



Australian Government
Registered Organisations Commission

8 July 2021

Mr Ken Blackband
President
Australian Maritime Officers' Union

By e-mail: admin@amou.com.au

Dear Mr Blackband

Australian Maritime Officers' Union
Financial Report for the year ended 31 December 2020 - FR2020/300

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the Australian Maritime Officers' Union (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 29 June 2021.

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. Operating report

Number of employees

Subsection 254(2)(f) and Regulation 159(b) requires the number of persons that were, at the end of the financial year to which the report relates, employees of the reporting unit to be disclosed in the operating report. Regulation 159(b) also requires that where the number of employees includes both full-time and part-time employees this is to be expressed on a full-time equivalent basis. The operating report did not disclose this information.

2. Committee of management statement

Reference to section 273

Item (e) vi of the committee of management statement incorrectly refers to the 'Commissioner of the Registered Organisations Commission' instead of the Fair Work Commission.

In accordance with reporting guideline 26 this paragraph should read as follows:

vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

3. Auditor's statement

Auditor's details

Item 29(b) of the reporting guidelines states that the auditor's statement must specify the registered auditor's name and registration number. The auditor's statement provided states the name of the registered auditor but not the ROC registration number.

Declaration relating to management use of going concern basis of accounting

Item 30 of the reporting guidelines requires that the auditor's statement include a declaration, that as part of the audit of the financial statements, they have concluded that management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

4. General Purpose Financial Report (GPFR)

Key management personnel compensation

Australian Accounting Standard AASB 124 *Related Party Disclosures* paragraph 17 requires the GPFR to disclose within the notes compensation paid to key management personnel.

This includes the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post-employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definitions for these categories can be found within accounting standard AASB 119 *Employee Benefits*.

Property, plant & equipment

Note 9 to the GPFR discloses the opening balance for each asset class as 'Cost or fair value'. In future, please ensure that this note makes clear for each asset class whether it is valued at cost **or** fair value. Where items of property, plant and equipment are stated at revalued amounts Australian Accounting Standard AASB 116 *Property, Plant and Equipment* paragraph 77 requires additional disclosures including the effective date of the revaluation and whether an independent valuer was involved. In addition, assets stated at revalued amounts will need to be disclosed in accordance with Australian Accounting Standard AASB 13 *Fair Value Measurement*.

Disclosure of affiliation fees

Reporting guideline 14(c) requires, separate disclosure of affiliation fees paid to political parties and industrial bodies. This includes disclosing the amount paid to each entity and the name of each entity to which monies were paid. Although affiliation fees (\$19,200) are disclosed at Note 21 to the GPFR, the name of each entity and amount paid has not.

Disclosure of employee expenses to office holders and other employees

The reporting guidelines require reporting units to disclose in the statement of comprehensive income or in the notes to the financial statements employee expenses to holders of office (item 14(f)) and employee expenses to other employees (item 14(g)). Item 14(f) and 14(g) of the reporting guidelines also requires these expenses to be separately disclosed as follows:

- Wages and salaries;
- Superannuation;
- Leave and other entitlements;
- Separation and redundancies; and
- Other employee expenses.

Note 21 to the GPFR has disclosed wages and salaries, superannuation and leave and other entitlements separately for officer holders and employees, but does not separately disclose separation and redundancies and other employee expenses provided for officers and employees.

The reporting guidelines require that all employee and office holder expenses be detailed separately (refer to items 14(f) and 14(g)).

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement.

Disclosure of employee provisions to office holders and other employees

The reporting guidelines require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 16(c) and 16(d)). Item 16(c) and 16(d) of the reporting guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

Note 14 to the GPFR has disclosed annual leave, long service leave and other employee provisions for office holders but does not separately disclose separation and redundancies.

Note 14 to the GPFR has also disclosed annual leave and long service leave for employees but does not separately disclose separation and redundancies and other employee provisions.

The reporting guidelines require that all employee and office holder provisions be detailed separately (refer to items 16(c) and 16(d)).

Item 21 in the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement.

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

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

23rd June 2021

s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer.

Certificate for the year ended 31st December 2020.

I Captain Ken Douglas Blackband being the President of the Australian Maritime Officers Union certify:

- that the documents lodged herewith are copies of the full report for the Australian Maritime Officers Union (AMOU) for the period ended 31st December 2020 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 22nd May 2020; and
- that the full report was presented to a meeting of the Executive Council of the AMOU on 23rd June 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer: Captain Ken Douglas Blackband

Title of prescribed designated officer: President

Dated: 23rd June 2021



AUSTRALIAN MARITIME OFFICERS UNION

ABN 56 181 230 800

FINANCIAL REPORT - 31 DECEMBER 2020

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AUSTRALIAN MARITIME OFFICERS UNION
ABN 56 181 230 800

FINANCIAL REPORT - 31 DECEMBER 2020

OPERATING REPORT

Your Executive Council present their report on the Australian Maritime Officers Union (the "Union") for the financial year ended 31 December 2020.

UNION OFFICIALS

The names of the officials in office during or since the end of the year are as follows:

National

| | |
|----------------------|-----------------------------------------------------|
| President: | T. Higgs (<i>resigned 17 July 2020</i>) |
| President: | K. Blackband* (<i>appointed 10 December 2020</i>) |
| Vice President: | K. Blackband (<i>resigned 10 December 2020</i>) |
| Vice President: | B. Warhurst* (<i>appointed 10 December 2020</i>) |
| National Councillor: | M. Jepson* |
| National Councillor: | B. Middleton* |

Western Area

| | |
|-----------------|--------------|
| President: | J. McDonald* |
| Vice President: | B. Cooper* |
| Secretary: | G. Anderson |

Southern Area

| | |
|-----------------|----------------------------------------------------|
| President: | A. Walsh* |
| Vice President: | D. Payne* (<i>did not stand for re-election</i>) |
| Vice President: | <i>Vacant</i> |
| Secretary: | L. Hosking |

Eastern Area

| | |
|-----------------|---------------------------------------------------|
| President: | <i>Vacant</i> |
| Vice President: | J. Andersen |
| Secretary: | B. Warhurst* (<i>resigned 10 December 2020</i>) |
| Secretary: | <i>Vacant</i> |

Delegates

| | |
|---------------------|--------------|
| Offshore Oil & Gas: | J. Gregson* |
| Pilot: | A. Hawkins* |
| Port Services: | D. Dorron* |
| Seagoing: | R. Thornton* |
| Towage: | S. Barrett* |

*Honorary officials

The Union Officials have been in office for the entire period unless otherwise stated. During the year, all Union Officials attended council meetings.

PRINCIPAL ACTIVITIES

The principal activities of the Union during the financial year were the provision of trade union services to its members. The objectives of the Union are set out in Section 4 of the Rules.

REVIEW OF OPERATIONS

The surplus of the Union for the financial year amounted to \$471,387 (2019: deficit \$10,635).

NUMBER OF MEMBERS

The number of members of the Union at 31 December 2020 was 2,620 members comprising 1,715 full financial members, 146 unfinancial members, 92 deferred members, 654 associate members and 13 life members.

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2020**RIGHT OF MEMBERS TO RESIGN**

The right of members to resign from the organisation is set out in Section 8 of the Union Rules.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes to the state of affairs of the Union during the financial year.

AFTER BALANCE DATE EVENTS

Refer to Note 19 in relation to the potential impacts of the Coronavirus. Other than this, there are no matters or circumstances that have arisen since the end of the financial year which 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 future financial years. The Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

INDEMNIFICATION AND INSURANCE OF OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Union.

PROCEEDINGS ON BEHALF OF UNION

No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or part of those proceedings. The Union was not a party to any such proceedings during the year.

SUPERANNUATION FUND OFFICE HOLDERS

No officer or member of the Union is a trustee (or a director of a Union that is a trustee) of a superannuation entity, where a criterion for them being a trustee (or a director) is that they are an officer or member of the Union.

INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2020 has been received and can be found on the following page, which forms part of the Operating Report.

Signed in accordance with a resolution of the Executive Council:



K Blackband
President

Sydney, 13 April 2021

AUSTRALIAN MARITIME OFFICERS UNION
ABN 56 181 230 800

FINANCIAL REPORT - 31 DECEMBER 2020

AUDITOR'S INDEPENDENCE DECLARATION
TO THE EXECUTIVE COUNCIL OF
AUSTRALIAN MARITIME OFFICERS' UNION

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of any applicable code of professional conduct in relation to the audit.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

13 April 2021

AUSTRALIAN MARITIME OFFICERS UNION**ABN 56 181 230 800****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|------|-------------------------|-------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 358,557 | 1,286,200 |
| Trade and other receivables | 7 | 56,838 | 53,037 |
| Financial assets | 8 | 2,882,189 | 1,357,672 |
| <i>Total current assets</i> | | <u>3,297,584</u> | <u>2,696,909</u> |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 915,099 | 982,338 |
| Right-of-use assets | 10 | 204,896 | 253,835 |
| Intangible assets | 11 | 29,015 | 12,717 |
| <i>Total non-current assets</i> | | <u>1,149,010</u> | <u>1,248,890</u> |
| TOTAL ASSETS | | <u>4,446,594</u> | <u>3,945,799</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 12 | 165,871 | 193,070 |
| Lease liabilities | 13 | 55,300 | 51,948 |
| Employee benefits | 14 | 186,794 | 106,078 |
| <i>Total current liabilities</i> | | <u>407,965</u> | <u>351,096</u> |
| Non-current liabilities | | | |
| Lease liabilities | 13 | 172,411 | 223,945 |
| Employee benefits | 14 | 65,651 | 41,578 |
| <i>Total non-current liabilities</i> | | <u>238,062</u> | <u>265,523</u> |
| TOTAL LIABILITIES | | <u>646,027</u> | <u>616,619</u> |
| NET ASSETS | | <u>3,800,567</u> | <u>3,329,180</u> |
| FUNDS | | | |
| Asset revaluation reserve | | 438,000 | 438,000 |
| Accumulated funds | | <u>3,362,567</u> | <u>2,891,180</u> |
| TOTAL FUNDS | | <u>3,800,567</u> | <u>3,329,180</u> |

The accompanying notes form part of these financial statements

AUSTRALIAN MARITIME OFFICERS UNION**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | 2020 \$ | 2019 \$ |
|-------------------------------------------------------|------|-----------------------|------------------------|
| Revenue | 4 | 2,380,313 | 2,121,443 |
| Other income | 4 | 86,253 | 56,856 |
| | | <u>2,466,566</u> | <u>2,178,299</u> |
| Expenses | | | |
| Administration and other expenses | | (480,401) | (701,683) |
| Depreciation and amortisation | 5 | (142,389) | (117,368) |
| Doubtful debts | | (134,450) | (85,067) |
| Finance costs | 5 | (21,355) | (23,098) |
| Fair value loss on financial assets | 5 | (5,262) | - |
| Loss on disposal of property, plant and equipment | 5 | - | (3,308) |
| Employee benefits | 21 | (1,177,898) | (1,169,748) |
| Occupancy expenses | | (32,804) | (88,010) |
| Repairs and maintenance | | (620) | (652) |
| | | <u>(1,995,179)</u> | <u>(2,188,934)</u> |
| Surplus (deficit) for the year | | 471,387 | (10,635) |
| Other comprehensive income for the year | | <u>-</u> | <u>-</u> |
| Total comprehensive income (loss) for the year | | <u><u>471,387</u></u> | <u><u>(10,635)</u></u> |

The accompanying notes form part of these financial statements

AUSTRALIAN MARITIME OFFICERS UNION**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Accumulated Funds | Asset Revaluation Reserve | Total |
|-------------------------------------------------------|------------------------------|------------------------------------------|-------------------------|
| | \$ | \$ | \$ |
| Balance at 1 January 2019 | 2,901,815 | 438,000 | 3,339,815 |
| Comprehensive income | | | |
| Surplus (deficit) for the year | (10,635) | - | (10,635) |
| Other comprehensive income | - | - | - |
| Total comprehensive income (loss) for the year | <u>(10,635)</u> | <u>-</u> | <u>(10,635)</u> |
| Balance at 31 December 2019 | <u>2,891,180</u> | <u>438,000</u> | <u>3,329,180</u> |
| Balance at 1 January 2020 | 2,891,180 | 438,000 | 3,329,180 |
| Comprehensive income | | | |
| Surplus for the year | 471,387 | - | 471,387 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the year | <u>471,387</u> | <u>-</u> | <u>471,387</u> |
| Balance at 31 December 2020 | <u>3,362,567</u> | <u>438,000</u> | <u>3,800,567</u> |

The accompanying notes form part of these financial statements

AUSTRALIAN MARITIME OFFICERS UNION**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | 2020 \$ | 2019 \$ |
|------------------------------------------------------------------|------|-----------------------|-------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers and government | | 2,619,196 | 2,311,907 |
| Payments to suppliers and employees | | (1,995,696) | (2,201,724) |
| Investment income | | 80,859 | 27,389 |
| Interest paid - leases | | (11,532) | (11,190) |
| <i>Net cash flows from operating activities</i> | 15 | <u>692,827</u> | <u>126,382</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (16,161) | (179,637) |
| Purchase of intangible assets | | (22,390) | - |
| Purchase of financial assets | | (1,529,779) | (1,335,944) |
| <i>Net cash flows from investing activities</i> | | <u>(1,568,330)</u> | <u>(1,515,581)</u> |
| Cash flows from financing activities | | | |
| Repayment of lease liabilities | | (52,140) | (22,698) |
| <i>Net cash flows from financing activities</i> | | <u>(52,140)</u> | <u>(22,698)</u> |
| Net increase (decrease) in cash and cash equivalents | | (927,643) | (1,411,897) |
| Cash and cash equivalents at the beginning of the financial year | | <u>1,286,200</u> | <u>2,698,097</u> |
| Cash and cash equivalents at the end of the financial year | 6 | <u>358,557</u> | <u>1,286,200</u> |

The accompanying notes form part of these financial statements

AUSTRALIAN MARITIME OFFICERS UNION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1 - Reporting entity

Reporting entity

The financial statements cover the Australian Maritime Officers Union (the "Union") as an individual entity. The Union is a registered Trade Union pursuant to federal legislation the *Fair Work (Registered Organisations) Act 2009* and is domiciled in Australia.

The financial statements were authorised for issue by the Executive Council on 13 April 2021.

Note 2 - Basis of preparation

Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the requirements of the *Fair Work (Registered Organisations) Act 2009*. The Union is deemed to be a Tier 1 entity applying full IFRS recognition, measurement and disclosure.

For the purpose of preparing the general-purpose financial statements, the Union is a not-for-profit entity.

Basis of measurement

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgments

The Executive Council evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key estimates

Impairment

The Union assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculation which incorporate various key assumptions. There is no impairment in the accounts for this year.

Fair value property

The Union carries its property at fair value with changes in the fair value recognised in the statement of profit or loss and other comprehensive income. At the end of each reporting period, the Union reviews and updates its assessment of the fair value of the property, taking into account any impairment indicators and the most recent independent valuations.

New and revised standards that are effective for these financial statements

Several amendments to Australian Accounting Standards and interpretations are mandatory for the 31 December 2020 reporting period. These include:

- *AASB 2018-6 - Definition of a Business* (amendments to AASB 3)
- *AASB 2018-7 - Definition of Material* (amendments to AASB 101 and AASB 108)
- *AASB 2019-1 - References to the Conceptual Framework* (revises the Conceptual Framework for Financial Reporting)

AUSTRALIAN MARITIME OFFICERS UNION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 2 - Basis of preparation (continued)

New and revised standards that are effective for these financial statements (continued)

The amendments listed above did not have any impact on the amounts recognised in the current or prior periods but may affect future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Union. These include:

- AASB 2020-2 - *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities* (effective for year ending 31 December 2022)
- AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (effective for year ending 31 December 2022)

These standards may have a material impact on the Union in future reporting periods and on foreseeable future transactions and disclosures since these standards act to mandate that the Union prepare a general purpose financial report in future reporting periods. The Union has not yet assessed the specific financial reporting impacts of these standards.

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

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 Assessments Act 1997*.

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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Subscription fees and levies

Revenue from subscriptions fees and levies are accounted for on an accrual basis.

Donations and grants

Donations are recognised as revenue when received, unless they are designated for a specific purpose, where they are carried forward as prepaid income on the statement of financial position.

When grant revenue is received, whereby the Union has the obligation to deliver economic value directly back to the contributor, this is considered reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor. Otherwise, the grant is recognised as income on receipt.

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2020**Note 3 - Significant accounting policies (continued)*****Revenue recognition (continued)******Interest revenue***

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Investment income

Investment income is recognised when the right to receive the income has been established.

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. When bank overdraft facilities are used, the overdraft would be shown within short-term borrowings in current liabilities in the statement of financial position. The Union had no bank overdraft at balance date.

Trade receivables

Trade and other receivables include amounts from member contributions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

Property, plant and equipment**Recognition and measurement**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Property

Land and buildings held for use in the production supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties' revaluation reserve relating to a previous revaluation of that asset.

AUSTRALIAN MARITIME OFFICERS UNION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 3 - Significant accounting policies (continued)

Property, plant and equipment (continued)

Property (continued)

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties' revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Freehold land is not depreciated.

Plant and equipment

Plant and equipment are carried on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the officials 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 that will be received from the asset's employment and subsequent disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated over the asset's useful life to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in the statement of profit or loss.

The depreciation rates used for each class of depreciable assets are:

| | | |
|------------------------------|---------|------------------------------|
| Buildings | 2.5% | - Straight line method |
| Leasehold improvements | 6.7% | - Straight line method |
| Office furniture & equipment | 4 - 67% | - Diminishing balance method |
| Library | 10% | - Diminishing balance method |
| Motor vehicle | 12.5% | - Straight line method |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profits or loss.

Intangible assets

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 lives. The estimated useful life 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.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and 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 or loss when the asset is derecognised.

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2020**Note 3 - Significant accounting policies (continued)*****Leases***

The Union leases several assets including office space. A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The assessment of the reasonable certainty of the exercising of options to extend the lease, or not exercising of options to terminate the lease, is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the Union's control and it affects the reasonable certainty assumptions. The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

The Union does not recognise leases that have a lease term of 12 months or less or are of low value as a right-of-use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Right-of-use assets

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position within a classification relevant to the underlying asset.

Right-of-use assets are initially measured at cost, comprising of the following:

- the amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred.
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequently, right-of-use assets are measured using a cost model. The right-of-use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight-line method and is recognised in the statement of profit or loss and other comprehensive income in "Depreciation and amortisation".

The Union tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right-of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset.

The resulting decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

AUSTRALIAN MARITIME OFFICERS UNION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 3 - Significant accounting policies (continued)

Lease Liability

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Union's incremental borrowing rate.

The tenor of a lease includes any renewal period where the lessee is reasonably certain that they will exercise the option to renew. The Union has reviewed all its leases and included any extensions where the Union assessed it is reasonably certain the lease agreement will be renewed.

The lease payment used in the calculation of the lease liabilities should include variable payments when they relate to an index or rate. Where leases contain variable lease payments based on an index or rate at a future point in time, the Union has used the incremental uplift contained in the lease or the respective Reserve Bank forward-looking CPI target for CPI-related increases.

In the absence of any floor or cap clauses in the lease agreements, the Union measures the rent for the year under market review at an amount equal to the rent of the year preceding the market review increased by a fixed rate.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the relevant Union's incremental borrowing rate. The incremental borrowing rate used for this calculation is dictated by the tenor of the lease and the location of the asset. The incremental borrowing rate is the rate the Union would be charged on borrowings, provided by our banking partners. The following lease payments being fixed payments, less any lease incentives receivable are included where they are not paid at the commencement date.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability.
- reducing the carrying amount to reflect the lease payments made.
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The unwind of the financial charge on the lease liabilities is recognised in the statement of profit or loss and other comprehensive income in "Finance costs" based on the Union's incremental borrowing rate.

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the Union to further its objectives (commonly known as peppercorn/concessionary leases), the Union has adopted the temporary relief under *AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* and measures the right-of-use assets at cost on initial recognition.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the Union commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2020**Note 3 - Significant accounting policies (continued)*****Financial instruments (continued)***Classification and subsequent measurement*Financial assets*

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset
- the business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- the financial asset is managed solely to collect contractual cash flows
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Fair value through other comprehensive income

Investments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward-looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

AUSTRALIAN MARITIME OFFICERS UNION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 3 - Significant accounting policies (continued)

Financial instruments (continued)

The Directors considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”.

Impairment of assets

At the end of each reporting period, the Union assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Fair value

The Union measures Financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non -financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measure at amortised cost are disclosed in Note 19.

Fair value represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2020**Note 3 - Significant accounting policies (continued)*****Fair value (continued)***

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Income received in advance

Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of comprehensive income.

Employee benefits***Short-term obligations***

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term obligations

The Union classifies employees' long service leave as other long-term employee benefits, as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Union's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | 2020 \$ | 2019 \$ |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <u>Note 4 - Revenue and other income</u> | | |
| Revenue | | |
| Members contributions | 2,262,813 | 2,120,277 |
| Government support - COVID-19 | 117,500 | - |
| Other operating revenue | - | 1,166 |
| <i>Total revenue</i> | <u>2,380,313</u> | <u>2,121,443</u> |
| Other income | | |
| Investment income | 80,859 | 27,389 |
| Fair value gain on financial assets | - | 21,728 |
| Other income | 5,394 | 7,739 |
| <i>Total other income</i> | <u>86,253</u> | <u>56,856</u> |
| <i>Total revenue and other income</i> | <u>2,466,566</u> | <u>2,178,299</u> |
| <u>Note 5 - Expenses</u> | | |
| Auditors remuneration | | |
| Audit of financial statements | 16,500 | 11,300 |
| Other professional services | 4,661 | 32,935 |
| Amortisation - intangible assets | 6,092 | 6,092 |
| Depreciation - property, plant and equipment | 83,400 | 66,520 |
| Depreciation - right-of-use assets | 52,897 | 44,756 |
| Finance costs: bank charges | 9,823 | 11,908 |
| Finance costs: lease liabilities | 11,532 | 11,190 |
| Fair value loss on financial assets | 5,262 | - |
| Net loss on disposal of property, plant and equipment | - | 3,308 |
| Provision for impairment - membership fees receivable | 134,450 | 85,067 |
| <u>Note 6 - Cash and cash equivalents</u> | | |
| Cash at bank and on hand | <u>358,557</u> | <u>1,286,200</u> |
| <i>Total cash and cash equivalents</i> | <u>358,557</u> | <u>1,286,200</u> |
| Certain balances within cash and cash equivalents are subject to interest rate risk as they earn interest income at variable rates of interest. The Union's exposure to interest rate risk on financial assets and liabilities is disclosed in Note 18. | | |
| <u>Note 7 - Trade and other receivables</u> | | |
| <u>Current</u> | | |
| Membership fees receivables | 219,517 | 121,666 |
| Provision for impairment | <u>(219,517)</u> | <u>(85,067)</u> |
| | - | 36,599 |
| Accrued income | 43,524 | - |
| Prepayments | 13,314 | 16,438 |
| <i>Total current trade and other receivables</i> | <u>56,838</u> | <u>53,037</u> |
| <i>Provision for impairment</i> | | |
| Opening net carrying amount | 85,067 | - |
| Increase in provision | 134,450 | 85,067 |
| Closing net carrying amount | <u>219,517</u> | <u>85,067</u> |

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | 2020 \$ | 2019 \$ |
|-------------------------------------------------------|------------------|------------------|
| Note 8 - Financial assets | | |
| Financial assets at fair value through profit or loss | | |
| Managed funds | 2,882,189 | 1,357,672 |
| <i>Total financial assets</i> | <u>2,882,189</u> | <u>1,357,672</u> |

Movements in carrying amounts

| | | |
|-----------------------------|------------------|------------------|
| Opening net carrying amount | 1,357,672 | - |
| Additions | 1,529,779 | 1,335,944 |
| Fair value movement | (5,262) | 21,728 |
| Closing net carrying amount | <u>2,882,189</u> | <u>1,357,672</u> |

Note 9 - Property, plant and equipment

| | Leasehold Improvements \$ | Land & Buildings \$ | Furniture, Library & Equipment \$ | Computer Equipment \$ |
|----------------------------|---------------------------------|---------------------------|--------------------------------------------|-----------------------------|
| At 31 December 2019 | | | | |
| Cost or fair value | 160,283 | 788,000 | 548,771 | 16,644 |
| Accumulated depreciation | (3,156) | (152,101) | (400,177) | (8,947) |
| <i>Net carrying amount</i> | <u>157,127</u> | <u>635,899</u> | <u>148,594</u> | <u>7,697</u> |

Movements in carrying amounts

| | | | | |
|----------------------------------|----------------|----------------|----------------|--------------|
| Opening net carrying amount | 157,127 | 635,899 | 148,594 | 7,697 |
| Additions | - | - | 9,753 | 6,408 |
| Depreciation charge for the year | (31,520) | (19,700) | (20,705) | (5,971) |
| Closing net carrying amount | <u>125,607</u> | <u>616,199</u> | <u>137,642</u> | <u>8,134</u> |

At 31 December 2020

| | | | | |
|----------------------------|----------------|----------------|----------------|--------------|
| Cost or fair value | 160,283 | 788,000 | 558,524 | 23,052 |
| Accumulated depreciation | (34,676) | (171,801) | (420,882) | (14,918) |
| <i>Net carrying amount</i> | <u>125,607</u> | <u>616,199</u> | <u>137,642</u> | <u>8,134</u> |

| | Motor Vehicles \$ | Total \$ |
|----------------------------|----------------------|----------------|
| At 31 December 2019 | | |
| Cost or fair value | 44,028 | 1,557,726 |
| Accumulated depreciation | (11,007) | (575,388) |
| <i>Net carrying amount</i> | <u>33,021</u> | <u>982,338</u> |

Movements in carrying amounts

| | | |
|----------------------------------|---------------|----------------|
| Opening net carrying amount | 33,021 | 982,338 |
| Additions | - | 16,161 |
| Depreciation charge for the year | (5,504) | (83,400) |
| Closing net carrying amount | <u>27,517</u> | <u>915,099</u> |

At 31 December 2020

| | | |
|----------------------------|---------------|----------------|
| Cost or fair value | 44,028 | 1,573,887 |
| Accumulated depreciation | (16,511) | (658,788) |
| <i>Net carrying amount</i> | <u>27,517</u> | <u>915,099</u> |

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | 2020 \$ | 2019 \$ |
|---------------------------------------------|----------------|----------------|
| <u>Note 10 - Right-of-use assets</u> | | |
| <u>Non-current</u> | | |
| Leased offices - at cost | 302,549 | 298,591 |
| Accumulated depreciation | (97,653) | (44,756) |
| <i>Net carrying amount</i> | <u>204,896</u> | <u>253,835</u> |
| <i>Movements in carrying amounts</i> | | |
| Balance at beginning of year | 253,835 | 298,591 |
| Revaluations - CPI adjustment | 3,958 | - |
| Depreciation expense | (52,897) | (44,756) |
| Closing net carrying amount | <u>204,896</u> | <u>253,835</u> |

Leasing information

The Union has a 6 year term on the lease of office space in New South Wales which commenced 1 September 2018. The Union also has a 6 year term on a property lease in Queensland which commenced 1 September 2019. A lease liability has been recognised in the financial statements for the discounted value of lease payments to be made by the Union.

Note 11 - Intangible assets

| | Website WIP \$ | Website \$ | Total \$ |
|---------------------------------------------|-------------------|---------------|---------------|
| At 31 December 2019 | | | |
| Cost | - | 24,367 | 24,367 |
| Accumulated amortisation | - | (11,650) | (11,650) |
| <i>Net carrying amount</i> | <u>-</u> | <u>12,717</u> | <u>12,717</u> |
| <i>Movements in carrying amounts</i> | | | |
| Opening net carrying amount | - | 12,717 | 12,717 |
| Additions | 22,390 | - | 22,390 |
| Depreciation charge for the year | - | (6,092) | (6,092) |
| Closing net carrying amount | <u>22,390</u> | <u>6,625</u> | <u>29,015</u> |
| At 31 December 2020 | | | |
| Cost | 22,390 | 24,367 | 46,757 |
| Accumulated amortisation | - | (17,742) | (17,742) |
| <i>Net carrying amount</i> | <u>22,390</u> | <u>6,625</u> | <u>29,015</u> |

Note 12 - Trade and other payables**Current**

| | | |
|-----------------------------------------------|----------------|----------------|
| Trade payables | 23,673 | 43,821 |
| Accrued expenses | 18,214 | 16,775 |
| GST payable | 29,178 | 19,221 |
| Income in advance | 49,930 | 24,326 |
| Liabilities to employees | 31,449 | 63,541 |
| Other payables | 13,427 | 25,386 |
| <i>Total current trade and other payables</i> | <u>165,871</u> | <u>193,070</u> |

Legal expenses included in accounts payable

| | | |
|-------------------|--------|--------|
| Litigation costs | 17,216 | 20,314 |
| Other legal costs | - | 16,047 |

Liquidity risk

The Union's exposure to liquidity risk related to trade and other payables is disclosed in Note 18.

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | 2020 \$ | 2019 \$ |
|------------------------------------------------------------------------------------------|----------------|----------------|
| <u>Note 13 - Lease liabilities</u> | | |
| <u>Current</u> | | |
| Lease liability | 55,300 | 51,948 |
| <i>Total current lease liabilities</i> | <u>55,300</u> | <u>51,948</u> |
| <u>Non-current</u> | | |
| Lease liability | 172,411 | 223,945 |
| <i>Total non-current lease liabilities</i> | <u>172,411</u> | <u>223,945</u> |
| <u>Movements in carrying amounts</u> | | |
| Balance at the beginning of the year | 275,893 | 298,591 |
| Revaluations - CPI adjustment | 3,958 | - |
| Repayments | (63,672) | (33,888) |
| Interest | 11,532 | 11,190 |
| Closing net carrying amount | <u>227,711</u> | <u>275,893</u> |
| <u>Note 14 - Employee benefits</u> | | |
| <u>Current</u> | | |
| Annual leave - staff | 131,652 | 91,932 |
| Annual leave - Union officials | 18,039 | 14,146 |
| Long service leave - staff | 4,609 | - |
| Time in lieu - staff | 24,941 | - |
| Time in lieu - Union officials | 7,553 | - |
| <i>Total current employee benefits</i> | <u>186,794</u> | <u>106,078</u> |
| <u>Non-current</u> | | |
| Long service leave - staff | 60,458 | 36,527 |
| Long service leave - Union officials | 5,193 | 5,051 |
| <i>Total non-current employee benefits</i> | <u>65,651</u> | <u>41,578</u> |
| <u>Note 15 - Cash flow information</u> | | |
| <i>Reconciliation of cash flows from operations with surplus (deficit) for the year:</i> | | |
| Surplus (deficit) for the year | 471,387 | (10,635) |
| <i>Non-cash flows in surplus (deficit)</i> | | |
| Depreciation | 136,297 | 111,276 |
| Amortisation | 6,092 | 6,092 |
| Fair value (gain) loss on financial assets | 5,262 | (21,728) |
| Net (gain) loss on disposal of property, plant and equipment | - | 3,308 |
| <i>Changes in assets and liabilities</i> | | |
| (Increase) decrease in trade and other receivables | (6,925) | (23,812) |
| (Increase) decrease in prepayments | 3,124 | (2,635) |
| (Increase) decrease in income in advance | 25,604 | 9,462 |
| (Decrease) increase in trade and other payables | (20,711) | 5,404 |
| (Decrease) increase in liabilities to employees | (32,092) | 16,775 |
| (Decrease) increase in employee benefits | 104,789 | 32,875 |
| Net cash flows from operating activities | <u>692,827</u> | <u>126,382</u> |

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****Note 16 - Contingent liabilities**

A contingent liability exists for an amount of \$62,411 (2019: \$Nil) in relation to the Employee Novated Car Lease Agreement.

Note 17 - Related party transactions**Union Official's compensation**

Refer to Notes 14 and 21 in relation to Union Official's remuneration.

Note 18 - Financial instruments**General**

Note 3 discusses the types of risks associated with the Union's financial instruments as well as the policies adopted by the Union to manage and monitor those risks and some other qualitative information. The quantitative information presented below complements those earlier disclosures and should be read in conjunction with them.

Credit risk**Exposure to credit risk**

The carrying amount of the Union's financial assets represents the maximum credit exposure. The Union's maximum exposure to credit risk at the reporting date was:-

| | 2020 \$ | 2019 \$ |
|--------------------------------------------------|------------------|------------------|
| Cash and cash equivalents (excluding petty cash) | 358,123 | 1,285,732 |
| Trade and other receivables (refer note 7) | 56,838 | 53,037 |
| Financial assets (refer note 8) | 2,882,189 | 1,357,672 |
| | <u>3,297,150</u> | <u>2,696,441</u> |

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments. The contractual amounts are expected future payments which have not been discounted.

| | | |
|---------------------------------------------|---------------|----------------|
| Trade and other payables (refer to note 12) | <u>84,492</u> | <u>105,203</u> |
|---------------------------------------------|---------------|----------------|

All trade and other payables are expected to be paid within 0 - 3 months and according to the trading terms. No amounts are past due or impaired.

Interest rate risk

At the reporting date the interest rate profile of the Union's interest bearing financial instruments was:-

| | | |
|---------------------------|----------------|------------------|
| Cash and cash equivalents | <u>358,123</u> | <u>1,285,732</u> |
|---------------------------|----------------|------------------|

A change of 1% in interest rates at the reporting date would have increased (decreased) equity and profit or loss by \$3,582 (2019: \$12,857). This analysis assumes that all other variables remain constant.

Fair values**Fair values compared to carrying amounts**

The fair values of financial assets and liabilities, together with their carrying amounts shown in the statement of financial position, are as follows:

Assets carried at amortised cost

| | | |
|-----------------------------|------------------|------------------|
| Cash and cash equivalents | 358,557 | 1,286,200 |
| Trade and other receivables | 56,838 | 53,037 |
| Financial assets | 2,882,189 | 1,357,672 |
| | <u>3,297,584</u> | <u>2,696,909</u> |

Liabilities carried at amortised cost

| | | |
|--------------------------|----------------|----------------|
| Trade and other payables | <u>165,871</u> | <u>193,070</u> |
|--------------------------|----------------|----------------|

AUSTRALIAN MARITIME OFFICERS UNION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 18 - Financial instruments (continued)

As at 31 December 2020 the fair value has been assessed to be the same amount as the carrying value. This analysis was the same as at the 2019 balance date. The basis for determining fair value is disclosed in note 3.

Fair value hierarchy

All financial instruments are carried at amortised cost.

Note 19 - Events occurring after balance date

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of the Coronavirus, and Government actions to reduce the spread of the virus.

At the date of signing the financial statements the Union is unable to determine what financial effects the outbreak of the virus could have on the organisation in the coming financial period.

The Union acknowledges its responsibility to continuously monitor the situation and evaluate this impact including the ability to pay the debts as and when they become due and payable.

There were no other significant events occurring after balance date.

Note 20 - 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 reads as follows:

Information to be provided to members or the Commissioner of the Registered Organisations Commission:

(i) A member of the reporting unit, or the Commissioner of the Registered Organisations Commission, 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.

(ii) The application must be in writing and must specify the period within 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.

(iii) The reporting unit must comply with an application made under subsection (1).

Information required under the Reporting Guidelines for the purposes of section 253 of the *Fair Work (Registered Organisations) Act 2009* :

(i) The Union does not keep any special funds for any specific purpose (2019: Nil). No compulsory levies nor voluntary contribution was collected from the members during the year (2019: Nil).

(ii) The Union is liquid and does not rely on other entities to continue as a going concern. No financial support was received or given to/from other entities during or since the end of the financial year (2019: Nil).

(iii) The Union did not acquire any assets or liabilities during the financial year as a result of amalgamation, restructuring of branches, business combinations or determination and revocation by the Commissioner of the Registered Organisations Commission (2019: Nil).

AUSTRALIAN MARITIME OFFICERS UNION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | 2020 \$ | 2019 \$ |
|---------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <u>Note 21 - Additional disclosure required by the Registered Organisations Commission</u> | | |
| <i>Employee expenses:</i> | | |
| <u>Staff</u> | | |
| Salaries and wages | 833,507 | 819,316 |
| Superannuation | 116,147 | 111,351 |
| Leave and other entitlements | 104,790 | 32,874 |
| | <u>1,054,444</u> | <u>963,541</u> |
| <u>Officials</u> | | |
| Salaries and wages | 83,469 | 80,666 |
| Superannuation | 13,496 | 13,437 |
| Leave and other entitlements | 9,607 | 11,224 |
| | <u>106,572</u> | <u>105,327</u> |
| <i>Total employee expenses</i> | <u><u>1,161,016</u></u> | <u><u>1,068,868</u></u> |
| <i>Other expenses:</i> | | |
| Affiliation fees | 19,200 | 25,529 |
| Consultants fees | 4,370 | 3,230 |
| Donations/grants paid | - | 440 |
| Legal costs - other | 77,247 | 45,731 |
| Litigation costs | 86,476 | 84,974 |
| Meeting/conference expenses | 9,148 | 29,423 |

Note 22 - Union details

The registered office and the principal place of business of the Union are located at:
Level 1, 52 Buckingham Street
Surry Hills, NSW 2010

AUSTRALIAN MARITIME OFFICERS UNION
ABN 56 181 230 800

FINANCIAL REPORT - 31 DECEMBER 2020

EXECUTIVE COUNCIL DECLARATION

On 23 March 2021, the Executive Council of the Australian Maritime Officers Union (the "Union") passed the following resolution in relation to the general purpose financial reports (GPFR) of the Union for the financial year ending 31 December 2020.

In accordance with the resolution of the Executive Council, we state that in the opinion of the council the financial statements and notes:

- (a) comply with Australian Accounting Standards;
- (b) comply with the reporting guidelines as issued by the Commissioner of the Registered Organisations Commission;
- (c) give a true and fair view of the financial position as at 31 December 2020 and of the performance for the year ended on that date of the Union;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the financial statements relate and since the end of the year:
 - i. meetings of the Executive Council of the Union were held in accordance with the rules of the Union, including the rules of any branch concerned;
 - ii. the financial affairs of the Union have been managed in accordance with the rules of the Union, including the rules of any branch concerned;
 - iii. the financial records of the Union have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*;
 - iv. to the knowledge and belief of the Executive Council, during the financial year to which the financial report relates, there have been no instances where records of the organisation or other documents or copies of those records or other documents, have not been furnished, or made available to members of the organisation or the Register in accordance with section 272 of the *Fair Work (Registered Organisation) Act 2009*;
 - v. where the Union consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the Union; and
 - vi. no orders have been made by the Commissioner of the Registered Organisations Commission in relation to section 273 of the *Fair Work (Registered Organisations) Act 2009* during the period.
- (f) there was no recovery of wages activity undertaken by the Union during the financial year.

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



K Blackband
President

Sydney, 13 April 2021

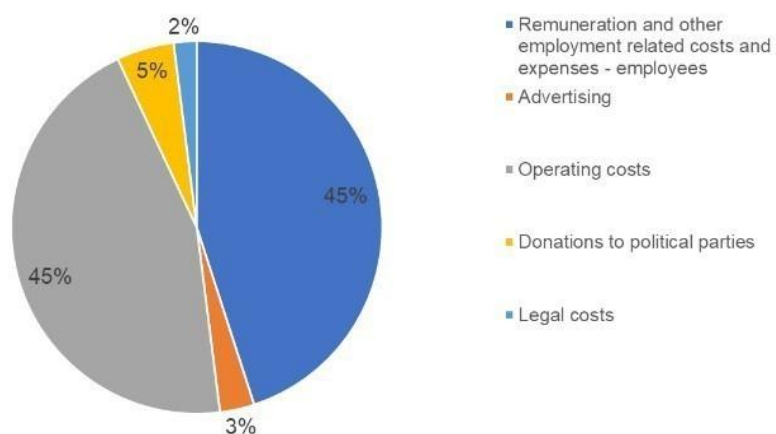
AUSTRALIAN MARITIME OFFICERS UNION
ABN 56 181 230 800

FINANCIAL REPORT - 31 DECEMBER 2020

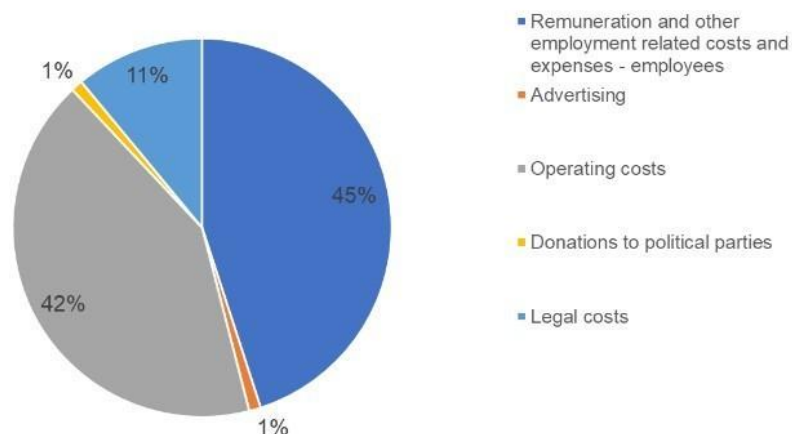
REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE
FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

The Executive Committee presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* for Australian Maritime Officers Union for the year ended 31 December 2020.

2020 - Expenditure as required under s. 255(2A)
RO Act



2019 - Expenditure as required under s. 255(2A)
RO Act



K Blackband
President

Sydney, 13 April 2021

AUSTRALIAN MARITIME OFFICERS UNION
ABN 56 181 230 800

FINANCIAL REPORT - 31 DECEMBER 2020

OFFICER DECLARATION STATEMENT

I, Ken Douglas Blackband, being the President of Australian Maritime Officers Union, declare that the following activities did not occur during the reporting period ending 31 December 2020.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continued as a going concern (refers to agreement regarding financial support not dollar amount);
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to an agreement regarding financial support not dollar amount);
- acquire an asset or liability due to an amalgamation under Part 2 of the Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the Registered Organisation Commission;
- receive capitation fees from another reporting unit;
- receive any other revenue from another reporting unit;
- receive revenue via compulsory levies;
- receive donations or grants;
- receive revenue from undertaking recovery of wages activity;
- incur fees as consideration for employees making payroll deductions of membership subscriptions;
- pay capitation fees to another reporting unit;
- pay compulsory levies;
- pay a grant that was \$1,000 or less;
- pay a grant that exceeded \$1,000;
- pay a donation that exceeded \$1,000;
- pay a person fees or allowances to attend conferences or meeting as a representative of the reporting unit;
- pay a penalty imposed under RO of the *Fair Work Act 2009*;
- have a receivable with another reporting unit;
- have a payable with another reporting unit;
- have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions;
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch;
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity;
- provide cash flows to another reporting unit and/or controlled entity;
- receive cash flows from another reporting unit and/or controlled entity;
- have another entity administer the financial affairs of the reporting units; or
- make a payment to a former related party of the reporting unit.



K Blackband
President

Sydney, 13 April 2021

AUSTRALIAN MARITIME OFFICERS UNION

ABN 56 181 230 800

FINANCIAL REPORT - 31 DECEMBER 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN MARITIME OFFICERS UNION

Opinion

We have audited the financial report of Australian Maritime Officers Union (the "Union") which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the Executive Council Declaration, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Union as at 31 December 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) Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the "RO Act") and any other requirements imposed by the Reporting Guidelines.

Basis for Opinion

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

We confirm that the Independence Declaration, which has been given to the Executive Council of the Union, would be in the same terms if given to the Executive Council as at the time of this Auditor's Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information Other than the Financial Report and Audit Report Thereon

The Executive Council 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.

Our opinion of the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

AUSTRALIAN MARITIME OFFICERS UNION
ABN 56 181 230 800

FINANCIAL REPORT - 31 DECEMBER 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN MARITIME OFFICERS' UNION

Executive Council's Responsibility for the Financial Report

The Executive Council of the Union (the "Council") is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretation) and the RO Act and for such internal control as the Council determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing the Union'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 Council either intends to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Auditing and Assurance Standards Board and the website address is <http://www.auasb.gov.au/Home.aspx>.

We communicate with the Council 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.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner
Registration number: 309885

13 April 2021

AUSTRALIAN MARITIME OFFICERS UNION
ABN 56 181 230 800

FINANCIAL REPORT - 31 DECEMBER 2020

ACCOUNTANT'S DISCLAIMER ON OTHER FINANCIAL INFORMATION

The following additional financial data is in accordance with the books and records of the Union which have been subjected to the auditing procedures applied in our audit of the financial report of the Union for the year ended 31 December 2020.

It will be appreciated that our audit of the financial report did not cover all details of the additional financial data, which does not form part of the financial report. Accordingly, we do not express an audit opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

13 April 2021

AUSTRALIAN MARITIME OFFICERS UNION**DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | 2020 \$ | 2019 \$ |
|----------------------------------------|------------------|------------------|
| Operating revenue | | |
| Membership income | | |
| Subscriptions, levies and joining fees | 2,262,813 | 2,120,277 |
| Government support | | |
| COVID-19 stimulus income | 117,500 | - |
| Other income | | |
| Sundry income | 5,394 | 8,905 |
| <i>Total operating revenue</i> | <u>2,385,707</u> | <u>2,129,182</u> |
| Operating expenditure | | |
| Advertising | 2,910 | 3,614 |
| Affiliation fees | 19,200 | 25,529 |
| Accounting and audit fees | 41,049 | 44,235 |
| Amortisation | 6,092 | 6,092 |
| Bank charges | 9,823 | 11,908 |
| Campaign expenses | - | 4,715 |
| Conference and meeting expenses | 9,518 | 48,736 |
| Consultants fees | 4,370 | 3,230 |
| Computer software and maintenance | 66,033 | 57,038 |
| Delegate fees and expenses | - | 68 |
| Depreciation | 136,297 | 111,276 |
| Electricity and gas | - | 2,959 |
| Employee amenities | 1,214 | 2,827 |
| Equipment hire/lease/write off | 17,177 | 13,646 |
| Finance costs - AASB 16 | 11,532 | 11,190 |
| Flowers and gifts | - | 176 |
| Fringe benefits tax | 7,088 | 12,406 |
| General and other expenses | 493 | 5,848 |
| Insurance | 19,346 | 22,632 |
| Legal costs | 163,723 | 130,705 |
| Library services and publications | - | 152 |
| Member Benefit Services | 8,098 | 4,815 |
| Payroll tax | 2,966 | 15,365 |
| Permits | 533 | 1,213 |
| Postage | 5,013 | 6,755 |
| Printing and stationery | 1,307 | 19,998 |
| Annual leave expense | 43,614 | 20,462 |
| Long service leave expense | 28,682 | 12,412 |
| Time off in lieu expense | 32,494 | - |
| Rates and taxes, branch properties | 6,450 | 6,101 |
| Relocation expenses | - | 24,770 |
| Rent and cleaning | 16,941 | 69,594 |
| Repairs and maintenance | 620 | 652 |
| Salaries | 926,729 | 971,206 |
| Staff training | 946 | 2,509 |
| Storage facilities | 10,066 | 9,356 |
| Subscriptions | 12,429 | 9,103 |
| Superannuation | 129,643 | 124,788 |
| Telephone and internet | 44,825 | 51,560 |
| Travelling expenses | 54,792 | 218,064 |
| Website maintenance | 13,454 | 12,854 |
| <i>Total operating expenditure</i> | <u>1,855,467</u> | <u>2,100,559</u> |
| Operating surplus (deficit) | <u>530,240</u> | <u>28,623</u> |

The accompanying notes form part of these financial statements

AUSTRALIAN MARITIME OFFICERS UNION**DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 \$ | 2019 \$ |
|-------------------------------------------------------|-----------------------|------------------------|
| Non-operating revenue | | |
| Investment income | 80,859 | 27,389 |
| Fair value gain on financial assets | - | 21,728 |
| <i>Total non-operating revenue</i> | <u>80,859</u> | <u>49,117</u> |
| Non-operating expenses | | |
| Doubtful debts | 134,450 | 85,067 |
| Fair value loss on financial assets | 5,262 | - |
| Loss on disposal of assets | - | 3,308 |
| <i>Total non-operating expenses</i> | <u>139,712</u> | <u>88,375</u> |
| Surplus (deficit) for the year | 471,387 | (10,635) |
| Other comprehensive income for the year | <u>-</u> | <u>-</u> |
| Total comprehensive income (loss) for the year | <u><u>471,387</u></u> | <u><u>(10,635)</u></u> |