



6 March 2020

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

cc. Mr Ian McAllister, Federal Treasurer
cc. Mr Bruce Howle, Auditor

Dear Federal President

Re: – Australian Institute of Marine and Power Engineers - financial report for year ending 30 June 2019 (FR2019/159)

I refer to the financial report of the Australian Institute of Marine and Power Engineers. The documents were lodged with the Registered Organisations Commission (**ROC**) on 19 December 2019. A designated officer's certificate and committee of management statement were received today.

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. Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

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.

Committee of management statement

The document entitled "Federal President's Statement" signed on 3 October 2019 did not comply with reporting guidelines 25-27, which require a statement setting out the declarations made by resolution by the committee of management and not declarations by the Federal President in his own right.¹ Several references to the Federal President in the auditor's report reflected this error.

A copy of an extract of the minutes of the meeting of the Federal Executive on 3 October 2019 provided to the ROC confirms that in fact the committee of management passed the relevant resolution and the committee of management statement that was signed and provided today should have been the document originally included in the financial statements.

Please ensure in future years that a committee of management statement is prepared in accordance with the reporting guidelines² and that the audit report makes the correct references to the committee of management where required.

¹ The same error occurred in the two previous years although this was not identified in relevant ROC correspondence

² See also the model financial statements

Designated officer's certificate

Section 268 of the RO Act requires the copy of the full report to be lodged within 14 days after the general meeting of members referred to in section 266 with a certificate by a prescribed designated officer. In this case, the report was not accompanied by a certificate at the time of lodgement.

Please ensure in future years that the report is accompanied by the designated officer's certificate when lodged.

Registered auditor declaration

Item 29(a) of the reporting guidelines sets out the format of the declaration to be made by the auditor, which replaces the form of the declaration described in earlier reporting guidelines.

Registered auditor's details

Item 29(b) of the Reporting Guidelines that the auditor's statement must specify the registered auditor's name and registration number, i.e. the registration number issued under the RO Act. The auditor's statement provided mis-stated the registration number.³

Reporting Requirements

The ROC website provides several 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 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission

³ ROC records show that the relevant number is AA2017/1, issued on 22 May 2017, not AA2018/1.

Australian Institute of Marine and Power Engineers

s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer¹

Certificate for the year ended 30th June 2019

I *Ian McAllister* 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 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 11th November 2019 (by posting on the AIMPE website) and on about 22nd November 2019 by publication in the *ON Watch* magazine mailed to each member at their home address; and
- that the full report was presented to a general meeting of members of the reporting unit on 17th December 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer: Ian McAllister.....

Title of prescribed designated officer: Federal Treasurer (Honorary).....

Dated: 6th March 2020.....

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.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

Committee of Management Statement

On 3 / 10 / 2019 the Federal Executive of the Australian Institute of Marine and Power Engineers passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The committee 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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the 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; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. the organisation consists of a single reporting unit; and
 - v. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer: 

Name and title of designated officer: Ian McAllister Federal Treasurer (Honorary).....

Dated: 6th March 2020

Minutes

**AUSTRALIAN INSTITUTE OF MARINE
AND POWER ENGINEERS**

FEDERAL EXECUTIVE MEETING

held at The Hobart Function & Conference Centre

1 Elizabeth St Pier Hobart Tasmania 7000

3rd October 2019

1. **COMMENCEMENT:** The Chairman Mr. Martin Byrne opened the meeting at 0915 hours.

2.1 **ATTENDANCE:**

President	Mr. Martin Byrne
Senior Vice President	Mr. Derek MacLucas
Treasurer	Mr. Ian McAllister
Vice President	Mr. Mark Jones
Vice President	Mr. John Hartree

Part extract of minutes only contains FEX/2019/249

Moved: Mr. Ian McAllister

Seconded: Mr. Martin Byrne

FEX/2019/249 "THAT the Federal Executive of the Australian Institute of Marine and Power Engineers 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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the 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 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 Fair Work Commission under section 273 of the RO Act, there has been compliance."

Present: 5 For: 5 Abstained: - Against: -

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AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The AIMPE Federal Executive (the Committee of Management) presents its Operating Report on the reporting unit for the financial year ended 30th June 2019.

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

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

During the course of 2018-19 AIMPE Federal Executive met with the then Federal Opposition Leader Mr Bill Shorten in our Melbourne offices. As well as presenting Mr Shorten with a report on **cabotage** we discussed the need for new coastal shipping policies to be adopted following the Federal Election. When BHP announced that they were ending the contracts for Mariloula and Lowlands Brilliance the issue of coastal shipping attracted strong comments from Mr Shorten which were widely reported – comments which indicated his support for changing cabotage policies to ensure more jobs for Australian seafarers.

Subsequently, AIMPE Federal Executive endorsed a 5-point plan which highlighted the major policy changes required for the industry to be placed on a secure long-term footing. As is now a matter of history the Morrison Government was re-elected and the task now ahead of AIMPE is to convince the Federal Government to take some steps that may provide some relief from the constant flow of Temporary Licences taking the majority of the coastal trading volumes.

Temporary work visas remain another area of major concern for AIMPE members. AIMPE has continued to lobby on this issue to highlight the new abuses of business and regional visas which are being used to side-step the fact that "Ships Engineer" as a classification is off the skills shortage list.

AIMPE has also been continued to oppose applications by employers for "Labour Agreements" with the Federal Government. These are devices that allow companies to employ foreign labour in Australia. AIMPE has opposed each and every proposal that has been brought to our notice.

Enterprise Agreements are the core of members entitlements and AIMPE has continued to negotiate many Agreements for members. Many thanks go to the various delegates who have assisted in this difficult process. Of course, there are some employers who have simply refused to agree with AIMPE demands and in these cases AIMPE members have resorted to taking 'Protected Action' to pursue their claims.

AIMPE also continued to maintain a National **Employment Roster** in 2018-19 to help unemployed members to obtain employment. There was criticism originating from some employers that the roster contained people who were not in possession of current certification. As a result, AIMPE took steps to ensure that all members on the roster provide copies of the current qualifications to be kept on record so that there is a verification of their ability to go to sea immediately.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

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 industrial reports which are loaded to the AIMPE website, email communications to ships where available and regular monthly meetings at major locations around the country. In November 2018 the Federal Executive took a further step of asking that a monthly **direct email** be sent to each financial member with a further update on AIMPE affair. This has generally been well received.

Once again eleven editions of On Watch were produced and distributed including a combined December-January edition during the holiday season. AIMPE continued in 2018-19 to make the On Watch available to members online via the union's website www.aimpe.asn.au.

Recruitment has been a new focus for AIMPE industrial staff during 2018-19. The Federal Executive has adopted a new process for staff to follow during ship and workplace visits and this has shown some results. It has certainly revealed some members who were in the wrong membership category as well as starting conversations with some Engineers who are not members. During 2018-19, 9 staff members had Right of Entry Permits issued under the Fair Work Act to facilitate ship [and other workplace] visits.

Throughout 2018-19, 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 and AMOU continued to develop closer working relations during 2018-19 under the banner of the **Nautilus Federation of Australia**. A great deal of work was undertaken during 2018-19 to carry through on the objective of the AIMPE - AMOU MOU which set out the plan to co-locate in offices around Australia.

AIMPE is not affiliated with any political party.

Significant changes in financial affairs

Regarding the **financial affairs** of the AIMPE in 2018-19 – 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 significantly lower fee. Total expenditure was also slightly above the expenditure in the previous financial year. As a result, a large operating deficit of over \$350,000 was recorded. This financial result is not sustainable over the long term.

AIMPE continues to own all the premises in which our offices are located. In Melbourne AIMPE hosts AMOU operations and this is reciprocated in Fremantle where the AMOU host the AIMPE operations. AIMPE Federal Executive has taken a decision to sell the property in Palmyra but the property market in Perth remains weak and no offers have been received.

AMOU has taken out a lease on two floors of the AIMPE premises in Surry Hills and also leased Unit 13 adjacent to AIMPE Unit 14 offices in Brisbane. These are on terms based on market rents in surrounding premises. Occupation due in September 2019.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

AIMPE continues to rent out several rooms in the Institute Chambers in Port Adelaide. In Melbourne the AIMPE owns 7 car spaces, 3 of which are leased out on a commercial basis. These leases all assist in defraying the costs of maintaining our premises.

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

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

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

Number of members

The AIMPE had 1,827 fee paying members as at 30th June 2019.

This compares with 1,922 fee paying members as at 30th June 2018, 2,227 as at 30th June 2017, 2,504 as at 30th June 2016 and 2,731 as at 30th June 2015. This is the fifth year in a row that AIMPE has experienced a decline in membership.

AIMPE retains a significant number of Honorary members who have retired from the maritime industry. As at 30th June 2019 AIMPE had 919 Honorary members – an increase of 19 over the course of the year.

Number of employees

The total number of people **employed** by AIMPE during the course of 2018-19 was 14 [comprising 10 full-time staff, 2 part-time staff, one casual and one contract]. This figure is down from a total of 19 in 2013-14. The amount of work carried out by our 2 part-time staff was equivalent to the work of 0.8 full time equivalent [FTE] employees. The Federal Council and Federal Executive have already taken steps to further reduce the number of staff in 2019-2020.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

Names of Committee of Management members and period positions held during the financial year

The Federal Executive of the AIMPE for 2018-19 was elected on 18th June 2018 by the 2018 Federal Council in a ballot conducted by the Australian Electoral Commission. The term of office expired on 3rd June 2019 when the 2019 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	Martin Byrne	01.07.18 - 30.06.19
Senior Vice President	Derek MacLucas	01.07.18 - 30.06.19
Vice President	Mark Jones	01.07.18 - 30.06.19
Vice President	Sean (Paddy) Francis	01.07.18 - 08.01.19
	Vacant	08.01.19 - 29.04.19
	Peter Toohey	29.04.19 - 03.06.19
	John Hartree	03.06.19 - 30.06.19
Federal Treasurer	Ian McAllister	01.07.18 - 30.06.19

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: 3rd October 2019

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

EXPENDITURE REPORT REQUIRED UNDER SUBSECTION 255(2A)

FOR THE YEAR ENDED 30 JUNE 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of Expenditures:	2019	2018
	\$	\$
Remuneration and other employment-related costs and expenses - employees	1,423,358	1,576,191
Advertising		-
Operating costs	744,049	810,724
Donations to political parties	39,163	18,909
Legal Costs	15,147	13,823

Signature of designated officer:



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

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$	2018 \$
REVENUE			
Membership Subscriptions (including arrears, entrance fees and less refunds)		1,727,236	1,800,967
Capitation Fees	3A	-	-
Compulsory Levies	3B	-	-
Interest Received	3C	58,531	72,356
Rental Revenue	3D	60,866	41,685
Other Revenue	3E	<u>21,824</u>	<u>7,546</u>
TOTAL REVENUE		<u>1,868,457</u>	<u>1,922,554</u>
OTHER INCOME			
Grants and/or Donations	3F	-	-
Unrealised Gains/(Losses) on Revaluation of Assets	3G	(11,413)	(14,496)
Net Gains/(Losses) from Sale of Assets	3H	(1,932)	(511)
Revenue from recovery of wages activity	3I	-	-
TOTAL OTHER INCOME		<u>(13,345)</u>	<u>(15,007)</u>
TOTAL INCOME		<u>1,855,112</u>	<u>1,907,547</u>
EXPENSES			
Employee Expenses	4A	1,423,358	1,576,191
Capitation Fees and other expense to another reporting unit	4B	-	-
Affiliation Fees	4C	32,265	32,826
Administration Expenses	4D	248,792	267,846
Grants and/or Donations/Fundraising	4E	39,163	18,909
Depreciation and Amortisation	4F	67,226	71,448
Finance Costs	4G	-	-
Legal Costs	4H	15,147	13,823
Audit Fees	13	45,550	48,940
Projects	4I	221,329	274,044
Other Expenses	4J	<u>128,887</u>	<u>115,620</u>
TOTAL EXPENSES		<u>2,221,717</u>	<u>2,419,647</u>
SURPLUS (DEFICIT) FOR THE YEAR		<u>\$(366,605)</u>	<u>\$(512,100)</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit or loss:-			
Increase in market value of land and buildings		-	5,000
TOTAL OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>5,000</u>
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR		<u>\$(366,605)</u>	<u>\$(507,100)</u>

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5A	2,192,886	2,504,412
Trade and Other Receivables	5B	<u>21,325</u>	<u>34,719</u>
TOTAL CURRENT ASSETS		<u>2,214,211</u>	<u>2,539,131</u>
NON CURRENT ASSETS			
Land and Buildings	6A	6,575,709	6,548,813
Plant and Equipment	6B	80,769	98,532
Intangibles	6C	11,294	11,404
Other Financial Assets	6D	<u>111,153</u>	<u>140,075</u>
TOTAL NON CURRENT ASSETS		<u>6,778,925</u>	<u>6,798,824</u>
TOTAL ASSETS		<u>8,993,136</u>	<u>9,337,955</u>
CURRENT LIABILITIES			
Trade Payables	7A	100,888	127,599
Other Payables	7B	235,582	181,453
Employee Provisions	8A	<u>497,727</u>	<u>442,252</u>
TOTAL CURRENT LIABILITIES		<u>834,197</u>	<u>751,304</u>
NON CURRENT LIABILITIES			
Employee Provisions	8A	<u>55,867</u>	<u>112,812</u>
TOTAL NON-CURRENT LIABILITIES		<u>55,867</u>	<u>112,812</u>
TOTAL LIABILITIES		<u>890,064</u>	<u>864,116</u>
NET ASSETS		<u>\$8,103,072</u>	<u>\$8,473,839</u>
EQUITY			
General Fund	9A	2,313,057	2,683,824
Reserves	9B	<u>5,790,015</u>	<u>5,790,015</u>
TOTAL EQUITY		<u>\$8,103,072</u>	<u>\$8,473,839</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 2019

	GENERAL FUND	ASSETS REVALUATION RESERVE	CAPITAL REALISATION RESERVE	TOTAL
	\$	\$	\$	\$
BALANCE AT 1 JULY 2017	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
BALANCE AT 30 JUNE 2018	2,683,824	4,692,149	1,097,866	8,473,839
Surplus (Deficit) for the year	(366,605)	-	-	(366,605)
Other Comprehensive Income for the Year	-	-	-	-
Prior period adjustment	(4,162)	-	-	(4,162)
BALANCE AT 30 JUNE 2019	\$2,313,057	\$4,692,149	\$1,097,866	\$8,103,072

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
RECEIPTS:			
Contributions, Entrance Fees and Levies Received from Members		1,781,549	1,681,836
Receipts/Transfers from Other reporting Units (branch transfers)		229,416	260,701
Interest Received		66,905	98,392
Rental Income Received		60,866	41,685
Other Income Received		21,529	7,432
TOTAL RECEIPTS		<u>2,160,265</u>	<u>2,090,046</u>
PAYMENTS:			
Payments to Suppliers and Employees		1,837,682	1,998,025
Payment Relating to Projects		216,104	271,065
Payments Relating to "On Watch"		128,887	115,620
Payments to Other Reporting Units (branch transfers)		229,416	260,701
TOTAL PAYMENTS		<u>2,412,089</u>	<u>2,645,411</u>
NET CASH USED IN OPERATING ACTIVITIES	10A	<u>(251,824)</u>	<u>(555,365)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
RECEIPTS			
Return of Capital Listed Shares		-	13
Proceeds from Sale of Property, Plant and Equipment & shares		17,666	-
TOTAL RECEIPTS		<u>17,666</u>	<u>13</u>
PAYMENTS			
Payment for Property, Plant and Equipment		(78,568)	(288,728)
Payment for Intangible Assets		(3,800)	-
TOTAL PAYMENTS		<u>(82,368)</u>	<u>(288,728)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(64,702)</u>	<u>(288,715)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
RECEIPTS			
Repayment of employee loan		5,000	-
TOTAL RECEIPTS		<u>5,000</u>	<u>-</u>
NET CASH PROVIDED FROM FINANCING ACTIVITIES		<u>5,000</u>	<u>-</u>
Net Increase / (Decrease) in Cash Held		(311,526)	(844,080)
Cash at the Beginning of the Financial year		2,504,412	3,348,492
CASH AT THE END OF THE FINANCIAL YEAR	5A	<u>\$2,192,886</u>	<u>\$2,504,412</u>

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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 2019 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 2019

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:

	2019	2018
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 2019

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 2019

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 2019

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

(k) Events after the reporting period

There were no events that occurred after 30 June 2019, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the union.

(i) 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.

	2019	2018
	\$	\$
3. REVENUE		
3A. Capitation Fees & Other revenue from another Reporting Unit		
Not applicable	<u>-</u>	<u>-</u>
	<u>\$-</u>	<u>\$-</u>
3B. Levies		
Not applicable	<u>-</u>	<u>-</u>
	<u>\$-</u>	<u>\$-</u>
3C. Interest Received		
Deposits	<u>58,531</u>	<u>72,356</u>
	<u>\$58,531</u>	<u>\$72,356</u>
3D. Rental Revenue		
Properties	<u>55,351</u>	<u>41,235</u>
Car Park Leases	<u>5,515</u>	<u>450</u>
	<u>\$60,866</u>	<u>\$41,685</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
3. REVENUE (CONT'D)		
3E. Other Revenue		
Dividends Received	6,995	7,054
Sundry	14,829	492
	<u>\$21,824</u>	<u>\$7,546</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	(11,413)	(14,496)
	<u>\$(11,413)</u>	<u>\$(14,496)</u>
3H. Net Gains (Losses) from Sale of Assets		
Gains (Losses) on Sale of Property, Plant and Equipment	(1,657)	(511)
Gains (Losses) on Sale of Shares	(275)	-
	<u>\$(1,932)</u>	<u>\$(511)</u>
3I. Revenue from Recovery of Wages Activity		
Amounts received from employers in respect of wages	-	-
Interest received in recovered money	-	-
	<u>\$-</u>	<u>\$-</u>
4. EXPENSES		
4A. Employee Expenses		
Holders of Office:		
Wages and Salaries (includes honorariums)	1,144	728
Superannuation	-	-
Leave and Other Entitlements	-	-
Separation and Redundancies	-	-
Other Employee Expenses	-	-
	<u>1,144</u>	<u>728</u>
Employees Other Than Office Holders:		
Wages and Salaries	1,073,156	1,149,188
Superannuation	162,687	208,587
Leave and Other Entitlements	141,374	101,720
Separation and Redundancies	-	59,123
Other Employee Expenses	44,997	56,845
	<u>1,422,214</u>	<u>1,575,463</u>
	<u>\$1,423,358</u>	<u>\$1,576,191</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
4. EXPENSES (CONT'D)		
4A. Employee Expenses (Cont'd)		
Martin Byrne held office during the year however this was an unpaid position.		
4B. Capitation Fees		
- Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
4C. Affiliation Fees		
Head Office		
Australian Council of Trade Unions	12,338	13,219
International Transport Workers' Federation	3,460	3,491
Nautilus	4,313	3,482
Victoria		
Victorian Trades Hall Council	884	867
Geelong Trades Hall Council	-	45
South West Trades & Labour Council	-	75
Tasmania		
Unions Tasmania	428	533
West Australia		
Unions WA	3,209	1,904
South Australia		
- nil	-	-
Queensland		
Union Shopper	1,029	1,029
Queensland Council of Unions	3,190	3,532
Other	8	-
Newcastle		
Newcastle Trades Hall Council	432	924
NSW District		
Workers Health Centre Affiliation	587	574
Unions NSW	2,387	3,151
	<u>\$32,265</u>	<u>\$32,826</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
4. EXPENSES (CONT'D)		
4D. Administration Expenses		
Consideration to Employers for Payroll Deductions	-	-
Compulsory Levies	-	-
Penalties Imposed Under the Fair Work (Registered Organisations) Act 2009 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)	48,188	47,984
Property Expenses	111,158	112,365
Office Expenses	10,795	23,254
Information Communications Technology	28,075	33,672
Other Expenses:		
ACTU IR Levy	-	-
Advertising	1,831	-
Bank Charges and Government Duties	9,371	10,744
Badges	1,614	-
Election Expenses	-	1,300
Entertainment	1,157	1,352
Florist/Death Notices	761	628
Member Advantage Program	3,121	-
Motor Vehicle Costs	23,817	25,064
Publications	3,671	2,580
Staff Amenities	2,624	1,752
Staff Training	898	4,930
Sundry	1,711	2,221
	<u>\$248,792</u>	<u>\$267,846</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	2,527	2,695
Total Paid that exceeded \$1,000	36,636	16,214
Fundraising	-	-
	<u>\$39,163</u>	<u>\$18,909</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
4. EXPENSES (CONT'D)		
4F. Depreciation and Amortisation		
Depreciation		
Land and Buildings	42,557	42,763
Property, Plant and Equipment	<u>20,759</u>	<u>24,775</u>
	<u>63,316</u>	<u>67,538</u>
Amortisation		
AIMPE App	<u>3,910</u>	<u>3,910</u>
Total Amortisation	<u>3,910</u>	<u>3,910</u>
Total Depreciation and Amortisation	<u>\$67,226</u>	<u>\$71,448</u>
4G. Finance Costs		
Interest Paid – Overdrafts	<u>-</u>	<u>-</u>
	<u>\$-</u>	<u>\$-</u>
4H. Legal Costs		
Litigation	<u>-</u>	<u>-</u>
Other Legal Matters	<u>15,147</u>	<u>13,823</u>
	<u>\$15,147</u>	<u>\$13,823</u>
4I. Projects		
Home Affairs and Defence	6,897	1,983
Dredges	265	523
Federal Council	19,708	34,340
Federal Executive	14,493	13,576
Federal President Expense	3,415	22,433
Federal President Honorarium	-	31,730
International Conferences – ITF/IMO	5,225	2,143
Maritime Industry Seagoing Award	21,381	8,101
Navaisds/barges/Small Ships	7,339	851
NMSC/Qualification	2,503	4,062
NSW Power Industry (net of recoveries)	211	-
Offshore expenses	19,039	29,445
Port Services Award	413	108
Queenstand District MSQ	83	-
Shipping Reform and Political Lobby	83,498	74,341
Surveyors	1,454	17
Tarong Power Station	40	-
Tourism	1,429	-
Tugs	32,804	23,976
Tugs Conference	1,132	8,639
Project – QLD Branch	<u>-</u>	<u>17,776</u>
	<u>\$221,329</u>	<u>\$274,044</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
4J. Other Expenses		
On Watch Expenses	128,887	115,620
	<u>\$128,887</u>	<u>\$115,620</u>
5. CURRENT ASSETS		
5A. Cash and Cash Equivalents		
Cash on Hand	1,750	5,050
Cash at Bank	295,824	705,592
Deposits at Call	1,895,312	1,793,770
	<u>\$2,192,886</u>	<u>\$2,504,412</u>
5B. Trade and Other Receivables		
Receivables from Other Reporting Units	-	-
Less Allowance for Expected Credit Losses	-	-
Other Receivables:		
Accrued Income	19,505	27,879
Employee Loans	-	5,000
Sundry Debtors	1,820	1,840
	<u>\$21,325</u>	<u>\$34,719</u>
6. NON CURRENT ASSETS		
6A. Land and Buildings		
Freehold Land and Buildings		
52 Buckingham Street, Surry Hills		
Sydney (at 2017 Valuation plus additions)	2,569,453	2,500,000
South Australia (at 2017 Valuation)	655,000	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	281,576
	<u>6,661,029</u>	<u>6,591,576</u>
Less: Accumulated Depreciation	<u>(85,320)</u>	<u>(42,763)</u>
	<u>\$6,575,709</u>	<u>\$6,548,813</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
6. NON CURRENT ASSETS (CONT'D)		
6A. Land and Buildings (Cont'd)		
Reconciliation of Opening and Closing Balances of Land and Buildings		
Gross Book Value 1 July 2018	6,591,576	6,305,000
Accumulated Depreciation	<u>(42,763)</u>	<u>-</u>
Net Book Value 1 July 2018	6,548,813	6,305,000
Additions		
- By revaluation	-	5,000
- By purchase	69,453	281,576
- Disposals	-	-
Depreciation Expense	<u>(42,557)</u>	<u>(42,763)</u>
Net Book Value 30 June 2019	<u>\$6,575,709</u>	<u>\$6,548,813</u>
Net Book Value as of 30 June 2019 represented by:		
Gross Book Value	6,661,029	6,591,576
Accumulated Depreciation	<u>(85,320)</u>	<u>(42,763)</u>
Net Book Value 30 June 2019	<u>\$6,575,709</u>	<u>\$6,548,813</u>

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 2019

6. NON CURRENT ASSETS (CONT'D)

6B. Plant and Equipment

Motor Vehicles

Motor Vehicles - at cost	130,031	155,031
Less: Accumulated Depreciation	<u>(101,447)</u>	<u>(113,544)</u>
	28,584	41,487

Furniture and Fittings

Furniture and Fittings - at cost	159,023	158,040
Less: Accumulated Depreciation	<u>(131,668)</u>	<u>(128,744)</u>
	27,355	29,296

Office Equipment

Office Equipment - at cost	115,832	144,045
Less: Accumulated Depreciation	<u>(91,454)</u>	<u>(116,826)</u>
	24,378	27,219

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>(8,010)</u>	<u>(7,932)</u>
	452	530

Total written down value	<u>\$80,769</u>	<u>\$98,532</u>
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Reconciliation of Opening and Closing Balances of Plant and Equipment - 2019

	Motor Vehicles	Furniture and Fittings	Office Equipment	Sundry Assets	Total
Gross Book Value at July 2018	155,031	158,040	144,045	8,462	465,578
Accumulated Depreciation	<u>(113,544)</u>	<u>(128,744)</u>	<u>(116,826)</u>	<u>(7,932)</u>	<u>(367,046)</u>
Net Book Value 1 July 2018	41,487	29,296	27,219	530	98,532
Additions:					
- By purchase	-	4,191	4,924	-	9,115
Disposals	(4,162)	(1,218)	(739)	-	(6,119)
- Other Depreciation	<u>(8,741)</u>	<u>(4,914)</u>	<u>(7,026)</u>	<u>(78)</u>	<u>(20,759)</u>
Net Book Value 30 June 2019	<u>\$28,584</u>	<u>\$27,355</u>	<u>\$24,378</u>	<u>\$452</u>	<u>\$80,769</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

6. NON CURRENT ASSETS (CONT'D)

6B. Plant and Equipment (Cont'd)

Net Book Value as
of 30 June 2019
represented by:

Gross Book Value	130,031	159,023	115,832	8,462	413,348
Accumulated Depreciation	(101,447)	(131,668)	(91,454)	(8,010)	(332,579)
Net Book Value 30 June 2019	\$28,584	\$27,355	\$24,378	\$452	\$80,769

Reconciliation of Opening and Closing Balances of Property, Plant and Equipment - 2018

	Motor Vehicles	Furniture and Fittings	Office Equipment	Sundry Assets	Total
Gross Book Value at 1 July 2017	155,031	175,398	154,220	8,462	493,111
Accumulated Depreciation	(100,732)	(141,857)	(126,013)	(7,842)	(376,444)
Net Book Value 1 July 2017	54,299	33,541	28,207	620	116,667
Additions:					
By purchase	-	528	8,625	-	7,151
Disposals - Other Depreciation	(12,812)	(4,864)	(7,209)	(90)	(24,775)
Net Book Value 30 June 2018	\$41,487	\$29,296	\$27,219	\$530	\$98,532
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)
Net Book Value 30 June 2018	\$41,487	\$29,296	\$27,219	\$530	\$98,532

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
6. NON CURRENT ASSETS (CONT'D)		
6C. Intangibles		
AIMPE App - at cost	23,350	19,550
Less Accumulated Amortisation	<u>(12,056)</u>	<u>(8,146)</u>
Total Intangibles	<u>\$11,294</u>	<u>\$11,404</u>
Reconciliation of Opening and Closing Balances of Intangibles		
Gross Book Value at 1 July 2018	19,550	19,550
Accumulated Amortisation and Impairment	<u>(8,146)</u>	<u>(4,236)</u>
Net Book Value 1 July 2018	11,404	15,314
Additions:		
By purchase	3,800	-
Amortisation	<u>(3,910)</u>	<u>(3,910)</u>
Net book value 30 June 2019	<u>\$11,294</u>	<u>\$11,404</u>
Net Book Value at 30 June represented by:		
Gross Book Value	23,350	19,550
Accumulated Amortisation and Impairment	<u>(12,056)</u>	<u>(8,146)</u>
Net book value 30 June 2019	<u>\$11,294</u>	<u>\$11,404</u>
6D. Other Financial Assets		
Financial Assets at Fair Value Through Profit or Loss		
Shares in Listed Companies - at market value	<u>111,153</u>	<u>140,075</u>
	<u>\$111,153</u>	<u>\$140,075</u>
7. CURRENT LIABILITIES		
7A. Trade Payables		
Sundry Creditors and Accruals	100,888	127,599
Payables to Other Reporting Units:		
- Not applicable	-	-
	<u>\$100,888</u>	<u>\$127,599</u>
7B. Other Payables		
Membership Contributions Received in Advance	235,746	180,195
GST Payable	(164)	1,258
Consideration to Employers for Payroll Deductions of membership subscriptions	-	-
Legal Costs Payable	-	-
	<u>\$235,582</u>	<u>\$181,453</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
8. PROVISIONS		
8A. Employee Provisions		
Office Holders		
Annual Leave	-	-
Long Service Leave	-	-
Separations and Redundancies	-	-
Other	-	-
	<hr/>	<hr/>
Employees Other Than Office Holders		
Annual Leave	153,602	186,912
Long Service Leave	399,992	368,152
Separations and Redundancies	-	-
Other	-	-
	<hr/>	<hr/>
	553,594	555,064
	<hr/>	<hr/>
	\$553,594	\$555,064
	<hr/>	<hr/>
Current	497,727	442,252
Non Current	55,867	112,812
	<hr/>	<hr/>
	\$553,594	\$555,064
	<hr/>	<hr/>
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	2,683,824	3,195,924
Operating Profit (Loss) for the Year	(366,605)	(512,100)
Prior period adjustment	(4,162)	-
Retained Profit (Loss) at the End of the Year	<hr/>	<hr/>
	\$2,313,057	\$2,683,824
	<hr/>	<hr/>
9B. Reserves		
Asset Revaluation Reserve		
Opening Balance	4,692,149	4,687,149
Revaluation Increment on Freehold Land and Buildings	-	5,000
Closing Balance	<hr/>	<hr/>
	4,692,149	4,692,149
	<hr/>	<hr/>
Capital Realisation Reserve		
Opening Balance	1,097,866	1,097,866
Transfer to Reserves	-	-
Closing Balance	<hr/>	<hr/>
	1,097,866	1,097,866
	<hr/>	<hr/>
	\$5,790,015	\$5,785,015
	<hr/>	<hr/>
9C. Other Specific Disclosures – Funds		
Compulsory Levy/Voluntary Contribution Fund	-	-
Other Fund(s) Required by Rules	-	-
	<hr/>	<hr/>
	\$-	\$-
	<hr/>	<hr/>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
10. CASH FLOW		
10A. Cash Flow Reconciliation		
Reconciliation of Net Cash Used in Operating Activities to Operating Profit (Loss)		
Operating Loss	(366,605)	(512,100)
Add Back:		
Adjustment to Reserves	-	-
Loss on Sale of Property, Plant and Equipment	1,657	511
Realised Loss on Investments	275	-
Unrealised Loss on Investments	11,413	14,496
Depreciation and Amortisation	67,226	71,448
Increase in Payables	27,418	-
Increase in Provisions	-	-
Decrease in Receivables	8,393	26,016
	<u>116,382</u>	<u>112,471</u>
	<u>(250,223)</u>	<u>(399,629)</u>
Deduct:		
Surplus on Sale of Property, Plant and Equipment	-	-
Realised Gain on Investments	-	-
Unrealised Gain on Investments	-	-
Decrease in Provisions	1,470	2,589
Dividend Reinvested	131	114
Decrease in Payables	-	153,033
	<u>1,601</u>	<u>155,736</u>
Net Cash Used in Operating Activities	<u>\$(251,824)</u>	<u>\$(555,365)</u>
Reconciliation of Cash:		
Cash on Hand	1,750	5,050
Cash at Bank	295,824	705,592
Deposits at Call	1,895,312	1,793,770
	<u>\$2,192,886</u>	<u>\$2,504,412</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 2019

	2019 \$	2018 \$
10. CASH FLOW (CONT'D)		
10B. Cash Flow Information		
Cash Inflows		
Australian Institute of Marine and Power Engineers	<u>\$2,182,931</u>	<u>\$2,090,059</u>
Cash Outflows		
Australian Institute of Marine and Power Engineers	<u>\$2,494,457</u>	<u>\$2,934,139</u>
11. Commitments and Contingencies		
Operating Lease Commitments – as lessee		
During the 2018 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	-	-
After one year but not more than five years	-	-
After five years	-	-
	<u>\$-</u>	<u>\$-</u>
12. RELATED PARTY DISCLOSURES		
12A. Related Party Transactions for the Reporting Period		
Nil	\$-	\$-
12B. Key Management Personnel Remuneration for the Reporting Period		
Short Term Employee Benefits		
Salary (including annual leave taken)	155,850	155,850
Annual Leave Accrued	(4,924)	(4,310)
Performance Bonus	-	-
Total Short Term Benefits	<u>150,926</u>	<u>151,540</u>
Post-employment Benefits		
Superannuation	<u>14,905</u>	<u>31,042</u>
Total Post Employment Benefits	<u>14,905</u>	<u>31,042</u>
Other Long-term Benefits		
Long Service Leave Accrued	<u>4,000</u>	<u>4,001</u>
Total Long-term Benefits	<u>4,000</u>	<u>4,001</u>
Termination Benefits	-	-
Total Benefits	<u>\$169,831</u>	<u>\$186,583</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
12. RELATED PARTY DISCLOSURES (CONT'D)		
12B. Key Management Personnel Remuneration for the Reporting Period (Cont'd)		
<p>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.</p>		
12C: Transactions with Key Management Personnel and their Close Family Members		
Other Transactions with Key Management Personnel		
- Nil	\$-	\$-
13. AUDITOR'S REMUNERATION		
Amounts received, or due and receivable, by Auditors for:		
Financial Statement Audit Services	\$32,050	\$37,440
Other Services	13,500	11,500
	<u>\$45,550</u>	<u>\$48,940</u>
<p>Included above are amounts received, or due and receivable, by Auditors other than KSG Assurance & Audit Services Pty Ltd</p>		
Auditing the Accounts (Branches)	\$11,800	\$11,940
14. MEETING AND CONFERENCE EXPENSES - CONFERENCES		
-	<u>-</u>	<u>-</u>
	<u>\$-</u>	<u>\$-</u>
15. MEETING AND CONFERENCE EXPENSES - TRAVEL AND ACCOMMODATION		
Head Office	8,133	9,512
Sydney Branch	-	-
Newcastle Branch	30,058	31,927
Victoria Branch	1,084	795
Western Australia Branch	3,434	3,113
Queensland Branch	5,479	2,637
	<u>\$48,188</u>	<u>\$47,984</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

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.

	2019	2018
	\$	\$
17A. Categories of Financial Instruments		
Financial Assets		
Cash and Cash Equivalents	297,574	710,642
Receivables	21,325	34,719
Held to Maturity Investments		
- Term Deposits	1,895,312	1,793,770
Fair Value Through Profit or Loss		
- Shares in Listed Companies – at market value	111,153	140,075
Carrying Amount of Financial Assets	<u>\$2,325,364</u>	<u>\$2,679,206</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
17. FINANCIAL INSTRUMENTS (CONT'D)		
17A. Categories of Financial Instruments (Cont'd)		
Financial Liabilities		
Other Financial Liabilities		
- Contributions Received in Advance	235,746	180,195
- Trade and Other Payables	100,724	128,857
Carrying Amount of Financial Liabilities	<u>\$336,470</u>	<u>\$309,052</u>
17B. Net Income and Expense from Financial Assets		
Cash and Cash Equivalents		
- Interest	591	333
Receivables		
- Not applicable	-	-
Held to Maturity Investments		
- Interest	57,940	72,023
Available for Sale Assets		
- Dividends	6,995	7,054
- Change in Market Value	(11,413)	(14,496)
- Loss on sale of shares	(275)	-
Net Gain/(Loss) from Financial Assets	<u>\$53,838</u>	<u>\$64,914</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	297,574	710,642
Receivables	21,325	34,719
Held to Maturity Investments	1,895,312	1,793,770
Fair Value Through Profit or Loss Assets	111,153	140,075
Total	<u>\$2,325,364</u>	<u>\$2,679,206</u>
Financial Liabilities		
Other Financial Liabilities	336,470	309,052
Total	<u>\$336,470</u>	<u>\$309,052</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 2019

17. FINANCIAL INSTRUMENTS (CONT'D)

17D. Credit Risk (Cont'd)

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

	Not past due or impaired 2019	Past due or impaired 2019	Not past due or impaired 2018	Not past due or impaired 2018
Cash and Cash Equivalents	297,574	-	710,642	-
Receivables	21,325	-	34,719	-
Held to Maturity Investments	1,895,312	-	1,793,770	-
Fair Value Through Profit or Loss Assets	111,153	-	140,075	-
	<u>\$2,325,364</u>	<u>\$-</u>	<u>\$2,679,206</u>	<u>\$-</u>

Ageing of financial assets that were past due but not impaired 2019:

	0 – 30 days	31 – 60 days	61 – 90 days	90+ days	Total
Cash and Cash Equivalents	297,574	-	-	-	297,574
Receivables	21,325	-	-	-	21,325
Held to Maturity Investments	1,895,312	-	-	-	1,895,312
Fair Value Through Profit or Loss Assets	111,153	-	-	-	111,153
	<u>\$2,325,364</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2,325,364</u>

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

	0 – 30 days	31 – 60 days	61 – 90 days	90+ days	Total
Cash and Cash Equivalents	710,642	-	-	-	710,642
Receivables	34,719	-	-	-	34,719
Held to Maturity Investments	1,793,770	-	-	-	1,793,770
Fair Value Through Profit or Loss Assets	140,075	-	-	-	140,075
	<u>\$2,679,206</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2,679,206</u>

17E. Liquidity Risk

Contractual maturities for financial liabilities 2019:

	On Demand	<1 Year	1-2 Years	2-5 Years	>5 Years	Total
Other Financial Liabilities	336,470	-	-	-	-	336,470
	<u>\$336,470</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$336,470</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2019**

17. FINANCIAL INSTRUMENTS (CONT'D)

17E. Liquidity Risk (Cont'd)

Contractual maturities for financial liabilities 2018:

	On Demand	<1 Year	1-2 Years	2-5 Years	>5 Years	Total
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>

17F. Interest Rate Risk

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Change in Risk Variable %	Effect on Profit and Loss	Effect on Equity
Interest Rate Risk	+1%	+23,486	+23,486
Interest Rate Risk	-1%	-23,486	-23,486

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

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

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 2019	Fair Value 2019	Carrying Amount 2018	Fair Value 2018
Cash and Cash Equivalents	297,574	297,574	710,642	710,642
Receivables	21,325	21,325	34,719	34,719
Held to Maturity Investments	1,895,312	1,895,312	1,793,770	1,793,770
Fair Value Through Profit or Loss Assets	111,153	111,153	140,075	140,075
	<u>\$2,325,364</u>	<u>\$2,325,364</u>	<u>\$2,679,206</u>	<u>\$2,679,206</u>

17H. Changes in Liabilities arising from Financing Activities

	1 July 2018	Cash Flows	30 June 2019
Contributions received in advance	180,195	55,551	235,746
Trade & other payables	128,857	(28,133)	100,724
	<u>\$309,052</u>	<u>\$27,418</u>	<u>\$336,470</u>
	1 July 2017	Cash Flows	30 June 2018
Contributions received in advance	298,974	(118,779)	180,195
Trade & other payables	163,112	(34,255)	128,857
	<u>\$462,086</u>	<u>\$(153,034)</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 2019

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

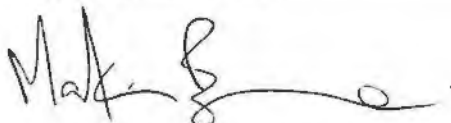
On the 3rd October 2019 the Federal President states as follows in relation to the general purpose financial report (GPFR) of the Institute for the financial year ended 30 June 2019:

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 3rd October 2019 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:

3rd day of October 2019

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

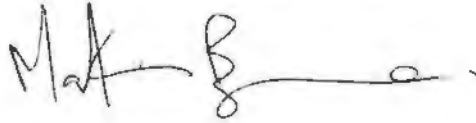
OFFICER DECLARATION STATEMENT

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 2019.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive any other revenue from another reporting unit
- pay any other expense to another reporting unit
- pay legal costs relating to litigation
- 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: 3rd day of October 2019



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 2019, 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, the subsection 255 (2A) report 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: 3rd day of October 2019

Key Solutions Group (Accountants & Business Consultants) Pty Ltd

Level 2, 813 Pacific Highway P +61 2 9406 5900
Chatswood NSW 2067 F +61 2 9406 5999
PO Box 1290 Chatswood 2057 E 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 2019, 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 AA2018/1

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

Dated at Sydney this 3rd day of October 2019

**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 2019 as set out on pages 5 to 35. This report comprises the Federal President's Statement, the subsection 255 (2A) report, 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 Officers Declaration Statement 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 2019, 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 AA2018/1

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

Dated at Sydney this 3rd day of October 2019