<u>-</u>	<u>188,261</u>
Total Benefits	<u>\$383,649</u>	<u>\$473,626</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 held office as Federal Vice President until June 2015. Mr Byrne and Mr Christiansen receive remuneration under their employment contracts (which is disclosed above) but do not receive remuneration for holding office.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
12. RELATED PARTY DISCLOSURES (CONT'D)		
12B. 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).		
12C: 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 (2013/14 year only) -	\$-	\$7,390
13. AUDITOR'S REMUNERATION		
Amounts received, or due and receivable, by Auditors for:		
Financial Statement Audit Services	\$53,799	\$58,550
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)	\$16,199	\$16,850

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
14. CONFERENCE EXPENSES		
ITF	-	22,987
Tugs Conference	-	36,056
	\$-	\$59,043
15. TRAVEL AND ACCOMMODATION		
Head Office	44,140	42,546
NSW District	-	-
Newcastle Branch	20,103	8,070
Victoria Branch	1,326	1,042
Western Australia Branch	103	313
Queensland Branch	8,420	4,952
South Australia Branch	-	122
	\$74,092	\$57,045

16. 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.

17. FINANCIAL INSTRUMENTS

Interest Rate Risk

The union'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 union's exposure to interest rate risk is detailed in note 17F.

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 17D.

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

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

17. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity Risk

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts or meeting its obligations in relation to financial liabilities. The union manages that risk by preparing cash flow forecasts and only investing surplus cash. The union's exposure to liquidity risk is disclosed in note 17E.

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 union 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 17G.

	2015	2014
	\$	\$
17A. Categories of Financial Instruments		
Financial Assets		
Cash and Cash Equivalents	631,422	631,308
Receivables	83,248	105,360
Held to Maturity Investments		
- Term Deposits	3,438,250	3,062,223
Available for Sale Assets		
- Shares in Listed Companies – at market value	99,126	95,665
Carrying Amount of Financial Assets	<u>\$4,252,046</u>	<u>\$3,894,556</u>
Financial Liabilities		
Other Financial Liabilities		
- Contributions Received in Advance	506,037	541,435
- Trade and Other Payables	218,862	216,895
Carrying Amount of Financial Liabilities	<u>\$724,899</u>	<u>\$758,330</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
17. FINANCIAL INSTRUMENTS (CONT'D)		
17B. Net Income and Expense from Financial Assets		
Cash and Cash Equivalents		
- Interest	2,429	2,726
Receivables		
- Not applicable	-	-
Held to Maturity Investments		
- Interest	137,313	142,991
Available for Sale Assets		
- Dividends	4,405	1,450
- Net income received – Macquarie Managed Portfolio	373	1,454
- Other Trust Distributions	-	-
-Realised Gain/(Loss) on Disposal	-	-
- Change in Market Value	5,688	7,791
Net Gain/(Loss) from Financial Assets	<u>\$150,208</u>	<u>\$156,412</u>
17C. Net Income and Expense from Financial Liabilities		
Other Financial Liabilities		
N/A	-	-
Net Gain/(Loss) from Financial Liabilities	<u>\$-</u>	<u>\$-</u>

17D. 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	631,422	631,308
Receivables	83,248	105,360
Held to Maturity Investments	3,438,250	3,062,223
Available for Sale Assets	99,126	95,665
Total	<u>\$4,252,046</u>	<u>\$3,894,556</u>

Financial Liabilities

Other Financial Liabilities	724,899	758,330
Total	<u>\$724,899</u>	<u>\$758,330</u>

No assets have been pledged or held as collateral.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

17. FINANCIAL INSTRUMENTS (CONT'D)

17D. Credit Risk (Cont'd)

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

	Not past due or impaired 2015	Past due or impaired 2015	Not past due or impaired 2014	Not past due or impaired 2014
Cash and Cash Equivalents	631,422	-	631,308	-
Receivables	83,248	-	105,360	-
Held to Maturity Investments	3,438,250	-	3,062,223	-
Available for Sale Assets	99,126	-	95,665	-
	<u>\$4,252,046</u>	<u>\$-</u>	<u>\$3,894,556</u>	<u>\$-</u>

Ageing of financial assets that were past due but not impaired 2015:

	0 – 30 days	31 – 60 days	61 – 90 days	90+ days	Total
Cash and Cash Equivalents	631,422	-	-	-	631,422
Receivables	83,248	-	-	-	83,248
Held to Maturity Investments	3,438,250	-	-	-	3,438,250
Available for Sale Assets	99,126	-	-	-	99,126
	<u>\$4,252,046</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,252,046</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>

17E. Liquidity Risk

Contractual maturities for financial liabilities 2015:

	On Demand	<1 Year	1-2 Years	2-5 Years	>5 Years	Total
Other Financial Liabilities	506,037	218,862	-	-	-	724,899
	<u>\$506,037</u>	<u>\$218,862</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$724,899</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

17. FINANCIAL INSTRUMENTS (CONT'D)

17E. Liquidity Risk (Cont'd)

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>

17F. Interest Rate Risk

Sensitivity analysis of the risk that the entity is exposed to for 2015

	Change in Risk Variable %	Effect on Profit and Loss	Effect on Equity
Interest Rate Risk	+1%	+38,814	+38,814
Interest Rate Risk	-1%	-38,814	-38,814

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

17G. 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 2015	Fair Value 2015	Carrying Amount 2014	Fair Value 2014
Cash and Cash Equivalents	631,422	631,422	631,308	631,308
Receivables	83,248	83,248	105,360	105,360
Held to Maturity Investments	3,438,250	3,438,250	3,062,223	3,062,223
Available for Sale Assets	99,126	99,126	95,665	95,665
	<u>\$4,252,046</u>	<u>\$4,252,046</u>	<u>\$3,894,556</u>	<u>\$3,894,556</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2015

18. 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

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

COMMITTEE OF MANAGEMENT STATEMENT

On 23 October 2015 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 2015:

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 reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; 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.
- (f) where the reporting unit has not derived revenue from undertaking recovery of wages activity, include the statement 'no revenue has been derived from undertaking recovery of wages activity during the reporting period' or
- (g) where the reporting unit has derived revenue from undertaking recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

COMMITTEE OF MANAGEMENT STATEMENT (CONT'D)

- (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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

Signature of designated officer:

Terry Snee

Name and title of designated officer:

Terry Snee President

Dated:

23/10/15



Key Solutions Group

ACCOUNTANTS & BUSINESS CONSULTANTS
ABN 14 043 729 421

**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 2015, 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 are appropriate to meet their needs and for the purpose that the financial statements was 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:



Jodie Cook

Date: 23rd day of October 2015

Key Solutions Group (Accountants & Business Consultants) Pty Ltd

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

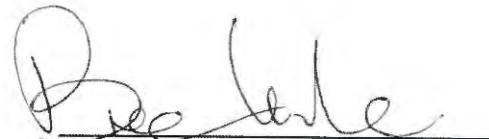
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E mailus@ksg.com.au

**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 2015, 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 23rd day of October 2015

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 2015 as set out on pages 4 to 33. 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 controls as the Committee determines are 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 the 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 2015 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*.

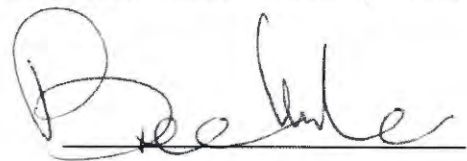
We declare that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statement is appropriate.

**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

Holder of Public Practice Certificate issued
by Chartered Accountants Australia and New Zealand

Dated at Sydney this 23rd day of October 2015