



8 February 2019

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

Dear Mr Byrne

**Re: – Financial reporting – Australian Institute of Marine and Power Engineers - for year ending 30 June 2018 (FR2018/96)**

I refer to the financial report of the Australian Institute of Marine and Power Engineers in respect of the year ending 30 June 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 20 December 2018.

The financial report has been filed. The financial report was 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. However I make the following comments to assist when preparing the next report.

Audit scope to include subsection 255(2A) report

A general purpose financial report prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A subsection 255(2A) report was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

The subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

Audit scope to include officer's declaration statement

Where nil activity disclosures are contained in an officer's declaration statement, in accordance with reporting guideline 21, the officer's declaration statement also forms part of a general purpose financial report prepared under section 253 of the RO Act (see subsection 253(2)(c) of the RO Act.) An officer's declaration statement was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

An officer's declaration statement must, *where one is included*, be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

### Officer's declaration statement – to include nil activity disclosures not elsewhere disclosed.

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. Nil activity disclosures only need to be made once. I note that the officer's declaration statement included a number of nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes (as indicated)

- RG10 - agree to receive financial support from another reporting unit to continue as a going concern [Note 2(n)]
- RG11- agree to provide financial support to another reporting unit to ensure they continue as a going concern [Note 2(n)]
- RG13(b) - receive capitation fees from another reporting unit [Note 3A]
- RG13(c) - receive revenue via compulsory levies [Note 3B]
- RG13(d) - receive donations or grants [Note 3F]
- RG13(e) - receive revenue from undertaking recovery of wages activity [Note 3I]
- RG14(a) - incur fees as consideration for employers making payroll deductions of membership subscriptions [Note 4D]
- RG14(b) - pay capitation fees to another reporting unit [Note 4B]
- RG14(d) - pay compulsory levies [Note 4D]
- RG14(e)(i) - pay a grant that was \$1,000 or less [Note 4E]
- RG14(e)(ii) - pay a grant that exceeded \$1,000 [Note 4E]
- RG14(k) - pay a penalty imposed under the RO Act or the Fair Work Act 2009 [Note 4D]
- RG15(a) - have a receivable with other reporting unit(s) [Note 5B]
- RG15(b) - have a payable with other reporting unit(s) [Note 7A]
- RG16(a) - have a payable to an employer for that employer making payroll deductions of membership subscriptions [Note 7B]
- RG16(b)(i) - have a payable in respect of legal costs relating to litigation [Note 7B]
- RG16(b)(ii)- have a payable in respect of legal costs relating to other legal matters [Note 7B]
- RG17(a) - have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch [Note 9C]

To clarify, an officer's declaration statement is an optional form for making nil activity disclosures, where these are not made elsewhere within the financial report. It is not required, for example, if a reporting unit makes all its nil activity disclosures within the notes to the financial statements.

### Key management personnel compensation – redaction of information

The Australian Accounting Standard *AASB 124 Related Party Disclosures* (paragraph 17) requires the disclosure of certain information relating to key management personnel compensation in respect of persons meeting the definition of key management personnel. However AASB 124 (17) does not require a reporting entity to identify the key management personnel compensation received individually by each person.

In the financial report, certain information disclosed in Note 12B on page 28 has been redacted by the ROC from its copy of the 2018 financial report before publishing it on its website. For consistency, the ROC has also redacted similar information from its copy of the 2017 report. In both cases, the key management personnel compensation total disclosed applied to a single named person.<sup>i</sup>

The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the requirements under the *Privacy Act 1988 (Privacy Act)*. The redactions have been effected in accordance with the ROC privacy policy to protect the personal information of persons identified in a financial report. A copy of the ROC privacy policy can be found via [this link](#).

## Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

Yours faithfully



Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

---

<sup>i</sup> No redaction is proposed where more than one name appears against a total figure or where the information provided is considered required by the standard for proper disclosure of a related party relationship

# Australian Institute of Marine and Power Engineers

s.268 Fair Work (Registered Organisations) Act 2009

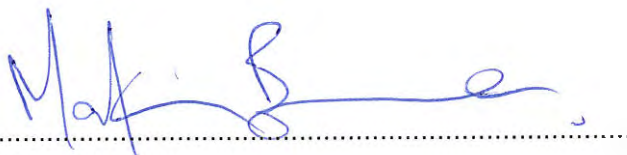
## CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER<sup>1</sup>

Certificate for the year ended 30<sup>th</sup> June 2018

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

- that the documents lodged herewith are copies of the full report for the *Australian Institute of Marine and Power Engineers* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 8<sup>th</sup> November (by posting on the AIMPE website) and on about 22<sup>nd</sup> November by publication in the *On Watch* magazine mailed to each member at their home address; and
- that the full report was presented to the Federal Executive (*the committee of management*)<sup>2</sup> of the reporting unit on 9<sup>th</sup> October 2018 and the full report was also presented to the general meeting of members held on 18<sup>th</sup> December 2018, in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: Martin Byrne

Title of prescribed designated officer: Federal President

Dated: 20<sup>th</sup> December 2018

<sup>1</sup> 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.

<sup>2</sup> Adjust certificate as appropriate to reflect the facts.



**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2018**

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## CONTENTS

<b>Item</b>		<b>Page</b>
1.	Expenditure Report	1
2.	Operating Report	2-5
3.	Statement of Comprehensive Income	6
4.	Statement of Financial Position	7
5.	Statement of Changes in Equity	8
6.	Cash Flow Statement	9
7.	Index to the Notes to the Financial Statements	10
8.	Notes to the Financial Statements	11-33
9.	Federal President's Statement	34
10.	Officer Declaration Statement	35
11.	Accountant's Compilation Report	36
12.	Auditor's Independence Declaration	37
13.	Independent Audit Report	38-40

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**EXPENDITURE REPORT REQUIRED UNDER SUBSECTION 255(2A)  
FOR THE YEAR ENDED 30 JUNE 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

<b>Categories of Expenditures:</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Remuneration and other employment-related costs and expenses - employees	1,576,191	1,676,317
Advertising	-	-
Operating costs	810,724	871,608
Donations to political parties	18,909	11,350
Legal Costs	13,823	37,990



Signature of designated officer: .....

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

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The AIMPE Federal Executive (the Committee of Management) presents its Operating Report on the reporting unit for the financial year ended 30<sup>th</sup> June 2018.

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

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

The parlous state of the Australian coastal shipping sector remained one of the major policy concerns of AIMPE during 2017-18. Despite the decline of the Australian flag coastal fleet, the then Minister for Infrastructure and Transport Mr Darren Chester in late 2017 introduced legislation to make it even easier for foreign ships with foreign crews to be used in coastal trades. AIMPE immediately lobbied cross bench Senators to oppose this amendment. This was successful however there is a possibility that the Bill could be presented to the Senate again so AIMPE will remain vigilant.

Instead of tinkering with the Coastal Trading Act, AIMPE urged parliamentarians to **change the Shipping Registration Act** to require that all commercial vessels operating in Australia's Exclusive Economic Zone (EEZ) should be required to be registered in Australia and come under Australian law. This message is resonating with many people. The time is ripe for Australia to exercise its rights over the Australian EEZ in more pro-active fashion and this will remain a key policy objective over the coming year.

Another major policy matter AIMPE continued to campaign on was the scourge of **temporary work visas** for foreign engineers during a period of high unemployment among AIMPE members. After the removal of the Ships Engineer classification from the subclass 457 visa scheme, it subsequently became clear that subclass 400 visas were being issued as a substitute for the 457 visas. AIMPE's campaign against the issuing of temporary work visas included a front-page story in major metropolitan newspapers.

AIMPE was consulted by the Department of Home Affairs over the introduction of a new visa for the Offshore Oil and Gas sector. AIMPE opposed the new visa as unnecessary however the Institute paid close attention to the proposal and took steps to ensure that it was not able to be used for any purpose other than the stated issue of tankers carrying export petroleum cargoes from offshore installations like FPSOs.

In recent years AIMPE has also been consulted over applications by employers for "Labour Agreements" with the Federal Government. These are best described as devices to allow companies to employ foreign labour in Australia. AIMPE has opposed each and every proposal that has been brought to our notice.

On a positive note, AIMPE negotiated many enterprise agreements during 2017-18 with various employers in the maritime industry. After a period where many sectors have experienced an effective wage freeze the industry is now gradually moving into a period of 2% – 3% annual increases.



# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2018

AIMPE also continued to maintain a National Employment Roster to help unemployed members to obtain employment. The number of members on the Roster has declined during 2017-18 but this is likely in part to be because many skilled, experienced and qualified Marine Engineers have become discouraged from actively seeking maritime work. AIMPE estimates that there are up to 500 Marine Engineers who have been discouraged from looking for employment in the Australian maritime industry.

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 2017-18 to make the On Watch available to members online via the union's website [www.aimpe.asn.au](http://www.aimpe.asn.au).

**Ship visits** by AIMPE's industrial staff are also a key component of our communication strategy. This enables members who are not able to attend monthly meetings to raise matters of concern directly with the relevant official and for staff to provide immediate feedback. 9 staff members have Right of Entry Permits issued under the Fair Work Act to facilitate ship [and other workplace] visits.

Throughout 2017-18, 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— an international group of like-minded trade unions which represent maritime officers in various countries around the world.

AIMPE also supported the affiliation of the Australian Maritime Officers Union (AMOU) with the Nautilus Federation in 2017. AIMPE and AMOU continued to develop closer working relations during 2017-18 following the establishment of the **Nautilus Federation of Australia** in 2016-17. Shortly after the 2018 Federal Council AIMPE and AMOU signed a revised Memorandum of Understanding which provides for both unions to work out of common locations in Melbourne, Fremantle and Sydney. Working together under the same roof has the potential to help members by improving communications between staff.

AIMPE is not affiliated with any political party.

### **Significant changes in financial affairs**

Regarding the **financial affairs** of the AIMPE in 2017-18 – membership fee income fell again in comparison to the fee income in the previous financial year due to the further 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 large operating deficit of over \$500,000 was recorded. This is not sustainable over the long term.

AIMPE continues to own all the premises in which our offices are located. During 2017-18 AIMPE took advantage of an opportunity to buy an extra unit adjacent to our existing office unit in the Bowen Hills, Brisbane building. The transfer of ownership was executed in February 2018. The AMOU has been offered the option to take out a commercial lease over the unit.

# **AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

## **OPERATING REPORT (CONT'D)**

### **FOR THE YEAR ENDED 30 JUNE 2018**

In May 2018 AIMPE terminated the lease to the long-standing tenants in our Head Office in Surry Hills, Sydney in order to facilitate the planned move of the AMOU into the building. AIMPE will work out of the second and third floors of the HO building while the AMOU will rent the ground and first floors. Financially this will be a "win-win" arrangement as the AMOU will reduce its current rental expense while AIMPE will increase its Sydney rental income.

AIMPE continues to rent out several rooms in the Institute Chambers in Port Adelaide. In Melbourne the AIMPE owns 7 car spaces, 4 of which are leased out on a commercial basis. These leases all assist in defraying the costs of maintaining our premises. If the AMOU take up the offer to rent Unit 13 in Brisbane this will also assist in defraying building-related expenses.

#### **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 [until 18<sup>th</sup> June 2018], Monty Woolley, has 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 [until 18<sup>th</sup> June 2018], 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 1,922 fee paying members as at 30<sup>th</sup> June 2018.

This compares with 2,227 fee paying members as at 30<sup>th</sup> June 2017, 2,504 as at 30<sup>th</sup> June 2016 and 2,731 as at 30<sup>th</sup> June 2015. This is the fourth 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 30<sup>th</sup> June 2018 AIMPE had 900 Honorary members – an increase of 73 over the course of the year.

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2018

### Number of employees

The total number of people **employed** by AIMPE during the course of 2017-18 was 16 [comprising 11 full-time staff, 3 part-time staff, one casual and one contract]. This figure is down from a total of 19 in 2013-14. The reductions occurred as a result of five retirements, one resignation, one redundancy and one transition from full-time to part time offset by one new full-time member of staff and one new part time employee. The amount of work carried out by our 3 part-time staff was equivalent to the work of 1.6 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 2017-18 was elected on 13<sup>th</sup> June 2017 by the 2017 Federal Council in a ballot conducted by the Australian Electoral Commission. The term of office expired on 18<sup>th</sup> June 2018 when the 2018 Federal Council elected a new Federal Executive. The Federal Executive is the **Committee of Management** of the organisation for the purposes of the Fair Work (Registered Organisations) Act 2009. The persons who held office on the Federal Executive (Committee of Management) during the Financial Year were:

Position	Name	Period of Service during Fin. Year
Federal President	Terry Snee	01.07.17 - 18.06.18
	Martin Byrne	18.06.18 - 30.06.18
Senior Vice President	Peter Toohey	01.07.17 - 18.06.18
	Derek MacLucas	18.06.18 - 30.06.18
Vice President	Monty Woolley	01.07.17 - 18.06.18
	Mark Jones	18.06.18 - 30.06.18
Vice President	Derek MacLucas	01.07.17 - 18.06.18
	Sean (Paddy) Francis	18.06.18 - 30.06.18
Federal Treasurer	Martin Byrne	01.07.17 - 18.06.18
	Ian McAllister	18.06.18 - 30.06.18

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



Signature of designated officer:

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

Dated: 9<sup>th</sup> October 2018

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
<b>REVENUE</b>			
Membership Subscriptions (including arrears, entrance fees and less refunds)		1,800,967	1,988,240
Capitation Fees	3A	-	-
Compulsory Levies	3B	-	-
Interest Received	3C	72,356	107,737
Rental Revenue	3D	41,685	50,378
Other Revenue	3E	7,546	7,651
<b>TOTAL REVENUE</b>		<u>1,922,554</u>	<u>2,154,006</u>
<b>OTHER INCOME</b>			
Grants and/or Donations	3F	-	-
Unrealised Gains/(Losses) on Revaluation of Assets	3G	(14,496)	34,090
Net Gains/(Losses) from Sale of Assets	3H	(511)	(1,898)
Revenue from recovery of wages activity	3I	-	-
<b>TOTAL OTHER INCOME</b>		<u>(15,007)</u>	<u>32,192</u>
<b>TOTAL INCOME</b>		<u>1,907,547</u>	<u>2,186,198</u>
<b>EXPENSES</b>			
Employee Expenses	4A	1,576,191	1,676,317
Capitation Fees and other expense to another reporting unit	4B	-	-
Affiliation Fees	4C	32,826	32,896
Administration Expenses	4D	267,846	286,872
Grants and/or Donations/Fundraising	4E	18,909	15,400
Depreciation and Amortisation	4F	71,448	76,180
Finance Costs	4G	-	-
Legal Costs	4H	13,823	37,990
Audit Fees	13	48,940	51,540
Projects	4I	274,044	289,658
Other Expenses	4J	115,620	130,612
<b>TOTAL EXPENSES</b>		<u>2,419,647</u>	<u>2,597,465</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		<u>\$(512,100)</u>	<u>\$(411,267)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be subsequently reclassified to profit or loss:-			
Increase in market value of land and buildings		5,000	1,392,621
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<u>5,000</u>	<u>\$1,392,621</u>
<b>TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR</b>		<u>\$(507,100)</u>	<u>\$981,354</u>

The attached notes form part of these accounts

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5A	2,504,412	3,348,492
Trade and Other Receivables	5B	<u>34,719</u>	<u>60,735</u>
<b>TOTAL CURRENT ASSETS</b>		<u>2,539,131</u>	<u>3,409,227</u>
<b>NON CURRENT ASSETS</b>			
Land and Buildings	6A	6,548,813	6,305,000
Plant and Equipment	6B	98,532	116,667
Intangibles	6C	11,404	15,314
Investments	6D	<u>140,075</u>	<u>154,470</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>6,798,824</u>	<u>6,591,451</u>
<b>TOTAL ASSETS</b>		<u>9,337,955</u>	<u>10,000,678</u>
<b>CURRENT LIABILITIES</b>			
Trade Payables	7A	127,599	161,521
Other Payables	7B	181,453	300,565
Employee Provisions	8A	<u>442,252</u>	<u>178,293</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>751,304</u>	<u>640,379</u>
<b>NON CURRENT LIABILITIES</b>			
Employee Provisions	8A	<u>112,812</u>	<u>379,360</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>112,812</u>	<u>379,360</u>
<b>TOTAL LIABILITIES</b>		<u>864,116</u>	<u>1,019,739</u>
<b>NET ASSETS</b>		<u>\$8,473,839</u>	<u>\$8,980,939</u>
<b>EQUITY</b>			
General Fund	9A	2,683,824	3,195,924
Reserves	9B	<u>5,790,015</u>	<u>5,785,015</u>
<b>TOTAL EQUITY</b>		<u>\$8,473,839</u>	<u>\$8,980,939</u>

The attached notes form part of these accounts

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2018**

	<b>GENERAL FUND</b>	<b>ASSETS REVALUATION RESERVE</b>	<b>CAPITAL REALISATION RESERVE</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>BALANCE AT 1 JULY 2016</b>	3,607,191	3,294,528	1,097,866	7,999,585
Surplus (Deficit) for the year	(411,267)	-	-	(411,267)
Other Comprehensive Income for the Year	-	1,392,621	-	1,392,621
<b>BALANCE AT 30 JUNE 2017</b>	3,195,924	4,687,149	1,097,866	8,980,939
Surplus (Deficit) for the year	(512,100)	-	-	(512,100)
Other Comprehensive Income for the Year	-	5,000	-	5,000
<b>BALANCE AT 30 JUNE 2018</b>	\$2,683,824	\$4,692,149	\$1,097,866	\$8,473,839

The attached notes form part of these accounts

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>RECEIPTS:</b>			
Contributions, Entrance Fees and Levies Received from Members		1,681,836	1,922,411
Receipts/Transfers from Other reporting Units (branch transfers)		260,701	262,964
Interest Received		98,392	107,746
Rental Income Received		41,685	50,378
Other Income Received		7,432	7,568
<b>TOTAL RECEIPTS</b>		<u>2,090,046</u>	<u>2,351,067</u>
<b>PAYMENTS:</b>			
Payments to Suppliers and Employees		1,998,025	2,125,167
Payment Relating to Projects		271,065	289,658
Payments Relating to "On Watch"		115,620	130,612
Payments to Other Reporting Units (branch transfers)		260,701	262,964
<b>TOTAL PAYMENTS</b>		<u>2,645,411</u>	<u>2,808,401</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	10A	<u>(555,365)</u>	<u>(457,334)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
<b>RECEIPTS</b>			
Return of Capital Listed Shares		13	-
Proceeds from Sale of Property, Plant and Equipment		-	-
<b>TOTAL RECEIPTS</b>		<u>13</u>	<u>-</u>
<b>PAYMENTS:</b>			
Payment for Property, Plant and Equipment		(288,728)	(42,100)
Payment for Intangible Assets		-	-
<b>TOTAL PAYMENTS</b>		<u>(288,728)</u>	<u>(42,100)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(288,715)</u>	<u>(42,100)</u>
Net Increase / (Decrease) in Cash Held		(844,080)	(499,434)
Cash at the Beginning of the Financial year		3,348,492	3,847,926
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	5A	<u>\$2,504,412</u>	<u>\$3,348,492</u>

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS

<b>Note 1</b>	Information to be provided to Members – Section 272 Fair Work (Registered Organisations) Act 2009
<b>Note 2</b>	Statement of Significant Accounting Policies
<b>Note 3</b>	Revenue
<b>Note 4</b>	Expenses
<b>Note 5</b>	Current Assets
<b>Note 6</b>	Non Current Assets
<b>Note 7</b>	Current Liabilities
<b>Note 8</b>	Provisions
<b>Note 9</b>	Equity
<b>Note 10</b>	Cash Flow
<b>Note 11</b>	Commitments and Contingencies
<b>Note 12</b>	Related Party Disclosures
<b>Note 13</b>	Auditor's Remuneration
<b>Note 14</b>	Meeting and Conference Expenses – Conference Expenses
<b>Note 15</b>	Meeting and Conference Expenses – Travel and Accommodation
<b>Note 16</b>	Segment Reporting
<b>Note 17</b>	Financial Instruments
<b>Note 18</b>	Union Details



# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

### 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 9th October 2018 by the Federal President 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 2018

### 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 Institute to have an independent valuation at least every three years, with annual appraisals being made by delegated authority of the President.

##### Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by delegated authority of the President 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 Institute 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:

	2018	2017
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.

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2018

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

#### (e) Investments

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

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2018

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

#### (j) 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 Institute 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.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

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

**(k) Events after the reporting period**

There were no events that occurred after 30 June 2018, 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

	2018	2017
	\$	\$
<b>3. REVENUE</b>		
<b>3A. Capitation Fees &amp; Other revenue from another Reporting Unit</b>		
Not applicable	-	-
	\$-	\$-
<b>3B. Levies</b>		
Not applicable	-	-
	\$-	\$-
<b>3C. Interest Received</b>		
Deposits	72,356	107,737
	<u>\$72,356</u>	<u>\$107,737</u>
<b>3D. Rental Revenue</b>		
Properties	41,235	43,982
Car Park Leases	450	6,396
	<u>\$41,685</u>	<u>\$50,378</u>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>3. REVENUE (CONT'D)</b>		
<b>3E. Other Revenue</b>		
Dividends Received	7,054	7,257
Sundry	492	394
	<u>\$7,546</u>	<u>\$7,651</u>
<b>3F. Grants and/or Donations</b>		
Grants	-	-
Donations	-	-
	<u>\$-</u>	<u>\$-</u>
<b>3G. Unrealised Gains on Revaluation of Assets</b>		
Revaluation of Shares in Listed Companies	(14,496)	34,090
	<u>\$(14,496)</u>	<u>\$34,090</u>
<b>3H. Net Gains (Losses) from Sale of Assets</b>		
Gains (Losses) on Sale of Property, Plant and Equipment	(511)	(1,898)
	<u>\$(511)</u>	<u>\$(1,898)</u>
<b>3I. Revenue from Recovery of Wages Activity</b>		
Amounts received from employers in respect of wages	-	-
Interest received in recovered money	-	-
	<u>\$-</u>	<u>\$-</u>
<b>4. EXPENSES</b>		
<b>4A. Employee Expenses</b>		
<b>Holders of Office:</b>		
Wages and Salaries (includes honorariums)	728	676
Superannuation	-	-
Leave and Other Entitlements	-	-
Separation and Redundancies	-	-
Other Employee Expenses	-	-
	<u>728</u>	<u>676</u>
<b>Employees Other Than Office Holders:</b>		
Wages and Salaries	1,149,188	1,220,520
Superannuation	208,587	229,196
Leave and Other Entitlements	101,720	167,296
Separation and Redundancies	59,123	-
Other Employee Expenses	56,845	58,629
	<u>1,575,463</u>	<u>1,675,641</u>
	<u>\$1,576,191</u>	<u>\$1,676,317</u>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>4. EXPENSES (CONT'D)</b>		
<b>4A. Employee Expenses (Cont'd)</b>		
Martin Byrne held office during the year however this was an unpaid position.		
<b>4B. Capitation Fees</b>		
- Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
<b>4C. Affiliation Fees</b>		
Head Office		
Australian Council of Trade Unions	13,219	13,875
International Transport Workers' Federation	3,491	3,526
Nautilus	3,482	3,712
Victoria		
Victorian Trades Hall Council	867	847
Geelong Trades Hall Council	45	44
South West Trades & Labour Council	75	-
Tasmania		
Unions Tasmania	533	620
West Australia		
Unions WA	1,904	2,487
South Australia		
- nil	-	-
Queensland		
Union Shopper	1,029	1,235
Queensland Council of Unions	3,532	3,214
Newcastle		
Newcastle Trades Hall Council	924	917
NSW District		
Workers Health Centre Affiliation	574	564
Unions NSW	3,151	1,855
	<u>\$32,826</u>	<u>\$32,896</u>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>4. EXPENSES (CONT'D)</b>		
<b>4D. Administration Expenses</b>		
Consideration to Employers for Payroll Deductions	-	-
Compulsory Levies	-	-
Penalties Imposed Under the Fair Work (Registered Organisations) Act 2009 or RO Regulations	-	-
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)	47,984	82,021
Property Expenses	112,365	93,053
Office Expenses	23,254	16,329
Information Communications Technology	33,672	42,280
Other Expenses:		
ACTU IR Levy	-	-
Advertising	-	-
Bank Charges and Government Duties	10,744	13,982
Election Expenses	1,300	-
Entertainment	1,352	1,120
Florist/Death Notices	628	1,276
Motor Vehicle Costs	25,064	25,124
Publications	2,580	4,030
Staff Amenities	1,752	2,416
Staff Training	4,930	1,536
Sundry	2,221	3,705
	<u>\$267,846</u>	<u>\$286,872</u>
<b>4E. Grants and/or Donations/Fundraising</b>		
Grants		
Total Paid that were \$1,000 or less	-	-
Total Paid that exceeded \$1,000	-	-
Donations		
Total Paid that were \$1,000 or less	2,695	550
Total Paid that exceeded \$1,000	16,214	11,000
Fundraising	-	3,850
	<u>\$18,909</u>	<u>\$15,400</u>



**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>4. EXPENSES (CONT'D)</b>		
<b>4F. Depreciation and Amortisation</b>		
Depreciation		
Land and Buildings	42,763	40,304
Property, Plant and Equipment	24,775	31,966
	<u>67,538</u>	<u>72,270</u>
<b>Amortisation</b>		
AIMPE App	3,910	3,910
<b>Total Amortisation</b>	<u>3,910</u>	<u>3,910</u>
<b>Total Depreciation and Amortisation</b>	<u>\$71,448</u>	<u>\$76,180</u>
<b>4G. Finance Costs</b>		
Interest Paid – Overdrafts	-	-
	<u>\$-</u>	<u>\$-</u>
<b>4H. Legal Costs</b>		
Litigation	-	-
Other Legal Matters	13,823	37,990
	<u>\$13,823</u>	<u>37,990</u>
<b>4I. Projects</b>		
Customs and Defence	1,983	900
Dredges	523	586
Federal Council	34,340	20,150
Federal Executive	13,576	7,040
Federal President Expense	22,433	24,670
Federal President Honorarium	31,730	54,950
International Conferences – ITF/IMO	2,143	21,521
Maritime Industry Seagoing Award	8,101	13,443
Navaid/barges/Small Ships	851	-
NMSC/Qualification	4,062	3,138
NSW Power Industry (net of recoveries)	-	396
Offshore expenses	29,445	6,173
Port Services Award	108	80
Shipping Reform and Political Lobby	74,341	87,458
Surveyors	17	3,197
Tugs	23,976	19,630
Tugs Conference	8,639	-
Project – QLD Branch	17,776	26,326
	<u>\$274,044</u>	<u>\$289,658</u>
<b>4J. Other Expenses</b>		
On Watch Expenses	115,620	130,612
	<u>\$115,620</u>	<u>\$130,612</u>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>5. CURRENT ASSETS</b>		
<b>5A. Cash and Cash Equivalents</b>		
Cash on Hand	5,050	5,260
Cash at Bank	705,592	579,987
Deposits at Call	1,793,770	2,763,245
	<u>\$2,504,412</u>	<u>\$3,348,492</u>
<b>5B. Trade and Other Receivables</b>		
Receivables from Other Reporting Units	-	-
Less Provision for Doubtful Debts	-	-
Other Receivables:		
Accrued Income	27,879	53,915
Employee Loans	5,000	5,000
Sundry Debtors	1,840	1,820
	<u>\$34,719</u>	<u>\$60,735</u>
<b>6. NON CURRENT ASSETS</b>		
<b>6A. Land and Buildings</b>		
<b>Freehold Land and Buildings</b>		
52 Buckingham Street, Surry Hills Sydney (at 2017 Valuation)	2,500,000	2,500,000
South Australia (at 2015 Valuation plus additions)	-	650,000
South Australia (at 2017 Valuation)	655,000	-
Newcastle (at 2017 Valuation)	675,000	675,000
Victoria (at 2017 Valuation)	1,630,000	1,630,000
Western Australia (at 2017 Valuation)	500,000	500,000
Queensland (at 2017 Valuation)	350,000	350,000
Queensland - Lot 13 "Rockton" – at cost	281,576	-
	<u>6,591,576</u>	<u>6,305,000</u>
Less: Accumulated Depreciation	<u>(42,763)</u>	<u>-</u>
	<u>\$6,548,813</u>	<u>\$6,305,000</u>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>6. NON CURRENT ASSETS (CONT'D)</b>		
<b>6A. Land and Buildings (Cont'd)</b>		
<b>Reconciliation of Opening and Closing Balances of Land and Buildings</b>		
Gross Book Value 1 July 2017	6,305,000	5,078,646
Accumulated Depreciation	-	(159,471)
Net Book Value 1 July 2017	6,305,000	4,919,175
Additions		
- By revaluation	5,000	1,392,621
- By purchase	281,576	35,063
- Disposals	-	(1,555)
Depreciation Expense	(42,763)	(40,304)
<b>Net Book Value 30 June 2018</b>	<b>\$6,548,813</b>	<b>\$6,305,000</b>
Net Book Value as of 30 June 2018 represented by:		
Gross Book Value	6,591,576	6,305,000
Accumulated Depreciation	(42,763)	-
Net Book Value 30 June 2018	<b>\$6,548,813</b>	<b>\$6,305,000</b>

Fair value of the properties were determined by using the market comparable method. This means the valuations performed by the valuers were based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property.

As at the date of revaluations (2017), the properties' fair values are based on valuations performed by Michael Wright (Sydney), Preston Rowe Paterson (South Australia and Newcastle), R.L Courtney Pty Ltd (Victoria), Valuations Queensland (Queensland) and Valuations WA (Western Australia), all accredited independent valuers.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

**6. NON CURRENT ASSETS (CONT'D)**

**6B. Plant and Equipment**

**Motor Vehicles**

Motor Vehicles - at cost	155,031	155,031
Less: Accumulated Depreciation	<u>(113,544)</u>	<u>(100,732)</u>
	41,487	54,299

**Furniture and Fittings**

Furniture and Fittings - at cost	158,040	175,398
Less: Accumulated Depreciation	<u>(128,744)</u>	<u>(141,857)</u>
	29,296	33,541

**Office Equipment**

Office Equipment - at cost	144,045	154,220
Less: Accumulated Depreciation	<u>(116,826)</u>	<u>(126,013)</u>
	27,219	28,207

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>(7,932)</u>	<u>(7,842)</u>
	530	620

<b>Total written down value</b>	<b><u>\$98,532</u></b>	<b><u>\$116,667</u></b>
---------------------------------	------------------------	-------------------------

**Reconciliation of Opening and Closing Balances of Plant and Equipment - 2018**

	<b>Motor Vehicles</b>	<b>Furniture and Fittings</b>	<b>Office Equipment</b>	<b>Sundry Assets</b>	<b>Total</b>
Gross Book Value at July 2017	155,031	175,398	154,220	8,462	493,111
Accumulated Depreciation	<u>(100,732)</u>	<u>(141,857)</u>	<u>(126,013)</u>	<u>(7,842)</u>	<u>(376,444)</u>
Net Book Value 1 July 2017	54,299	33,541	28,207	620	116,667
Additions:					
- By purchase	-	526	6,625	-	7,151
Disposals	-	(107)	(404)	-	(511)
- Other					
Depreciation	<u>(12,812)</u>	<u>(4,664)</u>	<u>(7,209)</u>	<u>(90)</u>	<u>(24,775)</u>
<b>Net Book Value 30 June 2018</b>	<b><u>\$41,487</u></b>	<b><u>\$29,296</u></b>	<b><u>\$27,219</u></b>	<b><u>\$530</u></b>	<b><u>\$98,532</u></b>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

**6. NON CURRENT ASSETS (CONT'D)**

**6B. Plant and Equipment (Cont'd)**

Net Book Value as  
of 30 June 2018  
represented by:

Gross Book Value	155,031	158,040	144,045	8,462	465,578
Accumulated Depreciation	(113,544)	(128,744)	(116,826)	(7,932)	(367,046)
<b>Net Book Value 30 June 2018</b>	<b>\$41,487</b>	<b>\$29,296</b>	<b>\$27,219</b>	<b>\$530</b>	<b>\$98,532</b>

**Reconciliation of Opening and Closing Balances of Property, Plant and Equipment - 2017**

	<b>Motor Vehicles</b>	<b>Furniture and Fittings</b>	<b>Office Equipment</b>	<b>Sundry Assets</b>	<b>Total</b>
Gross Book Value at 1 July 2016	155,031	177,225	148,358	8,462	489,076
Accumulated Depreciation	(83,949)	(138,346)	(117,107)	(7,735)	(347,137)
Net Book Value 1 July 2016	71,082	38,879	31,251	727	141,939
Additions:					
By purchase	-	-	7,037	-	7,037
Disposals – Other	-	(8)	(335)	-	(343)
Depreciation	(16,783)	(5,330)	(9,746)	(107)	(31,966)
<b>Net Book Value 30 June 2017</b>	<b>\$54,299</b>	<b>\$33,541</b>	<b>\$28,207</b>	<b>\$620</b>	<b>\$116,667</b>
Net Book Value as of 30 June 2017 represented by:					
Gross Book Value	155,031	175,398	154,220	8,462	493,111
Accumulated Depreciation	(100,732)	(141,857)	(126,013)	(7,842)	(376,444)
<b>Net Book Value 30 June 2017</b>	<b>\$54,299</b>	<b>\$33,541</b>	<b>\$28,207</b>	<b>\$620</b>	<b>\$116,667</b>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>6. NON CURRENT ASSETS (CONT'D)</b>		
<b>6C. Intangibles</b>		
AIMPE App - at cost	19,550	19,550
Less Accumulated Amortisation	(8,146)	(4,236)
<b>Total Intangibles</b>	<u>\$11,404</u>	<u>\$15,314</u>
<b>Reconciliation of Opening and Closing Balances of Intangibles</b>		
Gross Book Value at 1 July 2017	19,550	19,550
Accumulated Amortisation and Impairment	(4,236)	(326)
Net Book Value 1 July 2017	<u>15,314</u>	<u>19,224</u>
Additions:		
By purchase	-	-
Amortisation	(3,910)	(3,910)
<b>Net book value 30 June 2018</b>	<u>\$11,404</u>	<u>\$15,314</u>
Net Book Value at 30 June represented by:		
Gross Book Value	19,550	19,550
Accumulated Amortisation and Impairment	(8,146)	(4,236)
<b>Net book value 30 June 2018</b>	<u>\$11,404</u>	<u>\$15,314</u>
<b>6D. Investments</b>		
Shares in Listed Companies - at market value	<u>140,075</u>	<u>154,470</u>
	<u>\$140,075</u>	<u>\$154,470</u>
<b>7. CURRENT LIABILITIES</b>		
<b>7A. Trade Payables</b>		
Sundry Creditors and Accruals	127,599	161,521
Payables to Other Reporting Units:		
- Not applicable	-	-
	<u>\$127,599</u>	<u>\$161,521</u>
<b>7B. Other Payables</b>		
Membership Contributions Received in Advance	180,195	298,974
GST Payable	1,258	1,591
Consideration to Employers for Payroll Deductions	-	-
Legal Costs Payable	-	-
	<u>\$181,453</u>	<u>\$300,565</u>

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>8. PROVISIONS</b>		
<b>8A. Employee Provisions</b>		
<b>Office Holders</b>		
Annual Leave	-	-
Long Service Leave	-	-
Separations and Redundancies	-	-
Other	-	-
	-	-
<b>Employees Other Than Office Holders</b>		
Annual Leave	186,912	178,293
Long Service Leave	368,152	379,360
Separations and Redundancies	-	-
Other	-	-
	555,064	557,653
	\$555,064	\$557,653
Current	442,252	178,293
Non Current	112,812	379,360
	\$555,064	\$557,653
<p>The increase/(decrease) in current year provisions have been charged to operational expenditure at salary levels applicable at 30 June.</p>		
<b>9. EQUITY</b>		
<b>9A. General Fund</b>		
Retained Profit (Loss) at the Beginning of the Year	3,195,924	3,607,191
Operating Profit (Loss) for the Year	(512,100)	(411,267)
Retained Profit (Loss) at the End of the Year	\$2,683,824	\$3,195,924
<b>9B. Reserves</b>		
<b>Asset Revaluation Reserve</b>		
Opening Balance	4,687,149	3,294,528
Revaluation Increment on Freehold Land and Buildings	5,000	1,392,621
Closing Balance	4,692,149	4,687,149
<b>Capital Realisation Reserve</b>		
Opening Balance	1,097,866	1,097,866
Transfer to Reserves	-	-
Closing Balance	1,097,866	1,097,866
	\$5,785,015	\$5,785,015
<b>9C. Other Specific Disclosures – Funds</b>		
Compulsory Levy/Voluntary Contribution Fund	-	-
Other Fund(s) Required by Rules	-	-
	\$-	\$-

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>10. CASH FLOW</b>		
<b>10A. Cash Flow Reconciliation</b>		
<b>Reconciliation of Net Cash Provided by Operating Activities to Operating Profit (Loss)</b>		
<b>Operating Profit (Loss)</b>	(512,100)	(411,267)
<b>Add Back:</b>		
Adjustment to Reserves	-	-
Loss on Sale of Property, Plant and Equipment	511	1,898
Realised Loss on Investments	-	-
Unrealised Loss on Investments	14,496	-
Depreciation and Amortisation	71,448	76,180
Increase in Payables	-	-
Increase in Provisions	-	9,897
Decrease in Receivables	26,016	790
	<u>112,471</u>	<u>88,765</u>
	<u>(399,629)</u>	<u>(322,502)</u>
<b>Deduct:</b>		
Surplus on Sale of Property, Plant and Equipment	-	-
Realised Gain on Investments	-	-
Unrealised Gain on Investments	-	34,090
Decrease in Provisions	2,589	-
Dividend Reinvested	114	83
Decrease in Payables	153,033	100,659
	<u>155,736</u>	<u>134,832</u>
<b>Net Cash Provided By Operating Activities</b>	<u><u>\$(555,365)</u></u>	<u><u>\$(457,334)</u></u>
<b>Reconciliation of Cash:</b>		
Cash on Hand	5,050	5,260
Cash at Bank	705,592	579,987
Deposits at Call	1,793,770	2,763,245
	<u><u>\$2,504,412</u></u>	<u><u>\$3,348,492</u></u>

(a) The union has no credit stand-by or financing facilities in place.

(b) There were no non cash financing or investing activities during the year apart from dividend reinvestments.



# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)


FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>10. CASH FLOW (CONT'D)</b>		
<b>10B. Cash Flow Information</b>		
Cash Inflows		
Australian Institute of Marine and Power Engineers	<u>\$2,090,059</u>	<u>\$2,351,067</u>
Cash Outflows		
Australian Institute of Marine and Power Engineers	<u>\$2,934,139</u>	<u>\$2,850,501</u>
<b>11. Commitments and Contingencies</b>		
<b>Operating Lease Commitments – as lessee</b>		
During the 2017 financial year the union entered into a residential tenancy agreement for a term of twelve months on a unit in Kingston Canberra. At the date of signing the financial statements no further lease agreement has been entered into and the union is paying rent month by month on the Kingston unit. Future minimum rental payable under non-cancellable operating leases at 30 June are as follows:		
Due within one year	-	16,328
After one year but not more than five years	-	-
After five years	-	-
	<u>\$-</u>	<u>\$16,328</u>
<b>12. RELATED PARTY DISCLOSURES</b>		
<b>12A. Related Party Transactions for the Reporting Period</b>		
Nil	\$-	\$-
<b>12B. Key Management Personnel Remuneration for the Reporting Period</b>		
<b>Short Term Employee Benefits</b>		
Salary (including annual leave taken)	155,850	155,850
Annual Leave Accrued	(4,310)	(4,003)
Performance Bonus	-	-
<b>Total Short Term Benefits</b>	<u>151,540</u>	<u>151,847</u>
<b>Post-employment Benefits</b>		
Superannuation	<u>31,042</u>	<u>31,042</u>
<b>Total Post Employment Benefits</b>	<u>31,042</u>	<u>31,042</u>
<b>Other Long-term Benefits</b>		
Long Service Leave Accrued	<u>4,001</u>	<u>4,000</u>
<b>Total Long-term Benefits</b>	<u>4,001</u>	<u>4,000</u>
<b>Termination Benefits</b>	<u>-</u>	<u>-</u>
<b>Total Benefits</b>	<u>\$186,583</u>	<u>\$186,889</u>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>12. RELATED PARTY DISCLOSURES (CONT'D)</b>		
<b>12B. Key Management Personnel Remuneration for the Reporting Period (Cont'd)</b>		
		
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) and under project expenses.		
<b>12C: Transactions with Key Management Personnel and their Close Family Members</b>		
<b>Other Transactions with Key Management Personnel</b>		
- Nil	\$-	\$-
<b>13. AUDITOR'S REMUNERATION</b>		
Amounts received, or due and receivable, by Auditors for:		
Financial Statement Audit Services	\$37,440	\$51,540
Other Services	11,500	-
	<u>\$48,940</u>	<u>\$51,540</u>
Included above are amounts received, or due and receivable, by Auditors other than KSG Assurance & Audit Services Pty Ltd		
Auditing the Accounts (Branches)	\$11,940	\$17,540
<b>14. MEETING AND CONFERENCE EXPENSES – CONFERENCES</b>		
- Nil	<u>-</u>	<u>-</u>
	<u>\$-</u>	<u>\$-</u>
<b>15. MEETING AND CONFERENCE EXPENSES - TRAVEL AND ACCOMMODATION</b>		
Head Office	9,512	15,148
Sydney Branch	-	-
Newcastle Branch	31,927	32,588
Victoria Branch	795	1,252
Western Australia Branch	3,113	27,114
Queensland Branch	2,637	5,919
	<u>\$47,984</u>	<u>\$82,021</u>

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2018

### 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.

	2018	2017
	\$	\$
<b>17A. Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
Cash and Cash Equivalents	710,642	585,247
Receivables	34,719	60,735
Held to Maturity Investments		
- Term Deposits	1,793,770	2,763,245
Available for Sale Assets		
- Shares in Listed Companies – at market value	140,075	154,470
Carrying Amount of Financial Assets	<u>\$2,679,206</u>	<u>\$3,563,697</u>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>17. FINANCIAL INSTRUMENTS (CONT'D)</b>		
<b>17A. Categories of Financial Instruments (Cont'd)</b>		
<b>Financial Liabilities</b>		
Other Financial Liabilities		
- Contributions Received in Advance	180,195	298,974
- Trade and Other Payables	<u>128,857</u>	<u>163,112</u>
Carrying Amount of Financial Liabilities	<u>\$309,052</u>	<u>\$462,086</u>
<b>17B. Net Income and Expense from Financial Assets</b>		
Cash and Cash Equivalents		
- Interest	333	761
Receivables		
- Not applicable	-	-
Held to Maturity Investments		
- Interest	72,023	106,976
Available for Sale Assets		
- Dividends	7,054	7,257
- Change in Market Value	<u>(14,496)</u>	<u>34,090</u>
Net Gain/(Loss) from Financial Assets	<u>\$64,914</u>	<u>\$149,084</u>
<b>17C. Net Income and Expense from Financial Liabilities</b>		
Other Financial Liabilities		
N/A	-	-
Net Gain/(Loss) from Financial Liabilities	<u>\$-</u>	<u>\$-</u>
<b>17D. Credit Risk</b>		
The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.		
<b>Financial Assets</b>		
Cash and Cash Equivalents	710,642	585,247
Receivables	34,719	60,735
Held to Maturity Investments	1,793,770	2,763,245
Available for Sale Assets	<u>140,075</u>	<u>154,470</u>
Total	<u>\$2,679,206</u>	<u>\$3,563,697</u>
<b>Financial Liabilities</b>		
Other Financial Liabilities	<u>309,052</u>	<u>462,086</u>
Total	<u>\$309,052</u>	<u>\$462,086</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 2018**

**17. FINANCIAL INSTRUMENTS (CONT'D)**

**17D. Credit Risk (Cont'd)**

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

	<b>Not past due or impaired 2018</b>	<b>Past due or impaired 2018</b>	<b>Not past due or impaired 2017</b>	<b>Not past due or impaired 2017</b>
Cash and Cash Equivalents	710,642	-	585,247	-
Receivables	34,719	-	60,735	-
Held to Maturity Investments	1,793,770	-	2,763,245	-
Available for Sale Assets	140,075	-	154,470	-
	<u>\$2,679,206</u>	<u>\$-</u>	<u>\$3,563,697</u>	<u>\$-</u>

**Ageing of financial assets that were past due but not impaired 2018:**

	<b>0 – 30 days</b>	<b>31 – 60 days</b>	<b>61 – 90 days</b>	<b>90+ days</b>	<b>Total</b>
Cash and Cash Equivalents	710,642	-	-	-	710,642
Receivables	34,719	-	-	-	34,719
Held to Maturity Investments	1,793,770	-	-	-	1,793,770
Available for Sale Assets	140,075	-	-	-	140,075
	<u>\$2,679,206</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2,679,206</u>

**Ageing of financial assets that were past due but not impaired 2017:**

	<b>0 – 30 days</b>	<b>31 – 60 days</b>	<b>61 – 90 days</b>	<b>90+ days</b>	<b>Total</b>
Cash and Cash Equivalents	585,247	-	-	-	585,247
Receivables	60,735	-	-	-	60,735
Held to Maturity Investments	2,763,245	-	-	-	2,763,245
Available for Sale Assets	154,470	-	-	-	154,470
	<u>\$3,563,697</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3,563,697</u>

**17E. Liquidity Risk**

**Contractual maturities for financial liabilities 2018:**

	<b>On Demand</b>	<b>&lt;1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>&gt;5 Years</b>	<b>Total</b>
Other Financial Liabilities	180,195	128,857	-	-	-	309,052
	<u>\$180,195</u>	<u>\$128,857</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$309,052</u>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

**17. FINANCIAL INSTRUMENTS (CONT'D)**

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

**Contractual maturities for financial liabilities 2017:**

	<b>On Demand</b>	<b>&lt;1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>&gt;5 Years</b>	<b>Total</b>
Other Financial Liabilities	298,974	163,112	-	-	-	462,086
	<b>\$298,974</b>	<b>\$163,112</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$462,086</b>

**17F. Interest Rate Risk**

**Sensitivity analysis of the risk that the entity is exposed to for 2018**

	<b>Change in Risk Variable %</b>	<b>Effect on Profit and Loss</b>	<b>Effect on Equity</b>
Interest Rate Risk	+1%	+29,265	+29,265
Interest Rate Risk	-1%	-29,265	-29,265

**Sensitivity analysis of the risk that the entity is exposed to for 2017**

	<b>Change in Risk Variable %</b>	<b>Effect on Profit and Loss</b>	<b>Effect on Equity</b>
Interest Rate Risk	+1%	+30,108	+30,108
Interest Rate Risk	-1%	-30,108	-30,108

**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.

	<b>Carrying Amount 2018</b>	<b>Fair Value 2018</b>	<b>Carrying Amount 2017</b>	<b>Fair Value 2017</b>
Cash and Cash Equivalents	710,642	710,642	585,247	585,247
Receivables	34,719	34,719	60,735	60,735
Held to Maturity Investments	1,793,770	1,793,770	2,763,245	2,763,245
Available for Sale Assets	140,075	140,075	154,470	154,470
	<b>\$2,679,206</b>	<b>\$2,679,206</b>	<b>\$3,563,697</b>	<b>\$3,563,697</b>

**17H. Changes in Liabilities arising from Financing Activities**

	<b>1 July 2017</b>	<b>Cash Flows</b>	<b>30 June 2018</b>
Contributions received in advance	298,974	(118,779)	180,195
Trade & other payables	163,112	(34,255)	128,857
	<b>\$462,086</b>	<b>\$(153,034)</b>	<b>\$309,052</b>
	<b>1 July 2016</b>	<b>Cash Flows</b>	<b>30 June 2017</b>
Contributions received in advance	367,175	(68,201)	298,974
Trade & other payables	195,570	(32,458)	163,112
	<b>\$562,745</b>	<b>\$(100,659)</b>	<b>\$462,086</b>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 30 JUNE 2018**

**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

## FEDERAL PRESIDENT'S STATEMENT

On the 9<sup>th</sup> October 2018 the Federal President states as follows in relation to the general purpose financial report (GPFR) of the Institute for the financial year ended 30 June 2018:

The Federal President declares that in his opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Institute for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Institute 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 Federal Executive were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the Institute 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 Institute have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the Institute and its Branches have been kept, as far as practicable, in a consistent manner with each other; and
  - (v) where information has been sought in any request by a member of the Institute or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Registered Organisations 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.

The Federal President also declares that the GPFR was presented to the AIMPE Federal Executive on 9<sup>th</sup> October 2018 in accordance with Rule 22A(i) of the AIMPE Rules.



Signature of Registered officer:

Name and title of Registered officer: Martin Byrne FEDERAL PRESIDENT

Dated: 9th day of October 2018



# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## OFFICER DECLARATION STATEMENT

I, Martin Byrne, being the Federal President of the Australian Institute of Marine and Power Engineers, declare that the following activities did not occur during the reporting period ending 30 June 2018.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive any other revenue from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- pay any other expense to another reporting unit
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Signed by the officer:

Date: 9<sup>th</sup> day of October 2018



**Key Solutions Group**

ACCOUNTANTS & BUSINESS CONSULTANTS  
ABN 14 093 729 821

**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 2018, 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 the Federal President*

The Federal President of the Australian Institute of Marine And Power Engineers is solely responsible for the information contained in the general purpose financial statements and has determined that the accounting policies used are appropriate to meet the Institute's needs and for the purpose that the financial statements was prepared.

*Our Responsibility*

On the basis of information provided by the Federal President 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 Federal President 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 Federal President. 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:** 9th day of October 2018

**Key Solutions Group (Accountants & Business Consultants) Pty Ltd**

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

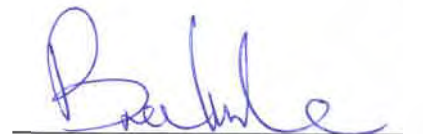
P +61 2 9406 5900  
F +61 2 9406 5999  
E [mailus@ksg.com.au](mailto:mailus@ksg.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO FEDERAL EXECUTIVE 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 2018, 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

Auditor Registration Number AA2017/1

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

Dated at Sydney this 9<sup>th</sup> day of October 2018

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

### **Opinion**

I 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 2018 as set out on pages 5 to 34. This report comprises the Federal President's 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.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Australian Institute of Marine and Power Engineers as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

### **Basis for Opinion**

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

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

### **Information Other than the Financial Report and Auditor's Report Thereon**

The Federal President is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

### **Responsibilities of the Federal President for the Financial Report**

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

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

### **Responsibilities of the Federal President for the Financial Report (Cont'd)**

In preparing the financial report, the Federal President is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Federal President either intends to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Federal President.
- Conclude on the appropriateness of the Federal President's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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

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

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

KSG Assurance & Audit Services Pty Limited



Bruce Howle  
Managing Principal

Auditor Registration Number AA2017/1

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

Dated at Sydney this 9th day of October 2018