



FAIR WORK
COMMISSION

10 January 2017

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

By 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 2016 (FR2016/150)

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 21 December 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.

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.¹

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](#).

Should 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

¹ The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

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 2016

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 2016 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 20th November 2016 ; and
- that the full report was presented to *a meeting of the committee of management* of the reporting unit on 20th October 2016 and *a general meeting of members* of the reporting unit on 20th December 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to read 'Martin Byrne', with a long horizontal flourish extending to the right.

Name of prescribed designated officer

Martin Byrne

Title of prescribed designated officer:

Federal Treasurer

Dated: 21st December 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 2016

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OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2016

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 2016.

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) continues 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.

The failure of the Coastal Trading Act to revitalise Australian shipping remained one of the major policy concerns of AIMPE during 2015-16. During the last twelve months AIMPE members have been made redundant as four more Australian operated coastal trading ships have been replaced by foreign crewed ships: Alexander Spirit, Portland, CSL Melbourne and British Fidelity. All of these ships have been replaced by Flag of Convenience ships using Temporary Licences.

AIMPE continues to draw attention to this failure of public policy to ensure the retention of a key strategic industry and AIMPE continues to seek to persuade policy makers that Australia is making an enormous strategic mistake in allowing the shipping industry to wither away.

Another major policy matter AIMPE continues to pursue is the continuing issuing of new s.457 visas for foreign engineers. One hundred new temporary work visas were issued for "Ships Engineers" in 2015-16. AIMPE is concerned about the on-going issuing of these visas because of the increasing levels of unemployment among qualified, experienced Australian Marine Engineers. During 2015-16 AIMPE made numerous representations at Ministerial and Departmental level on this problem seeking the removal of the classification from the Skilled Occupations List (SOL) and Consolidated Skilled Occupations List (CSOL).

During 2015-16 AIMPE also noted the emerging trend towards the abuse of partnership arrangements in the maritime industry – and in particular in the towage sector. AIMPE believes these are sham partnerships designed to avoid the obligations of employment law and deny normal employment rights to individual workers. AIMPE is actively lobbying against the abuse of partnerships.

AIMPE negotiated many enterprise agreements during 2015-16 with various employers in the maritime industry. These were submitted to the Fair Work Commission for approval (following endorsement by the members concerned).

AIMPE has assisted members with Engineer Class 3 and Marine Engine Driver Qualifications to advance their prospect by upgrading their qualifications. AIMPE has worked with the Australian Maritime Safety Authority to achieve the recognition of prior learning and experience.

Another regulatory issue AIMPE has undertaken during 2016 has been the monitoring of the training regime for the new Electro Technical Officer qualifications (ETO). AIMPE was instrumental in the adoption of the ETO Certificate by the International Maritime Organisation and is actively working to follow through on implementation in Australia.

AIMPE also continues to maintain a National Employment Roster to help unemployed members obtain employment. As mentioned above unemployment is rising among Australian Marine Engineers and AIMPE's Roster now has over one hundred and thirty skilled, experienced and qualified Marine Engineers actively seeking work.

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 addresses, 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 2015-16 to make the On Watch available to members online via the union's website www.aimpe.asn.au.

Throughout 2015-16, AIMPE also retained its long-standing affiliations with the International Transport Workers Federation and the Australian Council of Trade Unions. AIMPE is also affiliated 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 2015-16 – membership fee income was again down in comparison to the fee income in the previous financial year due to the decline in overall membership numbers. This trend was exacerbated by the transfer of many members from Seagoing to Ashore category – which involves a much lower fee. Total expenditure was also slightly above the expenditure in the previous financial year. As a result a substantial loss was recorded.

AIMPE continues to own all of the premises in which our offices are located. No new valuations were obtained in 2015-16

AIMPE continued in 2015-16 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.

Number of members

The AIMPE had 2,504 fee paying members as at 30th June 2016.

This compares with 2,731 fee paying members as at 30th June 2015. This is the second year in a row that AIMPE has experienced 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 Offshore Oil and Gas sector remains in a slump and this continued to have 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 2016 AIMPE had 827 Honorary members – an increase of 50 over the course of the year.

Number of employees

The total number of people employed by AIMPE during the course of 2015-16 was 16 [comprising 11 full-time staff and 5 part-time staff]. This figure is down from a total of 19 two years ago in 2013-14. The reductions occurred as a result of three retirements, one resignation and one transition from full time to part time offset by one new full time member of staff. The amount of work carried out by our 5 part time staff was equivalent to the work of 2.4 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 2015-16 was elected on 22nd June 2015 by the 2015 Federal Council in a ballot conducted by the Australian Electoral Commission. The term of office expired on 28th June 2016 when the 2016 Federal Council elected a new Federal Executive. The Federal Executive is the Committee of Management of the organisation. The persons who held office on the Federal Executive (Committee of Management) during the Financial Year were:

Position	Name	Period of Service during Financial Year
Federal President	Terry Snee,	01.07.15 - 30.06.16
Senior Vice President	Peter Toohey	01.07.15 - 30.06.16
Vice President	Monty Woolley	01.07.15 - 30.06.16
Vice President	Chris Blackmore	01.07.15 - 28.06.16
Vice President	Derek MacLucas	28.06.16 - 30.06.16
Federal Treasurer	Martin Byrne	01.07.15 - 30.06.16

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

Signed



MARTIN BYRNE,

Federal Treasurer

Dated this 20th day of October 2016

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$	2015 \$
REVENUE			
Membership Subscriptions (including arrears, entrance fees and less refunds)		2,646,934	2,966,169
Capitation Fees	3A	-	-
Compulsory Levies	3B	-	-
Interest Received	3C	124,809	139,742
Rental Revenue	3D	58,885	61,234
Other Revenue	3E	<u>23,298</u>	<u>7,716</u>
TOTAL REVENUE		<u>2,853,926</u>	<u>3,174,861</u>
OTHER INCOME			
Grants and/or Donations	3F	-	-
Unrealised Gains on Revaluation of Assets	3G	21,054	5,688
Net Gains/(Losses) from Sale of Assets	3H	<u>8,629</u>	<u>(1,866)</u>
TOTAL OTHER INCOME		<u>29,683</u>	<u>3,822</u>
TOTAL INCOME		<u>2,883,609</u>	<u>3,178,683</u>
EXPENSES			
Employee Expenses	4A	1,744,769	1,783,694
Capitation Fees	4B	-	-
Affiliation Fees	4C	36,203	24,710
Administration Expenses	4D	243,417	353,578
Grants and/or Donations/Fundraising	4E	123,240	6,577
Depreciation and Amortisation	4F	73,787	76,110
Finance Costs	4G	-	-
Legal Costs	4H	234,375	97,011
Audit Fees	13	52,740	53,799
Projects	4I	331,916	354,711
Other Expenses	4J	<u>123,908</u>	<u>132,898</u>
TOTAL EXPENSES		<u>2,964,355</u>	<u>2,883,088</u>
PROFIT (LOSS) FOR THE YEAR		<u>\$(80,746)</u>	<u>\$295,595</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit or loss:-			
Increase in market value of land and buildings		<u>-</u>	<u>758,530</u>
TOTAL OTHER COMPREHENSIVE INCOME		<u>\$-</u>	<u>\$758,530</u>

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5A	3,847,926	4,069,672
Trade and Other Receivables	5B	<u>61,525</u>	<u>83,248</u>

TOTAL CURRENT ASSETS		<u>3,909,451</u>	<u>4,152,920</u>
NON CURRENT ASSETS			
Land and Buildings	6A	4,919,175	4,950,505
Plant and Equipment	6B	141,939	135,019
Intangibles	6C	19,224	-
Investments	6D	<u>120,297</u>	<u>99,126</u>
TOTAL NON CURRENT ASSETS		<u>5,200,635</u>	<u>5,184,650</u>
TOTAL ASSETS		<u>9,110,086</u>	<u>9,337,570</u>
CURRENT LIABILITIES			
Trade Payables	7A	195,570	206,690
Other Payables	7B	367,175	518,209
Employee Provisions	8A	<u>192,365</u>	<u>166,224</u>
TOTAL CURRENT LIABILITIES		<u>755,110</u>	<u>891,123</u>
NON CURRENT LIABILITIES			
Employee Provisions	8A	<u>355,391</u>	<u>366,116</u>
TOTAL NON-CURRENT LIABILITIES		<u>355,391</u>	<u>366,116</u>
TOTAL LIABILITIES		<u>1,110,501</u>	<u>1,257,239</u>
NET ASSETS		<u>\$7,999,585</u>	<u>\$8,080,331</u>
EQUITY			
General Fund	9A	3,607,191	3,687,937
Reserves	9B	<u>4,392,394</u>	<u>4,392,394</u>
TOTAL EQUITY		<u>\$7,999,585</u>	<u>\$8,080,331</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	GENERAL FUND	ASSETS REVALUATION RESERVE	CAPITAL REALISATION RESERVE	TOTAL
	\$	\$	\$	\$
BALANCE AT 1 JULY 2014	<u>3,392,342</u>	<u>2,535,998</u>	<u>1,097,866</u>	<u>7,026,206</u>
Profit (Loss) for the year	295,595	-	-	295,595
Other Comprehensive Income for the Year	-	758,530	-	758,530
BALANCE AT 30 JUNE 2015	<u>3,687,937</u>	<u>3,294,528</u>	<u>1,097,866</u>	<u>8,080,331</u>
Profit (Loss) for the year	(80,746)	-	-	(80,746)
Other Comprehensive Income for the Year	-	-	-	-
BALANCE AT 30 JUNE 2016	<u>\$3,607,191</u>	<u>\$3,294,528</u>	<u>\$1,097,866</u>	<u>\$7,999,585</u>

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
RECEIPTS:			
Contributions, Entrance Fees and Levies Received from Members		2,512,062	2,888,947
Receipts/Transfers from Other reporting Units (branch transfers)		261,321	278,683
Interest Received		142,303	156,759
Rental Income Received		58,885	61,234
Other Income Received		<u>11,250</u>	<u>7,608</u>
TOTAL RECEIPTS		<u>2,985,821</u>	<u>3,393,231</u>
PAYMENTS:			
Payments to Suppliers and Employees		2,430,365	2,217,905
Payment Relating to Projects		332,001	354,711
Payments Relating to "On Watch"		123,908	132,898
Payments to Other Reporting Units (branch transfers)		<u>261,321</u>	<u>278,683</u>
TOTAL PAYMENTS		<u>3,147,595</u>	<u>2,984,197</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	10A	<u>(161,774)</u>	<u>409,034</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
RECEIPTS			
Return of Capital Listed Shares		-	2,336
Proceeds from Sale of Property, Plant and Equipment		<u>14,182</u>	<u>-</u>
TOTAL RECEIPTS		<u>14,182</u>	<u>2,336</u>
PAYMENTS:			
Payment for Property, Plant and Equipment		(54,604)	(35,229)
Payment for Intangible Assets		<u>(19,550)</u>	<u>-</u>
TOTAL PAYMENTS		<u>(74,154)</u>	<u>(35,229)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(59,972)</u>	<u>(32,893)</u>
Net Increase / (Decrease) in Cash Held		(221,746)	376,141
Cash at the Beginning of the Financial year		<u>4,069,672</u>	<u>3,693,531</u>
CASH AT THE END OF THE FINANCIAL YEAR	5A	<u><u>\$3,847,926</u></u>	<u><u>\$4,069,672</u></u>

RECOVERY OF WAGES ACTIVITY

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016	2015
		\$	\$
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		<u>-</u>	<u>-</u>
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

-	-
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CASH ASSETS IN RESPECT OF RECOVERED MONEY AT END OF YEAR

\$-	\$-
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Number of workers to which the monies recovered relates

-	-
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AGGREGATE PAYABLES TO WORKERS ATTRIBUTABLE TO RECOVERED MONIES BUT NOT YET DISTRIBUTED

Payable balance

\$-	\$-
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Number of workers to which the monies recovered relates

-	-
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FUND OR ACCOUNT OPERATED FOR RECOVERY OF WAGES

\$-	\$-
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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 18 October 2016 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*.

(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%

Derecognition

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

(d) Intangibles

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

	2016	2015
Intangibles	0-5 years	0 years

Derecognition

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

(e) 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.

(f) 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.

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

(g) Cash

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

(h) 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).

(i) 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.

(j) 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.

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 union'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.

(k) Events after the reporting period

There were no events that occurred after 30 June 2016, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the union.

(l) Comparative Figures

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

(m) 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.

(n) 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.

(o) Business Combinations

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

	2016	2015
	\$	\$
3. REVENUE		
3A. Capitation Fees		
Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
3B. Compulsory Levies		
Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
3C. Interest Received		
Deposits	124,809	139,742
	<u>\$124,809</u>	<u>\$139,742</u>
3D. Rental Revenue		
Properties	46,405	48,754
Car Park Leases	12,480	12,480
	<u>\$58,885</u>	<u>\$61,234</u>
3E. Other Revenue		
Dividends Received	4,125	4,405
Net Income Received – Macquarie Managed Portfolio	-	373
On Watch Subscriptions	5,100	1,400
Sundry	14,073	1,538
	<u>\$23,298</u>	<u>\$7,716</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	21,054	5,688
	<u>\$21,054</u>	<u>\$5,688</u>
3H. Net Gains (Losses) from Sale of Assets		
Gains (Losses) on Sale of Property, Plant and Equipment	8,629	(1,866)
	<u>\$8,629</u>	<u>\$(1,866)</u>

4. EXPENSES

4A. Employee Expenses

Holders of Office:

Wages and Salaries (includes honorariums)	1,404	572
Superannuation	-	-
Leave and Other Entitlements	-	-
Separation and Redundancies	-	-
Other Employee Expenses	-	-
	<u>1,404</u>	<u>572</u>

Employees Other Than Office Holders:

Wages and Salaries	1,300,244	1,182,879
Superannuation	237,375	290,508
Leave and Other Entitlements	136,074	234,840
Separation and Redundancies	1,749	-
Other Employee Expenses	67,923	74,895
	<u>1,743,365</u>	<u>1,783,122</u>
	<u>\$1,744,769</u>	<u>\$1,783,694</u>

4A. Employee Expenses (Cont'd)

Martin Byrne and Henning Christiansen (to 30 June 2015) held office however these are unpaid positions.

4B. Capitation Fees

- Not applicable

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

4C. Affiliation Fees

Head Office

Australian Council of Trade Unions	11,272	8,724
International Transport Workers' Federation	6,072	6,279
Nautilus	5,546	-

Victoria

Victorian Trades Hall Council	1,347	1,319
Geelong Trades Hall Council	53	41
South West Trades & Labour Council	75	75

Tasmania

Unions Tasmania	877	742
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West Australia

Unions WA	2,418	2,340
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South Australia

- nil	-	-
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Queensland

Union Shopper	1,299	1,322
Queensland Council of Unions	3,341	-

Newcastle

Newcastle Trades Hall Council	911	404
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NSW District

Workers Health Centre Affiliation	550	1,061
Unions NSW	2,442	2,403
	<u>2,442</u>	<u>2,403</u>

	<u>\$36,203</u>	<u>\$24,710</u>
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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)	51,753	74,092
Property Expenses	99,624	103,168
Office Expenses	19,044	23,241
Information Communications Technology	34,160	47,651
Other Expenses:		
ACTU IR Levy	4,792	14,376
Advertising	263	201
Bank Charges and Government Duties	18,338	19,729
Entertainment	1,816	2,507
Florist	598	539
Motor Vehicle Costs	22,806	28,068
Publications	4,626	7,884
Shirts and Caps	7,711	-
Staff Amenities	4,305	3,467
Staff Training	(32,182)	16,674
Sundry	5,763	11,981
	<u>\$243,417</u>	<u>\$353,578</u>

4E. Grants and/or Donations/Fundraising

Grants		
Total Paid that were \$1,000 or less	-	-
Total Paid that exceeded \$1,000	-	-
Donations		
Total Paid that were \$1,000 or less	1,694	1,759
Total Paid that exceeded \$1,000	100,793	4,818
Fundraising	20,753	-
	<u>\$123,240</u>	<u>\$6,577</u>

4F. Depreciation and Amortisation

Depreciation		
Land and Buildings	39,799	39,528
Property, Plant and Equipment	33,662	36,582
	<u>73,461</u>	<u>76,110</u>
Amortisation		
AIMPE App	326	-
Total Amortisation	<u>326</u>	<u>-</u>
Total Depreciation and Amortisation	<u>\$73,787</u>	<u>\$76,110</u>

4G. Finance Costs

Interest Paid – Overdrafts	-	-
	<u>\$-</u>	<u>\$-</u>

4H. Legal Costs

Litigation	-	-
Other Legal Matters	234,375	97,011
	<u>\$234,375</u>	<u>\$97,011</u>

4I. Projects

Customs and Defence	6,754	-
Dredges	675	7,393
Federal Council	19,286	30,515
Federal Executive	15,581	11,952
Federal President Expense	26,505	20,631
Federal President Honorarium	17,377	29,200
International Conferences – ITF/IMO	3,356	20,608
Maritime Industry Seagoing Award	8,369	14,423
NMSC/Qualification	8,328	7,003
NSW Power Industry (net of recoveries)	(2,548)	6,532
Offshore expenses	32,620	16,352
Port Services Award	729	2,121
Shipping Reform and Political Lobby	95,061	107,684
Surveyors	355	527
Tugs	73,661	47,006
Project – QLD Branch	25,807	32,764
	<u>\$331,916</u>	<u>\$354,711</u>

4J. Other Expenses

On Watch Expenses	123,908	132,898
	<u>\$123,908</u>	<u>\$132,898</u>

5. CURRENT ASSETS

5A. Cash and Cash Equivalents

Cash on Hand	4,760	3,210
Cash at Bank	584,838	628,212
Deposits at Call	3,258,328	3,438,250
	<u>\$3,847,926</u>	<u>\$4,069,672</u>

5B. Trade and Other Receivables

Receivables from Other Reporting Units	-	-
Less Provision for Doubtful Debts	-	-
Other Receivables:		
Accrued Income	53,924	71,418
Employee Loans	5,000	5,000
Sundry Debtors	2,601	6,830
	<u>\$61,525</u>	<u>\$83,248</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	2,050,000
South Australia (at 2015 Valuation)	650,000	650,000
Newcastle (at 2015 Valuation)	450,000	450,000
Victoria (at cost plus additions)	1,108,646	1,108,646
Western Australia (at 2014 Valuation plus additions)	600,000	600,000
Queensland (at 2015 Valuation)	220,000	220,000
	<u>5,078,646</u>	<u>5,078,646</u>
Less: Accumulated Depreciation	<u>(159,471)</u>	<u>(128,141)</u>
	<u>\$4,919,175</u>	<u>\$4,950,505</u>

Reconciliation of Opening and Closing Balances of Land and Buildings

Gross Book Value 1 July 2015	5,078,646	4,617,550
Accumulated Depreciation	<u>(128,141)</u>	<u>(402,849)</u>
Net Book Value 1 July 2015	4,950,505	4,214,701
Additions		
- By purchase	-	16,802
- By revaluations	-	758,530
- Prior period adjustment	8,469	-
Depreciation Expense	<u>(39,799)</u>	<u>(39,528)</u>
Net Book Value 30 June 2016	<u>\$4,919,175</u>	<u>\$4,950,505</u>

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 2016 represented by:

Gross Book Value	5,078,646	5,078,646
Accumulated Depreciation	<u>(159,471)</u>	<u>(128,141)</u>
Net Book Value 30 June 2016	<u>\$4,919,175</u>	<u>\$4,950,505</u>

6B. Plant and Equipment

Motor Vehicles

Motor Vehicles - at cost	155,031	154,244
Less: Accumulated Depreciation	<u>(83,949)</u>	<u>(93,973)</u>
	<u>71,082</u>	<u>60,271</u>

Furniture and Fittings

Furniture and Fittings - at cost	177,225	185,694
Less: Accumulated Depreciation	<u>(138,346)</u>	<u>(132,340)</u>
	<u>38,879</u>	<u>53,354</u>

Office Equipment

Office Equipment - at cost	148,358	126,782
Less: Accumulated Depreciation	<u>(117,107)</u>	<u>(106,242)</u>
	<u>31,251</u>	<u>20,540</u>

Sundry Assets

Items include Noise Level Meters; Bindings for Publications and Reports; Hot Water Systems; Telephone Installations.

Sundry Assets - at cost	8,462	8,462
Less: Accumulated Depreciation	<u>(7,735)</u>	<u>(7,608)</u>
	<u>727</u>	<u>854</u>

Total written down value

	<u>\$141,939</u>	<u>\$135,019</u>
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Reconciliation of Opening and Closing Balances of Plant and Equipment - 2016

	Motor Vehicles	Furniture and Fittings	Office Equipment	Sundry Assets	Total
Gross Book Value at July 2015	154,244	185,694	126,785	8,462	475,185
Accumulated Depreciation	<u>(93,973)</u>	<u>(132,340)</u>	<u>(106,245)</u>	<u>(7,608)</u>	<u>(340,166)</u>
Net Book Value 1 July 2015	60,271	53,354	20,540	854	135,019
Additions:					
- By purchase	31,818	-	22,786	-	54,604
Disposals					
- Other	(5,553)	-	-	-	(5,553)
- Prior period adjustment	-	(8,469)	-	-	(8,469)
Depreciation	<u>(15,454)</u>	<u>(6,006)</u>	<u>(12,075)</u>	<u>(127)</u>	<u>(33,662)</u>

Net Book Value 30 June 2016	<u>\$71,082</u>	<u>\$38,879</u>	<u>\$31,251</u>	<u>\$727</u>	<u>\$141,939</u>
Net Book Value as of 30 June 2016 represented by:	155,031	177,225	148,358	8,462	489,076
Gross Book Value Accumulated Depreciation	<u>(83,949)</u>	<u>(138,346)</u>	<u>(117,107)</u>	<u>(7,735)</u>	<u>(347,137)</u>
Net Book Value 30 June 2016	<u>\$71,082</u>	<u>\$38,879</u>	<u>\$31,251</u>	<u>\$727</u>	<u>\$141,939</u>

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

	Motor Vehicles	Furniture and Fittings	Office Equipment	Sundry Assets	Total
Gross Book Value at 1 July 2014	142,113	204,184	149,037	8,799	504,133
Accumulated Depreciation	<u>(76,023)</u>	<u>(148,333)</u>	<u>(116,976)</u>	<u>(7,760)</u>	<u>(349,092)</u>
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	-	(529)	(1,301)	(36)	(1,866)
Depreciation	<u>(17,950)</u>	<u>(6,263)</u>	<u>(12,220)</u>	<u>(149)</u>	<u>(36,582)</u>
Net Book Value 30 June 2015	<u>\$60,271</u>	<u>\$53,354</u>	<u>\$20,540</u>	<u>\$854</u>	<u>\$135,019</u>
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	<u>(93,973)</u>	<u>(132,340)</u>	<u>(106,245)</u>	<u>(7,608)</u>	<u>(340,166)</u>
Net Book Value 30 June 2015	<u>\$60,271</u>	<u>\$53,354</u>	<u>\$20,540</u>	<u>\$854</u>	<u>\$135,019</u>

6C. Intangibles

AIMPE App at cost:		
Purchased	19,550	-
Accumulated Amortisation	<u>(326)</u>	<u>-</u>
Total Intangibles	<u>\$19,224</u>	<u>-</u>

Reconciliation of Opening and Closing Balances of Intangibles

Gross Book Value at 1 July	-	-
Accumulated Amortisation and Impairment	<u>-</u>	<u>-</u>
Net Book Value 1 July	-	-
Additions:		
By purchase	19,550	-
Amortisation	<u>(326)</u>	<u>-</u>
Net book value 30 June	<u>\$19,224</u>	<u>-</u>
Net Book Value at 30 June represented by:		
Gross Book Value	19,550	-
Accumulated Amortisation and Impairment	<u>(326)</u>	<u>-</u>
Net book value 30 June	<u>\$19,224</u>	<u>-</u>

6D. Investments

Shares in Listed Companies - at market value	120,297	99,126
	<u>\$120,297</u>	<u>\$99,126</u>

7. CURRENT LIABILITIES**7A. Trade Payables**

Sundry Creditors and Accruals	195,570	206,690
Payables to Other Reporting Units:		
- Not applicable	-	-
	<u>\$195,570</u>	<u>\$206,690</u>

7B. Other Payables

Membership Contributions Received in Advance	367,175	506,037
GST Payable	-	12,172
Consideration to Employers for Payroll Deductions	-	-
Legal Costs Payable	-	-
	<u>\$367,175</u>	<u>\$518,209</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	192,365	166,224
Long Service Leave	355,391	366,116
Separations and Redundancies	-	-
Other	-	-
	<u>547,756</u>	<u>532,340</u>
	<u>\$547,756</u>	<u>\$532,340</u>

Current	192,365	166,224
Non Current	<u>355,391</u>	<u>366,116</u>
	<u>\$547,756</u>	<u>\$532,340</u>

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

9. EQUITY**9A. General Fund**

Retained Profit (Loss) at the Beginning of the Year	3,687,937	3,392,342
Operating Profit (Loss) for the Year	<u>(80,746)</u>	<u>295,595</u>
Retained Profit (Loss) at the End of the Year	<u>\$3,607,191</u>	<u>\$3,687,937</u>

9B. Reserves**Asset Revaluation Reserve**

Opening Balance	3,294,528	2,535,998
Revaluation increment on freehold land and buildings	-	758,530
Closing Balance	<u>3,294,528</u>	<u>3,294,528</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>\$4,392,394</u>	<u>\$4,392,394</u>

10. CASH FLOW

10A. Cash Flow Reconciliation

Reconciliation of Net Cash Provided by Operating Activities to Operating Profit (Loss)

Operating Profit (Loss)	(80,746)	295,595
Add Back:		
Adjustment to Reserves	-	-
Loss on Sale of Property, Plant and Equipment	-	1,866
Realised Loss on Investments	-	-
Unrealised Loss on Investments	-	-
Depreciation	73,787	76,110
Increase in Payables	-	-
Increase in Provisions	15,416	52,578
Decrease in Receivables	21,723	22,112
	<u>110,926</u>	<u>152,666</u>
	<u>30,180</u>	<u>448,261</u>

10A. Cash Flow Reconciliation (Cont'd)

Surplus on Sale of Property, Plant and Equipment	8,629	-
Realised Gain on Investments	-	-
Unrealised Gain on Investments	21,054	5,688
Decrease in Provisions	-	-
Dividend Reinvested	117	108
Decrease in Payables	162,154	33,431
	<u>191,954</u>	<u>39,227</u>
Net Cash Provided By Operating Activities	<u>\$(161,774)</u>	<u>\$409,034</u>

Reconciliation of Cash:

Cash on Hand	4,760	3,210
Cash at Bank	584,838	628,212
Deposits at Call	3,258,328	3,438,250
	<u>\$3,847,926</u>	<u>\$4,069,672</u>

(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	<u>\$3,000,003</u>	<u>\$3,395,567</u>
Cash Outflows		
Australian Institute of Marine and Power Engineers	<u>\$3,221,749</u>	<u>\$3,019,426</u>

11. Commitments and Contingencies

Operating Lease Commitments – as lessee

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 2016 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	15,984	13,688
After one year but not more than five years	-	-
After five years	-	-
	<u>\$15,984</u>	<u>\$13,688</u>

12. RELATED PARTY DISCLOSURES

12A. Related Party Transactions for the Reporting Period

Nil	\$-	\$-
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12B. Key Management Personnel Remuneration for the Reporting Period

Short Term Employee Benefits

Salary (including annual leave taken)	152,005	258,301
Annual Leave Accrued	13,237	(1,984)
Performance Bonus	-	-
Total Short Term Benefits	<u>165,242</u>	<u>256,317</u>

Post-employment Benefits

Superannuation	31,042	106,517
Total Post Employment Benefits	<u>31,042</u>	<u>106,517</u>

Other Long-term Benefits

Long Service Leave Accrued	(10,873)	20,815
Total Long-term Benefits	<u>(10,873)</u>	<u>20,815</u>

Termination Benefits

	-	-
Total Benefits	<u>\$185,411</u>	<u>\$383,649</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.

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

- Nil	\$-	\$-
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13. AUDITOR'S REMUNERATION

Amounts received, or due and receivable, by Auditors for:

Financial Statement Audit Services	\$52,740	\$53,799
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)	\$14,540	\$16,199
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14. MEETING AND CONFERENCE EXPENSES – CONFERENCES

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

15. MEETING AND CONFERENCE EXPENSES - TRAVEL AND ACCOMMODATION

Head Office	15,432	44,140
Sydney Branch	54	-
Newcastle Branch	29,690	20,103
Victoria Branch	1,366	1,326
Western Australia Branch	-	103
Queensland Branch	5,211	8,420
	<u>\$51,753</u>	<u>\$74,092</u>

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 statement of financial position 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.

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 statement of financial position and in the notes to and forming part of the financial statements and at note 17G.

17A. Categories of Financial Instruments

Financial Assets

Cash and Cash Equivalents	589,598	631,422
Receivables	61,525	83,248
Held to Maturity Investments		

- Term Deposits	3,258,328	3,438,250
Available for Sale Assets		
- Shares in Listed Companies – at market value	120,297	99,126
Carrying Amount of Financial Assets	<u>\$4,029,748</u>	<u>\$4,252,046</u>

Financial Liabilities

Other Financial Liabilities		
- Contributions Received in Advance	367,175	506,037
- Trade and Other Payables	195,570	218,862
Carrying Amount of Financial Liabilities	<u>\$562,745</u>	<u>\$724,899</u>

17B. Net Income and Expense from Financial Assets

Cash and Cash Equivalents		
- Interest	1,273	2,429
Receivables		
- Not applicable	-	-
Held to Maturity Investments		
- Interest	123,536	137,313
Available for Sale Assets		
- Dividends	4,125	4,405
- Net income received – Macquarie Managed Portfolio	-	373
- Change in Market Value	21,054	5,688
Net Gain/(Loss) from Financial Assets	<u>\$149,988</u>	<u>\$150,208</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	589,598	631,422
Receivables	61,525	83,248
Held to Maturity Investments	3,258,328	3,438,250
Available for Sale Assets	120,297	99,126
Total	<u>\$4,029,748</u>	<u>\$4,252,046</u>

Financial Liabilities

Other Financial Liabilities	562,745	724,899
Total	<u>\$562,745</u>	<u>\$724,899</u>

No assets have been pledged or held as collateral.

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

	Not past due or impaired 2016	Past due or impaired 2016	Not past due or impaired 2015	Not past due or impaired 2015
Cash and Cash Equivalents	589,598	-	631,422	-
Receivables	61,525	-	83,248	-
Held to Maturity Investments	3,258,328	-	3,438,250	-
Available for Sale Assets	120,297	-	99,126	-
	<u>\$4,029,748</u>	<u>\$-</u>	<u>\$4,252,046</u>	<u>\$-</u>

Ageing of financial assets that were past due but not impaired 2016:

	0 – 30 days	31 – 60 days	61 – 90 days	90+ days	Total
Cash and Cash Equivalents	589,598	-	-	-	589,598
Receivables	61,525	-	-	-	61,525
Held to Maturity Investments	3,258,328	-	-	-	3,258,328
Available for Sale Assets	120,297	-	-	-	120,297
	<u>\$4,029,748</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,029,748</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>

17E. Liquidity Risk**Contractual maturities for financial liabilities 2016:**

	On Demand	<1 Year	1-2 Years	2-5 Years	>5 Years	Total
Other Financial Liabilities	367,175	195,570	-	-	-	562,745
	<u>\$367,175</u>	<u>\$195,570</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$562,745</u>

17E. Liquidity Risk (Cont'd)**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>

17F. Interest Rate Risk**Sensitivity analysis of the risk that the entity is exposed to for 2016**

	Change in Risk Variable %	Effect on Profit and Loss	Effect on Equity
Interest Rate Risk	+1%	+40,618	+40,618
Interest Rate Risk	-1%	-40,618	-40,618

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

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 statement of financial position.

	Carrying Amount 2016	Fair Value 2016	Carrying Amount 2015	Fair Value 2015
Cash and Cash Equivalents	589,598	589,598	631,422	631,422
Receivables	61,525	61,525	83,248	83,248
Held to Maturity Investments	3,258,328	3,258,328	3,438,250	3,438,250
Available for Sale Assets	120,297	120,297	99,126	99,126
	<u>\$4,029,748</u>	<u>\$4,029,748</u>	<u>\$4,252,046</u>	<u>\$4,252,046</u>

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

COMMITTEE OF MANAGEMENT STATEMENT

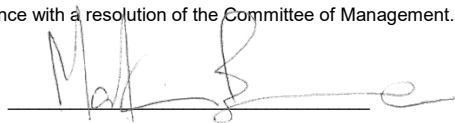
On the 20th October 2016 the Committee of Management passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2016:

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) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer: _____



Name and title of designated officer: Martin Byrne Federal Treasurer

Dated: 20th day of October 2016



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 2016, 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: 20th day of October 2016



KSG Assurance & Audit Services Pty Ltd
ACCOUNTANT & BUSINESS CONSULTANTS
ABN 17 143 760 203

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 2016, 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

A handwritten signature in black ink, appearing to read 'Bruce Howle', written over a horizontal line.

Bruce Howle
Managing Principal

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

Dated at Sydney this 20th day of October 2016

**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 2016 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 the internal controls 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 2016 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.

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 20th day of October 2016

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7 December 2016

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

Sent via email: mbyrne@aimpe.asn.au

Dear Mr Byrne,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the Australian Institute of Marine and Power Engineers (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sam Gallichio', written in a cursive style.

Sam Gallichio
Adviser
Regulatory Compliance Branch



15 July 2016

Mr Martin Byrne
Federal Treasurer
The Australian Institute of Marine and Power Engineers
By email: mbyrne@aimpe.asn.au

Dear Mr Byrne,

**Re: Lodgement of Financial Report - [FR2016/150]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Institute of Marine and Power Engineers, The (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

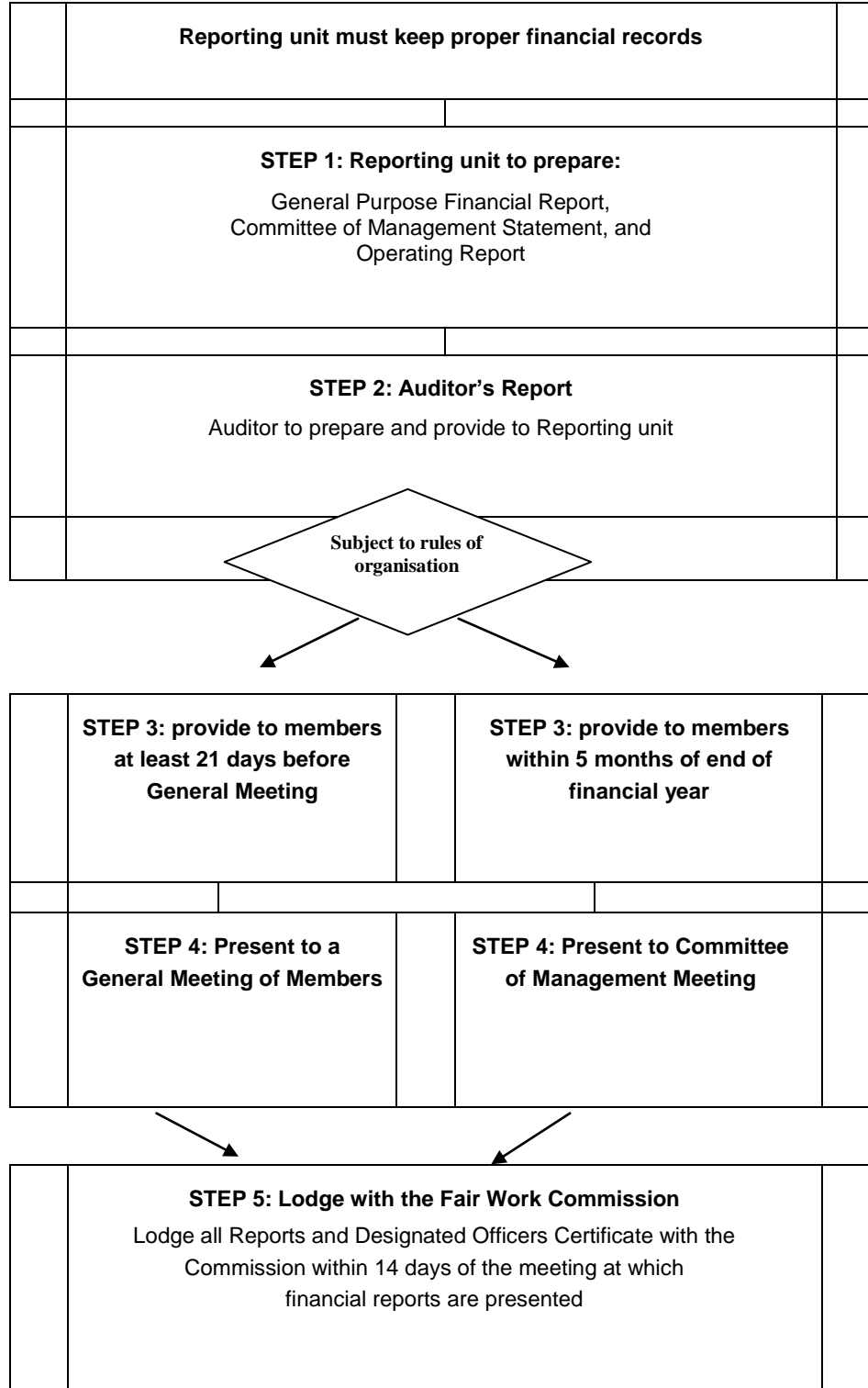


Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au