



19 February 2021

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

By e-mail: [HOadmin@aimpe.asn.au](mailto:HOadmin@aimpe.asn.au)

Dear Mr Byrne

**The Australian Institute of Marine and Power Engineers  
Financial Report for the year ended 30 June 2020 - FR2020/153**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the Australian Institute of Marine and Power Engineers (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 23 December 2020.

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

Whilst the 2020 report has been filed the following should be addressed in the preparation of the next financial report.

**1. Committee of management statement**

Incorrect reference to Registered Organisations Commission

The committee of management statement at (e)(vi) incorrectly refers to the Registered Organisations Commission instead of the Fair Work Commission.

In future please ensure that the committee of management statement is in accordance with reporting guideline 26.

Incorrect reference to recovery of wages

The 5th edition of the reporting guidelines no longer require a statement in regard to recovery of wages activity in the committee of management statement.

In future please ensure that the committee of management statement is in accordance with reporting guideline 26.

## 2. General Purpose Financial Report (GPFR)

### New Australian Accounting Standards not adopted

Australian Accounting Standards AASB 16 *Leases*, AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* are applicable to not-for-profit entities for periods beginning on or after 1 January 2019. When a new Australian Accounting Standard is adopted, Australian Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 28, requires that the entity disclose certain information about the new Australian Accounting Standard such as the title, the nature of the change and, if applicable, a description of the transitional provisions.

The GPFR does not appear to have included the disclosures required, not only by AASB 108, but also the disclosures required by AASB16, AASB 15 and AASB 1058. It therefore appears that the reporting unit has not adopted AASB 16, AASB 15 or AASB 1058 in the financial year ended 30 June 2020.

Please note that in future years the reporting unit must adopt all applicable accounting standards and include all required financial disclosures in accordance with the Australian Accounting Standards.

### Incorrect reference to sections 272(1), (2) & (3) of the RO Act

Note 1 to the GPFR twice incorrectly refers to General Manager instead of Commissioner.

In future years please ensure that the section 272 note is disclosed correctly.

### Disclosure requirements - measured at fair value

Australian Accounting Standard AASB 13 *Fair Value Measurement* paragraphs 91 to 99 identify the disclosure requirements for when assets and liabilities are measured at fair value.

These disclosure requirements have not been addressed in the GPFR.

In future years please ensure that assets and liabilities at fair value are disclosed in accordance with AASB 13.

### Nil disclosures disclosed more than once

The **officer's declaration statement (ODS)** provides reporting units with an option to disclose nil activities not reported elsewhere within the financial report.

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes **or** in an ODS. Nil activities should be disclosed only **once**.

I note that the reporting unit's ODS included the following item for which there was already a disclosure at Note 4H.

- Item 14(j)(i) – pay legal costs relating to litigation

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

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

**KEN MORGAN**  
**Financial Reporting Specialist**  
**Registered Organisations Commission**



# **AIMPE**

Australian Institute of  
Marine and Power Engineers  
**HEAD OFFICE**

Australian Institute of Marine and Power Engineers

s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 30<sup>th</sup> June 2020

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 28<sup>th</sup> October 2020 by publishing online on the AIMPE website (<https://www.aimpe.asn.au/auth/conferences-annual-reports.html>) and on 20<sup>th</sup> November or thereabouts by publication in the AIMPE magazine posted to each member's home address; and
- that the full report was presented to a meeting of the committee of management on 20<sup>th</sup> October 2020 and to a general meeting of members of the reporting unit on 15<sup>th</sup> December 2020 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:

23<sup>rd</sup> December 2020



**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2020

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 2020.

### **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 2019-20 AIMPE Federal Executive held an unprecedented 15 meetings in the course of managing the affairs of the Institute. In addition to the monthly meeting schedule that was adopted in 2018-19, the Federal Executive held three additional meetings between March and June 2020 to deal with the consequences of the COVID-19 pandemic.

Most of the Federal Executive meetings were held by teleconference (11), three were face to face meetings (pre-COVID) and one videoconference was held – also a first-ever.

The **COVID-19 pandemic** hit the tourist vessel sector early and hard. COVID-19 related travel restrictions have affected many other members who work in the Offshore and Shipping sectors. State Government border closures and quarantine requirements have meant that many members' working lives have been disrupted during this period – although most have retained their employment.

AIMPE operations were affected by the restrictions:

- Offices were closed and staff worked from home;
- Travel was suspended;
- Monthly meetings of members were cancelled;
- Federal Council was deferred.

The Australian Electoral Commission suspended union elections for a period of three months which impacted on elections for WA Branch, Queensland Branch and Newcastle Branch.

AIMPE has made submissions to the Department of Infrastructure and Transport as well as to Federal Parliamentary Committees proposing the establishment of an Australian flag **tanker fleet** to bolster Australia's fuel security and to provide a platform for training of maritime professionals. This has been supported by the AMOU and is a key part of AIMPE's promotion of the Australian maritime industry.

**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.

**Enterprise Agreements** are the core of members entitlements and AIMPE has continued to negotiate many Agreements for members. During the period of COVID-19 restrictions negotiations have continued using videoconferencing platforms like Zoom.

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2020

AIMPE also continued to maintain a National **Employment Roster** in 2019-20 to help unemployed members to obtain employment. The roster is circulated fortnightly to most employers 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 industrial reports which are loaded to the AIMPE website, direct monthly email communications to financial members and regular monthly meetings at major locations around the country. These meetings have been cancelled during the COVID-19 pandemic.

Ten editions of On Watch were produced and distributed to members home addresses in 2019-20. AIMPE continued in 2019-20 to make the On Watch available to members online via the union's website [www.aimpe.asn.au](http://www.aimpe.asn.au).

Throughout 2019-20, 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 2019-20 under the banner of the **Nautilus Federation of Australia**.

AIMPE is not affiliated with any political party.

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

Regarding the **financial affairs** of the AIMPE in 2019-20 – membership fee income was slightly down on the fee income in the previous financial year due to a small decline in overall membership numbers. Total expenditure was substantially below the expenditure in the previous financial year. As a result, the operating deficit was reduced to \$19,664. This reduction was achieved as a result of the tough decision to reduce staff numbers.

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.

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.

The AIMPE property in Palmyra was finally sold in June 2020 after being for sale for 18 months. The sale price of \$470,000 was \$30,000 below the 2017 valuation of \$500,000.

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.

AIMPE has received assistance from the Federal Government in the form of tax rebates. The initial assistance was \$50,000. There has also been payroll tax assistance from some State governments. AIMPE was not qualified for and has not accessed the JobKeeper scheme.



# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2020

### **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 1,800 fee paying members as at 30<sup>th</sup> June 2020.

This compares with 1,827 fee paying members as at 30<sup>th</sup> June 2019.

AIMPE retains a significant number of Honorary members who have retired from the maritime industry. As at 30<sup>th</sup> June 2020 AIMPE had 931 Honorary members – an increase of 12 over the course of the year.

### **Number of employees**

The total number of people **employed** by AIMPE during the course of 2019-20 was 13 [comprising 10 full-time staff, 2 part-time staff and one casual]. However, during 2019-20 one full-time staff member resigned and was not replaced, one full-time staff member was made redundant and one part-time staff member was also made redundant. The amount of work carried out by our remaining part-time staff was equivalent to the work of 0.5 full time equivalent [FTE] employees.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**OPERATING REPORT (CONT)**

**FOR THE YEAR ENDED 30 JUNE 2020**

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

The Federal Executive of the AIMPE for 2018-20 was elected on 3<sup>rd</sup> June 2019 by the 2019 Federal Council in a ballot conducted by the Australian Electoral Commission. The term of office continued due to the 'holding over' principle as notified by the AEC. 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:

| <b>Position</b>       | <b>Name</b>    | <b>Period of Service during Fin. Year</b> |
|-----------------------|----------------|---|
| Federal President     | Martin Byrne   | 01.07.19 - 30.06.20                       |
| Senior Vice President | Derek MacLucas | 01.07.19 - 30.06.20                       |
| Vice President        | Mark Jones     | 01.07.19 - 30.06.20                       |
| Vice President        | John Hartree   | 01.07.19 - 30.06.20                       |
| Federal Treasurer     | Ian McAllister | 01.07.19 - 30.06.20                       |

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: .....

25<sup>th</sup> OCTOBER 2020

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**EXPENDITURE REPORT REQUIRED UNDER SUBSECTION 255(2A)**

**FOR THE YEAR ENDED 30 JUNE 2020**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2020.

| <b>Categories of Expenditures:</b>                                       | <b>2020</b> | <b>2019</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| Remuneration and other employment-related costs and expenses - employees | 1,279,285   | 1,423,358   |
| Advertising  | -           | -           |
| Operating costs  | 595,798     | 744,049     |
| Donations to political parties   | 136         | 39,163      |
| Legal Costs  | 29,377      | 15,147      |

Signature of designated officer:

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

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 2020

|  | NOTE | 2020<br>\$         | 2019<br>\$         |
|--|------|--------------------|--------------------|
| <b>REVENUE</b>   |      |                    |                    |
| Membership Subscriptions (including arrears, entrance fees and less refunds) |      | 1,698,784          | 1,727,236          |
| Capitation Fees  | 3A   | -                  | -                  |
| Compulsory Levies  | 3B   | -                  | -                  |
| Interest Received  | 3C   | 29,284             | 58,531             |
| Rental Revenue   | 3D   | 80,486             | 60,866             |
| Other Revenue  | 3E   | 56,100             | 21,824             |
| <b>TOTAL REVENUE</b>   |      | <u>1,864,654</u>   | <u>1,868,457</u>   |
| <b>OTHER INCOME</b>  |      |                    |                    |
| Grants and/or Donations  | 3F   | -                  | -                  |
| Unrealised Gains(Losses) on Revaluation of Assets                            | 3G   | (15,192)           | (11,413)           |
| Net Gains(Losses) from Sale of Assets  | 3H   | 35,470             | (1,932)            |
| Revenue from recovery of wages activity                                      | 3I   | -                  | -                  |
| <b>TOTAL OTHER INCOME</b>  |      | <u>20,278</u>      | <u>(13,345)</u>    |
| <b>TOTAL INCOME</b>  |      | <u>1,884,932</u>   | <u>1,855,112</u>   |
| <b>EXPENSES</b>  |      |                    |                    |
| Employee Expenses  | 4A   | 1,279,285          | 1,423,358          |
| Capitation Fees and other expense to another reporting unit                  | 4B   | -                  | -                  |
| Affiliation Fees   | 4C   | 24,362             | 32,265             |
| Administration Expenses  | 4D   | 206,461            | 248,792            |
| Grants and/or Donations  | 4E   | 136                | 39,163             |
| Depreciation and Amortisation  | 4F   | 67,862             | 67,226             |
| Finance Costs  | 4G   | -                  | -                  |
| Legal Costs  | 4H   | 29,377             | 15,147             |
| Audit Fees   | 13   | 37,700             | 45,550             |
| Projects   | 4I   | 145,594            | 221,329            |
| Other Expenses   | 4J   | 113,819            | 128,887            |
| <b>TOTAL EXPENSES</b>  |      | <u>1,904,596</u>   | <u>2,221,717</u>   |
| <b>DEFICIT FOR THE YEAR</b>  |      | <u>\$(19,664)</u>  | <u>\$(366,605)</u> |
| <b>OTHER COMPREHENSIVE INCOME</b>  |      |                    |                    |
| Items that will not be subsequently reclassified to profit or loss:-         |      |                    |                    |
| Movement in reserves on sale of WA property                                  |      | (81,034)           | -                  |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>                                      |      | <u>(81,034)</u>    | <u>-</u>           |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>                                 |      | <u>\$(100,698)</u> | <u>\$(366,605)</u> |

The attached notes form part of these accounts

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

|                                      | NOTE | 2020<br>\$         | 2019<br>\$         |
|--------------------------------------|------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>                |      |                    |                    |
| Cash and Cash Equivalents            | 5A   | 2,666,750          | 2,192,886          |
| Trade and Other Receivables          | 5B   | <u>6,380</u>       | <u>21,325</u>      |
| <b>TOTAL CURRENT ASSETS</b>          |      | <u>2,673,130</u>   | <u>2,214,211</u>   |
| <b>NON CURRENT ASSETS</b>            |      |                    |                    |
| Land and Buildings                   | 6A   | 6,066,274          | 6,575,709          |
| Plant and Equipment                  | 6B   | 67,782             | 80,769             |
| Intangibles                          | 6C   | 5,647              | 11,294             |
| Other Financial Assets               | 6D   | <u>95,960</u>      | <u>111,153</u>     |
| <b>TOTAL NON CURRENT ASSETS</b>      |      | <u>6,235,663</u>   | <u>6,778,925</u>   |
| <b>TOTAL ASSETS</b>                  |      | <u>8,908,793</u>   | <u>8,993,136</u>   |
| <b>CURRENT LIABILITIES</b>           |      |                    |                    |
| Trade Payables                       | 7A   | 108,058            | 100,888            |
| Other Payables                       | 7B   | 294,661            | 235,582            |
| Employee Provisions                  | 8A   | <u>437,872</u>     | <u>497,727</u>     |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <u>840,591</u>     | <u>834,197</u>     |
| <b>NON CURRENT LIABILITIES</b>       |      |                    |                    |
| Employee Provisions                  | 8A   | <u>65,828</u>      | <u>55,867</u>      |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <u>65,828</u>      | <u>55,867</u>      |
| <b>TOTAL LIABILITIES</b>             |      | <u>906,419</u>     | <u>890,064</u>     |
| <b>NET ASSETS</b>                    |      | <u>\$8,002,374</u> | <u>\$8,103,072</u> |
| <b>EQUITY</b>                        |      |                    |                    |
| General Fund                         | 9A   | 2,293,393          | 2,313,057          |
| Reserves                             | 9B   | <u>5,708,981</u>   | <u>5,790,015</u>   |
| <b>TOTAL EQUITY</b>                  |      | <u>\$8,002,374</u> | <u>\$8,103,072</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 2020

|   | GENERAL<br>FUND    | ASSETS<br>REVALUATION<br>RESERVE | CAPITAL<br>REALISATION<br>RESERVE | TOTAL              |
|---|--------------------|----------------------------------|-----------------------------------|--------------------|
|   | \$                 | \$                               | \$                                | \$                 |
| <b>BALANCE AT 1 JULY 2018</b>           | 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)            |
| <b>BALANCE AT 30 JUNE 2019</b>          | 2,313,057          | 4,692,149                        | 1,097,866                         | 8,103,072          |
| Surplus (Deficit) for the year          | (19,664)           | -                                | -                                 | (19,664)           |
| Other Comprehensive Income for the Year | (81,034)           | -                                | -                                 | (81,034)           |
| Transfer To(From) Reserves              | 81,034             | (81,034)                         | -                                 | -                  |
| <b>BALANCE AT 30 JUNE 2020</b>          | <b>\$2,293,393</b> | <b>\$4,611,115</b>               | <b>\$1,097,866</b>                | <b>\$8,002,374</b> |

The attached notes form part of these accounts

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

|  | NOTE | 2020<br>\$         | 2019<br>\$         |
|--|------|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                     |      |                    |                    |
| <b>RECEIPTS:</b>   |      |                    |                    |
| Contributions, Entrance Fees and Levies Received from Members    |      | 1,759,683          | 1,781,549          |
| Receipts/Transfers from Other reporting Units (branch transfers) |      | 131,323            | 229,416            |
| Interest Received  |      | 45,540             | 66,905             |
| Rental Income Received   |      | 80,486             | 60,866             |
| Other Income Received  |      | 68,600             | 21,529             |
| <b>TOTAL RECEIPTS</b>  |      | <b>2,085,632</b>   | <b>2,160,265</b>   |
| <b>PAYMENTS:</b>   |      |                    |                    |
| Payments to Suppliers and Employees                              |      | 1,635,676          | 1,837,682          |
| Payment Relating to Projects                                     |      | 145,594            | 216,104            |
| Payments Relating to "On Watch"                                  |      | 113,819            | 128,887            |
| Payments to Other Reporting Units (branch transfers)             |      | 131,323            | 229,416            |
| <b>TOTAL PAYMENTS</b>  |      | <b>2,026,412</b>   | <b>2,412,089</b>   |
| <b>NET CASH FROM(USED BY) OPERATING ACTIVITIES</b>               | 10A  | <b>59,220</b>      | <b>(251,824)</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                     |      |                    |                    |
| <b>RECEIPTS</b>  |      |                    |                    |
| Return of Capital Listed Shares                                  |      | -                  | -                  |
| Proceeds from Sale of Property, Plant and Equipment & shares     |      | 458,701            | 17,666             |
| <b>TOTAL RECEIPTS</b>  |      | <b>458,701</b>     | <b>17,666</b>      |
| <b>PAYMENTS</b>  |      |                    |                    |
| Payment for Property, Plant and Equipment                        |      | (44,057)           | (78,568)           |
| Payment for Intangible Assets                                    |      | -                  | (3,800)            |
| <b>TOTAL PAYMENTS</b>  |      | <b>(44,057)</b>    | <b>(82,368)</b>    |
| <b>NET CASH FROM(USED BY) INVESTING ACTIVITIES</b>               |      | <b>414,644</b>     | <b>(64,702)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                     |      |                    |                    |
| <b>RECEIPTS</b>  |      |                    |                    |
| Repayment of employee loan                                       |      | -                  | 5,000              |
| <b>TOTAL RECEIPTS</b>  |      | <b>-</b>           | <b>5,000</b>       |
| <b>NET CASH FROM/(USED BY) FINANCING ACTIVITIES</b>              |      | <b>-</b>           | <b>5,000</b>       |
| Net Increase(decrease) in Cash Held                              |      | 473,864            | (311,526)          |
| Cash at the Beginning of the Financial year                      |      | 2,192,886          | 2,504,412          |
| <b>CASH AT THE END OF THE FINANCIAL YEAR</b>                     | 5A   | <b>\$2,666,750</b> | <b>\$2,192,886</b> |

The attached notes form part of these accounts

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS

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| <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 2020

### 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.

#### ***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 2020

#### 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 generally every three years, with annual appraisals being made by the Federal Executive (which is the Committee of Management).

##### 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:

|             | 2020      | 2019      |
|-------------|-----------|-----------|
| Intangibles | 0-5 years | 0-5 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 2020

### 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 2020

### 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 2020

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

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

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the union. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the union, the results of those operations, or the state of affairs of the union in subsequent financial periods.

#### (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.

|  | 2020     | 2019     |
|--|----------|----------|
|  | \$       | \$       |
| <b>3. REVENUE</b>  |          |          |
| <b>3A. Capitation Fees &amp; Other revenue from another Reporting Unit</b> |          |          |
| Not applicable   | -        | -        |
|  | \$-      | \$-      |
| <b>3B. Compulsory Levies</b>   |          |          |
| Not applicable   | -        | -        |
|  | \$-      | \$-      |
| <b>3C. Interest Received</b>   |          |          |
| Deposits   | 29,284   | 58,531   |
|  | \$29,284 | \$58,531 |
| <b>3D. Rental Revenue</b>  |          |          |
| Properties   | 75,236   | 55,351   |
| Car Park Leases  | 5,250    | 5,515    |
|  | \$80,486 | \$60,866 |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|   | 2020<br>\$  | 2019<br>\$  |
|---|-------------|-------------|
| <b>3. REVENUE (CONT'D)</b>                              |             |             |
| <b>3E. Other Revenue</b>                                |             |             |
| Dividends Received                                      | 5,760       | 6,995       |
| Sundry  | 340         | 14,829      |
| ATO Cash Flow Boost                                     | 50,000      |             |
|   | \$56,100    | \$21,824    |
| <b>3F. Grants and/or Donations</b>                      |             |             |
| Grants  | -           | -           |
| Donations   | -           | -           |
|   | \$-         | \$-         |
| <b>3G. Unrealised Losses on Revaluation of Assets</b>   |             |             |
| Revaluation of Shares in Listed Companies               | (15,192)    | (11,413)    |
|   | \$(15,192)  | \$(11,413)  |
| <b>3H. Net Gains(Losses) from Sale of Assets</b>        |             |             |
| Gains (Losses) on Sale of Property, Plant and Equipment | 35,470      | (1,657)     |
| Gains (Losses) on Sale of Shares                        | -           | (275)       |
|   | \$35,470    | \$(1,932)   |
| <b>3I. Revenue from Recovery of Wages Activity</b>      |             |             |
| Amounts received from employers in respect of wages     | -           | -           |
| Interest received in recovered money                    | -           | -           |
|   | \$-         | \$-         |
| <b>4. EXPENSES</b>                                      |             |             |
| <b>4A. Employee Expenses</b>                            |             |             |
| <b>    Holders of Office:</b>                           |             |             |
| Wages and Salaries (includes honorariums)               | 780         | 1,144       |
| Superannuation  | -           | -           |
| Leave and Other Entitlements                            | -           | -           |
| Separation and Redundancies                             | -           | -           |
| Other Employee Expenses                                 | -           | -           |
|   | 780         | 1,144       |
| <b>    Employees Other Than Office Holders:</b>         |             |             |
| Wages and Salaries                                      | 851,964     | 1,073,156   |
| Superannuation  | 135,695     | 162,687     |
| Leave and Other Entitlements                            | 78,639      | 141,374     |
| Separation and Redundancies                             | 188,958     | -           |
| Other Employee Expenses                                 | 23,249      | 44,997      |
|   | 1,278,505   | 1,422,214   |
|   | \$1,279,285 | \$1,423,358 |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|   | 2020     | 2019     |
|---|----------|----------|
|   | \$       | \$       |
| <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  | -        | -        |
|   | \$-      | \$-      |
| <b>4C. Affiliation Fees</b>   |          |          |
| Head Office   |          |          |
| Australian Council of Trade Unions  | 11,380   | 12,338   |
| International Transport Workers' Federation                                   | 3,740    | 3,460    |
| Nautilus  | -        | 4,313    |
| Victoria  |          |          |
| Victorian Trades Hall Council   | 884      | 884      |
| Geelong Trades Hall Council   | 46       | -        |
| Tasmania  |          |          |
| Unions Tasmania   | 584      | 428      |
| West Australia  |          |          |
| Unions WA   | 623      | 3,209    |
| South Australia   |          |          |
| - Nil   | -        | -        |
| Queensland  |          |          |
| Union Shopper   | 1,005    | 1,029    |
| Queensland Council of Unions  | 3,450    | 3,190    |
| Other   | -        | 8        |
| Newcastle   |          |          |
| Newcastle Trades Hall Council   | 440      | 432      |
| NSW District  |          |          |
| Workers Health Centre Affiliation   | 399      | 587      |
| Unions NSW  | 1,811    | 2,387    |
|   | \$24,362 | \$32,265 |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|  | 2020<br>\$       | 2019<br>\$       |
|--|------------------|------------------|
| <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)<br>Act 2009 or RO Regulations   | -                | -                |
| Fees/allowances Paid to Persons to Attend Meetings and Conferences<br>Conference and Meeting Expenses (includes conference expenses<br>Note 14 and travel and accommodation Note 15) | 25,221           | 48,188           |
| Property Expenses  | 103,817          | 111,158          |
| Office Expenses  | 10,639           | 10,795           |
| Information Communications Technology  | 26,272           | 28,075           |
| Other Expenses:  | -                | -                |
| ACTU IR Levy   | -                | -                |
| Advertising  | -                | 1,831            |
| Bank Charges and Government Duties   | 9,599            | 9,371            |
| Badges   | -                | 1,614            |
| Election Expenses  | -                | -                |
| Entertainment  | 494              | 1,157            |
| Florist/Death Notices  | 132              | 761              |
| Member Advantage Program   | 1,922            | 3,121            |
| Motor Vehicle Costs  | 21,630           | 23,817           |
| Publications/Subscriptions   | 2,305            | 3,671            |
| Staff Amenities  | 2,060            | 2,624            |
| Staff Training   | 1,115            | 898              |
| Sundry   | 1,255            | 1,711            |
|  | <b>\$206,461</b> | <b>\$248,792</b> |
| <b>4E. Grants and/or Donations</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   | 136              | 2,527            |
| Total Paid that exceeded \$1,000   | -                | 36,636           |
| Fundraising  | -                | -                |
|  | <b>\$136</b>     | <b>\$39,163</b>  |



# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|  | 2020      | 2019      |
|--|-----------|-----------|
|  | \$        | \$        |
| <b>4. EXPENSES (CONT'D)</b>                |           |           |
| <b>4F. Depreciation and Amortisation</b>   |           |           |
| Depreciation                               |           |           |
| Land and Buildings                         | 44,177    | 42,557    |
| Property, Plant and Equipment              | 18,038    | 20,759    |
|  | 62,215    | 63,316    |
| <b>Amortisation</b>                        |           |           |
| AIMPE App                                  | 5,647     | 3,910     |
| <b>Total Amortisation</b>                  | 5,647     | 3,910     |
| <b>Total Depreciation and Amortisation</b> | \$67,862  | \$67,226  |
| <b>4G. Finance Costs</b>                   |           |           |
| Interest Paid – Overdrafts                 | -         | -         |
|  | \$-       | \$-       |
| <b>4H. Legal Costs</b>                     |           |           |
| Litigation                                 | -         | -         |
| Other Legal Matters                        | 29,377    | 15,147    |
|  | \$29,377  | \$15,147  |
| <b>4I. Projects</b>                        |           |           |
| Home Affairs and Defence                   | 7,098     | 6,897     |
| Dredges                                    | 218       | 265       |
| Federal Council                            | 280       | 19,708    |
| Federal Executive                          | 18,035    | 14,493    |
| Federal President Expense                  | 653       | 3,415     |
| Federal President Honorarium               | -         | -         |
| International Conferences – ITF/IMO        | 24        | 5,225     |
| Maritime Industry Seagoing Award           | 8,962     | 21,381    |
| Navais/barges/Small Ships                  | 237       | 7,339     |
| NMSC/Qualification                         | 6,879     | 2,503     |
| NSW Power Industry (net of recoveries)     | -         | 211       |
| Offshore expenses                          | 9,634     | 19,039    |
| Port Services Award                        | 287       | 413       |
| Queensland District MSQ                    | 13        | 83        |
| Shipping Reform and Political Lobby        | 48,547    | 83,498    |
| Surveyors                                  | 9,672     | 1,454     |
| Tarong Power Station                       | -         | 40        |
| Tourism                                    | -         | 1,429     |
| Tugs                                       | 34,758    | 32,804    |
| Tugs Conference                            | -         | 1,132     |
| Project – QLD Branch Organising- QLD       | 297       | -         |
|  | \$145,594 | \$221,329 |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|   | 2020        | 2019        |
|---|-------------|-------------|
|   | \$          | \$          |
| <b>4J. Other Expenses</b>                 |             |             |
| On Watch Expenses                         | 113,819     | 128,887     |
|   | \$113,819   | \$128,887   |
| <br>                                      |             |             |
| <b>5. CURRENT ASSETS</b>                  |             |             |
| <b>5A. Cash and Cash Equivalents</b>      |             |             |
| Cash on Hand                              | 1,796       | 1,750       |
| Cash at Bank                              | 988,706     | 295,824     |
| Deposits at Call                          | 1,676,248   | 1,895,312   |
|   | \$2,666,750 | \$2,192,886 |
| <br>                                      |             |             |
| <b>5B. Trade and Other Receivables</b>    |             |             |
| Receivables from Other Reporting Units    | -           | -           |
| Less Allowance for Expected Credit Losses | -           | -           |
| Other Receivables:                        | -           | -           |
| Accrued Income                            | 3,249       | 19,505      |
| Sundry Debtors                            | 3,131       | 1,820       |
|   | \$6,380     | \$21,325    |
| <br>                                      |             |             |
| <b>6. NON CURRENT ASSETS</b>              |             |             |
| <br>                                      |             |             |
| <b>6A. Land and Buildings</b>             |             |             |
| <b>Freehold Land and Buildings</b>        |             |             |
| 52 Buckingham Street, Surry Hills         |             |             |
| Sydney (at 2017 Valuation plus additions) | 2,601,906   | 2,569,453   |
| 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     |
| Queensland (at 2017 Valuation)            | 350,000     | 350,000     |
| Queensland - Lot 13 "Rockton" – at cost   | 281,576     | 281,576     |
|   | 6,193,482   | 6,661,029   |
| Less: Accumulated Depreciation            | (127,208)   | (85,320)    |
|   | \$6,066,274 | \$6,575,709 |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|   | 2020                      | 2019                      |
|---|---------------------------|---------------------------|
|   | \$                        | \$                        |
| <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 2019  | 6,661,029                 | 6,591,576                 |
| Accumulated Depreciation  | <u>(85,320)</u>           | <u>(42,763)</u>           |
| Net Book Value 1 July 2019  | 6,575,709                 | 6,548,813                 |
| Additions   |                           |                           |
| - By revaluation  | (81,034)                  | -                         |
| - By purchase   | 32,453                    | 69,453                    |
| - Disposals   | (454,935)                 | -                         |
| Depreciation Expense  | (44,177)                  | (42,557)                  |
| Profit on Disposal of Assets  | <u>38,258</u>             | <u>-</u>                  |
| <b>Net Book Value 30 June 2020</b>  | <b><u>\$6,066,274</u></b> | <b><u>\$6,575,709</u></b> |
| Net Book Value as of 30 June 2020 represented by:                           |                           |                           |
| Gross Book Value  | 6,193,482                 | 6,661,029                 |
| Accumulated Depreciation  | <u>(127,208)</u>          | <u>(85,320)</u>           |
| Net Book Value 30 June 2020   | <b><u>\$6,066,274</u></b> | <b><u>\$6,575,709</u></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), and Valuations Queensland (Queensland), all accredited independent valuers.

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|  | 2020                   | 2019                   |
|--|------------------------|------------------------|
|  | \$                     | \$                     |
| <b>6. NON CURRENT ASSETS (CONT'D)</b>  |                        |                        |
| <b>6B. Plant and Equipment</b>   |                        |                        |
| <b>Motor Vehicles</b>  |                        |                        |
| Motor Vehicles - at cost   | 117,900                | 130,031                |
| Less: Accumulated Depreciation   | <u>(98,996)</u>        | <u>(101,447)</u>       |
|  | 18,904                 | 28,584                 |
| <b>Furniture and Fittings</b>  |                        |                        |
| Furniture and Fittings - at cost   | 156,435                | 159,023                |
| Less: Accumulated Depreciation   | <u>(130,575)</u>       | <u>(131,668)</u>       |
|  | 25,860                 | 27,355                 |
| <b>Office Equipment</b>  |                        |                        |
| Office Equipment - at cost   | 106,357                | 115,832                |
| Less: Accumulated Depreciation   | <u>(83,724)</u>        | <u>(91,454)</u>        |
|  | 22,633                 | 24,378                 |
| 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>(8,077)</u>         | <u>(8,010)</u>         |
|  | 385                    | 452                    |
| <b>Total written down value</b>  | <u><u>\$67,782</u></u> | <u><u>\$80,769</u></u> |

### Reconciliation of Opening and Closing Balances of Plant and Equipment - 2020

|                                    | Motor Vehicles         | Furniture and Fittings | Office Equipment       | Sundry Assets       | Total                  |
|------------------------------------|------------------------|------------------------|------------------------|---------------------|------------------------|
| Gross Book Value at July 2019      | 130,031                | 159,023                | 115,832                | 8,462               | 413,348                |
| Accumulated Depreciation           | <u>(101,447)</u>       | <u>(131,668)</u>       | <u>(91,454)</u>        | <u>(8,010)</u>      | <u>(332,579)</u>       |
| Net Book Value 1 July 2019         | 28,584                 | 27,355                 | 24,378                 | 452                 | 80,769                 |
| Additions:                         |                        |                        |                        |                     |                        |
| - By purchase                      | -                      | 3,960                  | 7,644                  | -                   | 11,604                 |
| Disposals                          |                        |                        |                        |                     |                        |
| - Other                            | (3,766)                | -                      | -                      | -                   | (3,766)                |
| Depreciation                       | (5,914)                | (4,773)                | (7,284)                | (67)                | (18,038)               |
| Loss on disposal                   | -                      | (682)                  | (2,105)                | -                   | (2,787)                |
| <b>Net Book Value 30 June 2020</b> | <u><u>\$18,904</u></u> | <u><u>\$25,860</u></u> | <u><u>\$22,633</u></u> | <u><u>\$385</u></u> | <u><u>\$67,782</u></u> |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

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

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

|   | Motor<br>Vehicles | Furniture<br>and Fittings | Office<br>Equipment | Sundry<br>Assets | Total           |
|---|-------------------|---------------------------|---------------------|------------------|-----------------|
| Net Book Value as of 30 June 2020 represented by: |                   |                           |                     |                  |                 |
| Gross Book Value                                  | 117,900           | 156,435                   | 106,357             | 8,462            | 389,154         |
| Accumulated Depreciation                          | (98,996)          | (130,575)                 | (83,724)            | (8,077)          | (321,372)       |
| <b>Net Book Value 30 June 2020</b>                | <b>\$18,904</b>   | <b>\$25,860</b>           | <b>\$22,633</b>     | <b>\$385</b>     | <b>\$67,782</b> |

#### Reconciliation of Opening and Closing Balances of Property, Plant and Equipment - 2019

|   | Motor<br>Vehicles | Furniture<br>and Fittings | Office<br>Equipment | Sundry<br>Assets | Total           |
|---|-------------------|---------------------------|---------------------|------------------|-----------------|
| Gross Book Value at 1 July 2018                   | 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 1 July 2018                        | 41,487            | 29,296                    | 27,219              | 530              | 98,532          |
| Additions:  |                   |                           |                     |                  |                 |
| By purchase                                       | -                 | 4,191                     | 4,924               | -                | 9,115           |
| Disposals – Other                                 | (4,162)           | (1,218)                   | (739)               | -                | (6,119)         |
| Depreciation                                      | (8,741)           | (4,914)                   | (7,026)             | (78)             | (20,759)        |
| <b>Net Book Value 30 June 2019</b>                | <b>\$28,584</b>   | <b>\$27,355</b>           | <b>\$24,378</b>     | <b>\$452</b>     | <b>\$80,769</b> |
| 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)       |
| <b>Net Book Value 30 June 2019</b>                | <b>\$28,584</b>   | <b>\$27,355</b>           | <b>\$24,378</b>     | <b>\$452</b>     | <b>\$80,769</b> |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|   | 2020             | 2019             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>6. NON CURRENT ASSETS (CONT'D)</b>   |                  |                  |
| <b>6C. Intangibles</b>  |                  |                  |
| AIMPE App - at cost   | 23,350           | 23,350           |
| Less Accumulated Amortisation   | <u>(17,703)</u>  | <u>(12,056)</u>  |
| <b>Total Intangibles</b>  | <u>\$5,647</u>   | <u>\$11,294</u>  |
| <b>Reconciliation of Opening and Closing Balances of Intangibles</b>          |                  |                  |
| Gross Book Value at 1 July 2019   | 23,350           | 19,550           |
| Accumulated Amortisation and Impairment                                       | <u>(12,056)</u>  | <u>(8,146)</u>   |
| Net Book Value 1 July 2019  | 11,294           | 11,404           |
| Additions:  |                  |                  |
| By purchase   | -                | 3,800            |
| Amortisation  | <u>(5,647)</u>   | <u>(3,910)</u>   |
| <b>Net book value 30 June 2020</b>  | <u>\$5,647</u>   | <u>\$11,294</u>  |
| Net Book Value at 30 June represented by:                                     |                  |                  |
| Gross Book Value  | 23,350           | 23,350           |
| Accumulated Amortisation and Impairment                                       | <u>(17,703)</u>  | <u>(12,056)</u>  |
| <b>Net book value 30 June 2020</b>  | <u>\$5,647</u>   | <u>\$11,294</u>  |
| <b>6D. Other Financial Assets</b>   |                  |                  |
| <b>Financial Assets at Fair Value Through Profit or Loss</b>                  |                  |                  |
| Shares in Listed Companies - at market value                                  | <u>95,960</u>    | <u>111,153</u>   |
|   | <u>\$95,960</u>  | <u>\$111,153</u> |
| <b>7. CURRENT LIABILITIES</b>   |                  |                  |
| <b>7A. Trade Payables</b>   |                  |                  |
| Sundry Creditors and Accruals   | 108,058          | 100,888          |
| Payables to Other Reporting Units:  |                  |                  |
| - Not applicable  | -                | -                |
|   | <u>\$108,058</u> | <u>\$100,888</u> |
| <b>7B. Other Payables</b>   |                  |                  |
| Membership Contributions Received in Advance                                  | 295,048          | 235,746          |
| GST Payable   | (387)            | (164)            |
| Consideration to Employers for Payroll Deductions of membership subscriptions | -                | -                |
| Legal Costs Payable   | -                | -                |
|   | <u>\$294,661</u> | <u>\$235,582</u> |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|   | 2020<br>\$  | 2019<br>\$  |
|---|-------------|-------------|
| <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  | 118,404     | 153,602     |
| Long Service Leave  | 385,296     | 399,992     |
| Separations and Redundancies  | -           | -           |
| Other   | -           | -           |
|   | \$503,700   | \$553,594   |
| <br>  |             |             |
| Current   | 437,872     | 497,727     |
| Non Current   | 65,828      | 55,867      |
|   | \$503,700   | \$553,594   |
| <p>The movement in the current year provisions has been charged to operational expenditure at salary levels applicable as at 30 June.</p> |             |             |
| <b>9. EQUITY</b>  |             |             |
| <b>9A. General Fund</b>   |             |             |
| Retained Profit (Loss) at the Beginning of the Year   | 2,313,057   | 2,683,824   |
| Operating Profit (Loss) for the Year  | (19,664)    | (366,605)   |
| Prior period adjustment   | -           | (4,162)     |
| Retained Profit (Loss) at the End of the Year   | \$2,293,393 | \$2,313,057 |
| <br>  |             |             |
| <b>9B. Reserves</b>   |             |             |
| <b>Asset Revaluation Reserve</b>  |             |             |
| Opening Balance   | 4,692,149   | 4,692,149   |
| Revaluation Decrement on sale of Freehold Land and Buildings  | (81,034)    | -           |
| Closing Balance   | 4,611,115   | 4,692,149   |
| <br>  |             |             |
| <b>Capital Realisation Reserve</b>  |             |             |
| Opening Balance   | 1,097,866   | 1,097,866   |
| Transfer to Reserves  | -           | -           |
| Closing Balance   | 1,097,866   | 1,097,866   |
|   | \$5,708,981 | \$5,790,015 |
| <br>  |             |             |
| <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 2020

|  | 2020<br>\$         | 2019<br>\$         |
|--|--------------------|--------------------|
| <b>10. CASH FLOW</b>   |                    |                    |
| <b>10A. Cash Flow Reconciliation</b>   |                    |                    |
| <b>Reconciliation of Net Cash From(Used By) Operating Activities to Operating Loss</b> |                    |                    |
| <b>Operating Loss</b>  | (19,664)           | (366,605)          |
| <b>Add Back:</b>   |                    |                    |
| Adjustment to Reserves   | -                  | -                  |
| Loss on Sale of Property, Plant and Equipment  | -                  | 1,657              |
| Realised Loss on Investments   | -                  | 275                |
| Unrealised Loss on Investments   | 15,192             | 11,413             |
| Depreciation and Amortisation  | 67,862             | 67,226             |
| Increase in Payables   | 66,249             | 27,418             |
| Increase in Provisions   | -                  | -                  |
| Decrease in Receivables  | 14,945             | 8,393              |
|  | 164,248            | 116,382            |
|  | 144,584            | (250,223)          |
| <b>Deduct:</b>   |                    |                    |
| Surplus on Sale of Property, Plant and Equipment                                       | 35,470             | -                  |
| Realised Gain on Investments   | -                  | -                  |
| Unrealised Gain on Investments   | -                  | -                  |
| Decrease in Provisions   | 49,894             | 1,470              |
| Dividend Reinvested  | -                  | 131                |
| Decrease in Payables   | -                  | -                  |
|  | 85,364             | 1,601              |
| <b>Net Cash From(Used By) Operating Activities</b>                                     | <b>\$59,220</b>    | <b>\$(251,824)</b> |
| <b>Reconciliation of Cash:</b>   |                    |                    |
| Cash on Hand   | 1,796              | 1,750              |
| Cash at Bank   | 988,706            | 295,824            |
| Deposits at Call   | 1,676,248          | 1,895,312          |
|  | <b>\$2,666,750</b> | <b>\$2,192,886</b> |

(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 2020

|  | 2020<br>\$         | 2019<br>\$         |
|--|--------------------|--------------------|
| <b>10. CASH FLOW (CONT'D)</b>  |                    |                    |
| <b>10B. Cash Flow Information</b>  |                    |                    |
| Cash Inflows   |                    |                    |
| Australian Institute of Marine and Power Engineers   | <u>\$2,544,333</u> | <u>\$2,182,931</u> |
| Cash Outflows  |                    |                    |
| Australian Institute of Marine and Power Engineers   | <u>\$2,070,469</u> | <u>\$2,494,457</u> |
| <b>11. Commitments and Contingencies</b>   |                    |                    |
| <b>Operating Lease Commitments – as lessee</b>   |                    |                    |
| The disclosure requirements under AASB16 Leases were considered but were not applicable given that no current lease agreements have been entered into at the date of signing the financial statements: |                    |                    |
| Due within one year  | -                  | -                  |
| After one year but not more than five years  | -                  | -                  |
| After five years   | <u>-</u>           | <u>-</u>           |
|  | <u>\$-</u>         | <u>\$-</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)  | 158,932            | 155,850            |
| Annual Leave Accrued   | 638                | (4,924)            |
| Performance Bonus  | -                  | -                  |
| <b>Total Short Term Benefits</b>   | <u>159,570</u>     | <u>150,926</u>     |
| <b>Post-employment Benefits</b>  |                    |                    |
| Superannuation   | <u>13,056</u>      | <u>14,905</u>      |
| <b>Total Post Employment Benefits</b>  | <u>13,056</u>      | <u>14,905</u>      |
| <b>Other Long-term Benefits</b>  |                    |                    |
| Long Service Leave Accrued   | <u>4,169</u>       | <u>4,000</u>       |
| <b>Total Long-term Benefits</b>  | <u>4,169</u>       | <u>4,000</u>       |
| <b>Termination Benefits</b>  | <u>-</u>           | <u>-</u>           |
| <b>Total Benefits</b>  | <u>\$176,795</u>   | <u>\$169,831</u>   |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|  | 2020     | 2019     |
|--|----------|----------|
|  | \$       | \$       |
| <b>12. RELATED PARTY DISCLOSURES (CONT'D)</b>  |          |          |
| <b>12B. Key Management Personnel Remuneration for the Reporting Period (Cont'd)</b>  |          |          |
| <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> |          |          |
| <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   | 26,350   | 32,050   |
| Other Services   | 11,350   | 13,500   |
|  | \$37,700 | \$45,550 |
| <p>Included above are amounts received, or due and receivable, by Auditors other than KSG Assurance &amp; Audit Services Pty Ltd</p>   |          |          |
| Auditing the Accounts (Branches)   | \$6,350  | \$11,800 |
| <b>14. MEETING AND CONFERENCE EXPENSES – CONFERENCES</b>   |          |          |
| - Nil  | -        | -        |
|  | \$-      | \$-      |
| <b>15. MEETING AND CONFERENCE EXPENSES - TRAVEL AND ACCOMMODATION</b>  |          |          |
| Head Office  | 14,068   | 8,133    |
| Sydney Branch  | -        | -        |
| NSW Districts  | 14       | -        |
| Newcastle Branch   | -        | 30,058   |
| South Australia  | 910      | -        |
| Victoria Branch  | 475      | 1,084    |
| Western Australia Branch   | 2,635    | 3,434    |
| Queensland Branch  | 7,119    | 5,479    |
|  | \$25,221 | \$48,188 |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

### 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.

|   | 2020               | 2019               |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| <b>17A. Categories of Financial Instruments</b> |                    |                    |
| <b>Financial Assets</b>                         |                    |                    |
| Cash and Cash Equivalents                       | 990,502            | 297,574            |
| Receivables                                     | 6,380              | 21,325             |
| Held to Maturity Investments                    |                    |                    |
| - Term Deposits                                 | 1,676,248          | 1,895,312          |
| Fair Value Through Profit or Loss               |                    |                    |
| - Shares in Listed Companies – at market value  | 95,960             | 111,153            |
| Carrying Amount of Financial Assets             | <u>\$2,769,090</u> | <u>\$2,325,364</u> |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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

FOR THE YEAR ENDED 30 JUNE 2020

|  | 2020<br>\$         | 2019<br>\$         |
|--|--------------------|--------------------|
| <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  | 295,048            | 235,746            |
| - Trade and Other Payables   | 108,058            | 100,724            |
| Carrying Amount of Financial Liabilities   | <u>\$403,106</u>   | <u>\$336,470</u>   |
| <b>17B. Net Income and Expense from Financial Assets</b>   |                    |                    |
| Cash and Cash Equivalents  |                    |                    |
| - Interest   | 122                | 591                |
| Receivables  |                    |                    |
| - Not applicable   | -                  | -                  |
| Held to Maturity Investments   |                    |                    |
| - Interest   | 29,162             | 57,940             |
| Available for Sale Assets  |                    |                    |
| - Dividends  | 5,760              | 6,995              |
| - Change in Market Value   | (15,192)           | (11,413)           |
| - Loss on sale of shares   | -                  | (275)              |
| Net Gain from Financial Assets   | <u>\$19,852</u>    | <u>\$53,838</u>    |
| <b>17C. Net Income and Expense from Financial Liabilities</b>  |                    |                    |
| Other Financial Liabilities  |                    |                    |
| - Nil  | -                  | -                  |
| 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  | 990,502            | 297,574            |
| Receivables  | 6,380              | 21,325             |
| Held to Maturity Investments   | 1,676,248          | 1,895,312          |
| Fair Value Through Profit or Loss Assets   | 95,960             | 111,153            |
| Total  | <u>\$2,769,090</u> | <u>\$2,325,364</u> |
| <b>Financial Liabilities</b>   |                    |                    |
| Other Financial Liabilities  | 403,106            | 336,470            |
| Total  | <u>\$403,106</u>   | <u>\$336,470</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 2020

### 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<br>or impaired<br>2020 | Past due or<br>impaired<br>2020 | Not past due<br>or impaired<br>2019 | Not past due<br>or impaired<br>2019 |
|---|-------------------------------------|---------------------------------|-------------------------------------|-------------------------------------|
| Cash and Cash Equivalents                   | 990,502                             | -                               | 297,574                             | -                                   |
| Receivables                                 | 6,380                               | -                               | 21,325                              | -                                   |
| Held to Maturity Investments                | 1,676,248                           | -                               | 1,895,312                           | -                                   |
| Fair Value Through Profit or<br>Loss Assets | 95,960                              | -                               | 111,153                             | -                                   |
|   | <b>\$2,769,090</b>                  | <b>\$-</b>                      | <b>\$2,325,364</b>                  | <b>\$-</b>                          |

**Ageing of financial assets that were past due but not impaired 2020:**

|   | 0 – 30 days        | 31 – 60<br>days | 61 – 90<br>days | 90+ days   | Total              |
|---|--------------------|-----------------|-----------------|------------|--------------------|
| Cash and Cash Equivalents                   | 990,502            | -               | -               | -          | 990,502            |
| Receivables                                 | 6,380              | -               | -               | -          | 6,380              |
| Held to Maturity Investments                | 1,676,248          | -               | -               | -          | 1,676,248          |
| Fair Value Through Profit or<br>Loss Assets | 95,960             | -               | -               | -          | 95,960             |
|   | <b>\$2,769,090</b> | <b>\$-</b>      | <b>\$-</b>      | <b>\$-</b> | <b>\$2,769,090</b> |

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

|   | 0 – 30 days        | 31 – 60<br>days | 61 – 90<br>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<br>Loss Assets | 111,153            | -               | -               | -          | 111,153            |
|   | <b>\$2,325,364</b> | <b>\$-</b>      | <b>\$-</b>      | <b>\$-</b> | <b>\$2,325,364</b> |

#### 17E. Liquidity Risk

**Contractual maturities for financial liabilities 2020:**

|                                | On<br>Demand     | <1 Year     | 1-2<br>Years | 2-5<br>Years | >5<br>Years | Total            |
|--------------------------------|------------------|-------------|--------------|--------------|-------------|------------------|
| Other Financial<br>Liabilities | 403,106          | -           | -            | -            | -           | 403,106          |
|                                | <b>\$403,106</b> | <b>\$ -</b> | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b> | <b>\$403,106</b> |

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 30 JUNE 2020

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

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

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   |
|                             | \$336,470 | \$ -    | \$ -      | \$ -      | \$ -     | \$336,470 |

#### 17F. Interest Rate Risk

Sensitivity analysis of the risk that the entity is exposed to for 2020

|                    | Change in Risk Variable % | Effect on Profit and Loss | Effect on Equity |
|--------------------|---------------------------|---------------------------|------------------|
| Interest Rate Risk | +1%                       | +25,450                   | +25,450          |
| Interest Rate Risk | -1%                       | -25,450                   | -25,450          |

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          |

#### 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 2020 | Fair Value 2020 | Carrying Amount 2019 | Fair Value 2019 |
|--|----------------------|-----------------|----------------------|-----------------|
| Cash and Cash Equivalents                | 990,502              | 990,502         | 297,574              | 297,574         |
| Receivables                              | 6,380                | 6,380           | 21,325               | 21,325          |
| Held to Maturity Investments             | 1,676,248            | 1,676,248       | 1,895,312            | 1,895,312       |
| Fair Value Through Profit or Loss Assets | 95,960               | 95,960          | 111,153              | 111,153         |
|  | \$2,769,090          | \$2,769,090     | \$2,325,364          | \$2,325,364     |

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

|                                   | 1 July 2019 | Cash Flows | 30 June 2020 |
|-----------------------------------|-------------|------------|--------------|
| Contributions received in advance | 235,746     | 59,302     | 295,048      |
| Trade & other payables            | 100,724     | 7,334      | 108,058      |
|                                   | \$336,470   | \$66,636   | \$403,106    |
|                                   | 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      |
|                                   | \$309,052   | \$27,418   | \$336,470    |

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

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

**FOR THE YEAR ENDED 30 JUNE 2020**

**18. UNION DETAILS**

The principal place of business of the union is:

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

# AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

## COMMITTEE OF MANAGEMENT

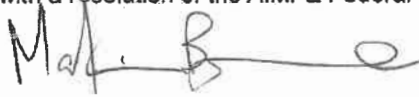
On the 20<sup>th</sup> October 2020 the AIMPE Federal Executive states as follows in relation to the general purpose financial report (GPFR) of the Institute for the financial year ended 30 June 2020:

The AIMPE Federal Executive 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 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.

This declaration is made in accordance with a resolution of the AIMPE Federal Executive.

Signature of Registered officer:



Name and title of Registered officer: Martin Byrne FEDERAL PRESIDENT

Dated:

20<sup>th</sup> day of October 2020



## 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 2020.

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: 20<sup>th</sup> day of October 2020



**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 2020, 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 Committee of Management*

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

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

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

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

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

**Name of Principal:** Jodie Cook

**Date:** 20<sup>th</sup> day of October 2020

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

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

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

Liability limited by  
a scheme approved  
under Professional  
Standards Legislation

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO 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 2020, 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 20<sup>th</sup> day of October 2020

## **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 2020 as set out on pages 6 to 35. This report comprises the Committee of Management 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 Officer's 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 2020, 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 committee of management 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 Committee of Management for the Financial Report**

The Committee of Management 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 Committee of Management 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 Committee of Management for the Financial Report (Cont'd)**

In preparing the financial report, the Committee of Management 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 Committee of Management 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 Committee of Management.
- Conclude on the appropriateness of the Committee of Management'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 Committee of Management 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 20<sup>th</sup> day of October 2020