



AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

**Annual Financial Report For The Year Ended
30 June 2023**

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
30 June 2023

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

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Australian Institute of Marine and Power Engineers ("the Institute"), which comprises the Statement of Financial Position at 30 June 2023, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2023, notes to the financial statements including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Institute as at 30 June 2023, 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 the Management's use of the going concern basis in the preparation of the financial statements of the Institute 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 Institute 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 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 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 Committee of Management for the Financial Report

The committee of management of the Institute 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 determine 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.

In preparing the financial report, the committee of management is responsible for assessing the Institute'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 intend to liquidate the Institute 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 Institute'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 Institute'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 Institute 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 Institute to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Institute audit. I remain solely responsible for my audit opinion.



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 I identify during my audit.

I declare that I am an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

In my opinion, no such matters were noted.

Vincent Poon – Director Audit Services
Registered Company Auditor - Registration Number AA2018/23

Dated at Sydney, this 22nd day of September 2023

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2023**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2023.

Categories of expenditures	2023 \$	2022 \$
Remuneration and other employment-related costs and expenses - employees	1,273,624	1,326,324
Advertising	2,140	668
Operating costs	710,257	578,751
Donations to political parties	-	55,518
Legal costs	109,607	34,888



Signature of designated officer:

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

Dated at Sydney, this 22nd day of September 2023

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2023

The AIMPE Federal Executive (the Committee of Management) presents its Operating Report on the reporting unit for the financial year ended 30 June 2023.

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 2022-23 AIMPE operations emerged from the constraints that had applied during COVID-19 pandemic. Travel and physical meetings resumed although Federal Executive meetings, enterprise bargaining and members meetings continued to use videoconferencing or hybrid connections when appropriate.

The Australian Electoral Commission again decided that the elections for a new Federal Executive would not be held in person at Federal Council but rather by postal ballot. The ballot returned the existing Federal Executive members.

Following the election of the new Albanese Federal Government, AIMPE made submissions to the newly formed Strategic Fleet Taskforce. These were supported by the AMOU and included a call for a new national maritime industry training program to be implemented in preparation for the Strategic Fleet and future Offshore Wind construction projects.

Significant changes in financial affairs

Regarding the financial affairs of the AIMPE in 2022-23 – membership fee income was above the fee income in the previous financial year following payment of arrears and a small increase in fees. Interest income was also up on the previous year. Total expenditure increased due to higher project expenses and increased legal fees. As a result, the union has recorded a deficit of \$280,220 down from the deficit of \$370,860 in the previous year.

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 number belongs as provided by Rule 31.

Officers or members 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.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

Number of members

The AIMPE had 1,591 members as at 30 June 2023.

This compares with 1,634 members as at 30 June 2022.

AIMPE retains a significant number of Honorary members who have retired from the maritime industry. As at 30th June 2023 AIMPE had 950 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 2022-23 was 10 [comprising 9 full-time staff and 1 part-time staff]. The new extra full-time employee commenced employment in February 2023. The part-time staff member was equivalent to 0.5 full time employee [FTE].

Names of committee of management members and period positions held during the financial year

The Federal Executive of the AIMPE for 2022-23 was elected on 5th June 2023 following a postal ballot conducted by 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:

Position	Name	Period of service
Federal President	Martin Byrne	1.7.22 - 30.6.23
Senior Vice President	John Hartree	1.7.22 - 30.6.23
Vice President	Peter Toohey	1.7.22 - 30.6.23
Vice President	Mark Jones	1.7.22 - 30.6.23
Federal Treasurer	Ian McAllister	1.7.22 - 30.6.23

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 at Sydney, this 22nd day of September 2023

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

On 19th September 2023 the AIMPE Federal Executive passed the following resolution in relation to the general purpose financial report for the financial year ended 30 June 2023:

The AIMPE Federal Executive declares that in its opinion:

- a) the financial statements and notes comply with Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or the General Manager; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



Signature of designated officer:

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

Dated at Sydney, this 22nd day of September 2023

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Revenue from contracts with customers	3		
Membership subscriptions (including arrears, entrance fees and less refunds)		1,657,711	1,512,260
Capitation fee and other revenue from another reporting unit	3A	-	-
Compulsory levies	3B	-	-
Revenue from recovery of wages activities	3C	-	-
Total revenue from contracts with customers		1,657,711	1,512,260
Income for furthering objectives	3		
Grants and / or donations	3D	-	-
Income recognised from volunteer services	3E	-	-
Total income for furthering objectives		-	-
Other income			
Interest received	3F	57,257	11,422
Rental revenue	3G	85,558	95,473
Other income	3H	1,234	3,143
Unrealised losses on revaluation of assets	3I	13,648	1,185
Net gains from sales of assets	3J	-	1,806
Total other income		157,697	113,029
Total income		1,815,408	1,625,289
Expenses			
Employee expenses	4A	1,273,624	1,326,324
Capitation fees and other expense to another reporting unit	4B	-	-
Affiliation fees	4C	27,825	27,358
Administration expenses	4D	209,488	167,515
Grants or donations	4E	-	55,518
Depreciation and amortisation	4F	105,760	111,170
Legal costs	4G	109,607	34,888
Audit fees	17	25,166	25,300
Projects	4H	223,902	129,420
Loss on disposal of fixed assets	4I	184	-
Other expenses	4J	120,072	118,656
Total expenses		2,095,628	1,996,149
Deficit for the year		(280,220)	(370,860)
Other comprehensive income		-	-
Items that will not be subsequently reclassified to profit or loss:			
- Asset revaluation increment		-	-
Total comprehensive income for the year		(280,220)	(370,860)

The accompanying notes form part of these financial statements.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	2,520,580	2,705,305
Trade and other receivables	6	48,377	7,793
Total current assets		2,568,957	2,713,098
Non-current assets			
Property, plant and equipment	7	6,183,559	6,277,639
Intangible	8	-	-
Financial assets	9	66,443	52,795
Total non-current assets		6,250,002	6,330,434
Total assets		8,818,959	9,043,532
Current liabilities			
Trade payables	10	118,129	104,780
Other payables	11	260,997	247,972
Provisions - employee benefits	12	711,496	686,882
Total current liabilities		1,090,622	1,039,634
Non-current liabilities			
Provisions - employee benefits	12	21,903	17,244
Total non-current liabilities		21,903	17,244
Total liabilities		1,112,525	1,056,878
Net assets		7,706,434	7,986,654
Equity			
General funds	13A	1,691,403	1,971,623
Reserves	13B	6,015,031	6,015,031
Total equity		7,706,434	7,986,654

The accompanying notes form part of these financial statements.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	General Funds	Asset revaluation reserve	Capital realisation reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2021	2,342,483	4,484,317	1,530,714	8,357,514
Deficit for the year	(370,860)	-	-	(370,860)
Comprehensive income for the year	-	-	-	-
Balance at 30 June 2022	1,971,623	4,484,317	1,530,714	7,986,654
Deficit for the year	(280,220)	-	-	(280,220)
Comprehensive income for the year	-	-	-	-
Balance at 30 June 2023	1,691,403	4,484,317	1,530,714	7,706,434

The accompanying notes form part of these financial statements.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Operating activities			
Cash received			
Contribution, entrance fees and levies received from members		1,823,482	1,664,337
Receipts from other reporting units	14(b)	197,489	151,711
Interest received Rental		16,673	11,422
income received		94,114	105,020
Other income received		16,370	6,747
Total cash received		2,148,128	1,939,238
Cash used			
Payments to suppliers and employees		(1,765,878)	(1,586,620)
Payments relating to projects		(223,902)	(129,420)
Payments relating to "On Watch"		(120,072)	(118,656)
Payments to other reporting units	14(b)	(197,489)	(151,711)
Total cash used		(2,307,341)	(1,986,407)
Net cash used in operating activities	14(a)	(159,213)	(47,169)
Investing activities			
Cash received			
Proceeds from sale of property, plant and equipment and shares		-	3,182
Cash used			
Payment for property, plant and equipment		(11,864)	(3,409)
Purchase of investments		(13,648)	
Net cash used in investing activities		(25,512)	(227)
Net decrease in cash held		(184,725)	(47,396)
Cash at beginning of financial year		2,705,305	2,752,701
Cash at end of financial year	5	2,520,580	2,705,305

The accompanying notes form part of these financial statements.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 1 Statement of significant accounting policies

Basis of preparation

This financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations, issued by the Australian Accounting Standards Board 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 (" the Institute") is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The following is a summary of the material policies adopted in the preparation of the financial statements.

(a) Going Concern

The Institute is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Institute has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

(b) Comparative Amounts

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

(c) New Australian Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Institute for the annual reporting period ended 30 June 2023. The Institute's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Institute, is considered not significant.

(d) New and Amended Accounting Standards Adopted by the Entity

There are no new or amended accounting standards which had an impact on the Institute during this reporting period.

(e) Income tax

The Institute is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO); and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified within operating cash flows.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(f) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Institute in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Institute recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

(g) Revenue

The Institute enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions and rental income.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Institute has a contract with a customer, the Institute recognises revenue when or as it transfers control of goods or services to the customer. The Institute accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates. Any amounts received in relation to period after 30 June 2023 are deferred and included as "membership subscription received in advance" and included as liabilities (refer Note 11.)

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

Interest revenue is recognised on an accruals basis using the effective interest method.

Rental income

Leases in which the Institute as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Dividend income

Dividend income is recognised when the right to receive a dividend has been established.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

(h) Current versus non-current classification

The Institute presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Institute classifies all other liabilities as non-current.

(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) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(k) Financial instruments

Financial assets and financial liabilities are recognised when the Institute becomes a party to the contractual provisions of the instrument.

(l) Financial assets

Contract assets and receivables

A contract asset is recognised when the Institute's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Institute's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

(I) Financial assets (Cont'd)

Initial recognition and measurement

The Institute's financial assets include trade receivables.

The Institute's financial assets are classified as financial assets subsequently measured at amortised cost because both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding.

The classification of financial assets is performed at an instrument level at initial recognition of the financial asset.

The Institute initially measures a financial asset at its fair value plus transaction costs. However contract assets and trade receivables that do not contain a significant financing component are measured at the transaction price as determined in accordance with the revenue policy in Note (g).

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss.

Financial assets at amortised cost

The Institute measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Institute's financial assets at amortised cost includes trade receivables.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(I) Financial assets (Cont'd)

Financial assets at fair value through other comprehensive income

The Institute measures debt instruments at fair value through other comprehensive income (OCI) if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Institute's debt instruments at fair value through other comprehensive income includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

(I) Financial assets (Cont'd)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or

The Institute has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- a) The Institute has transferred substantially all the risks and rewards of the asset; or
- b) The Institute has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Institute has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Institute continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, are recognised at the nominal amounts due less any loss allowance due to expected credit losses (ECLs) at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Institute applies a simplified approach in calculating ECLs which requires lifetime ECLs to be recognised from initial recognition of the receivables.

Therefore, the Institute does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Institute has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
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(l) Financial assets (Cont'd)

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Institute recognises an allowance for ECLs using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Institute expects to receive, discounted at an approximation of the original EIR.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Institute considers a financial asset in default when contractual payments are past due. However, in certain cases, the Institute may also consider a financial asset to be in default when internal or external information indicates that the Institute is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(m) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Institute's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 *Financial Instruments* are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
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(n) Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the institute transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the institute performs under the contract (i.e. transfers control of the related goods or services to the customer).

(o) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(p) Property, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The depreciation rates used for each class of asset are:

Class of fixed asset	Depreciation rate	
	2023	2022
Buildings	2-10%	2-10%
Plant and equipment	2-66.7%	2-66.7%
Motor vehicle	25%	25%

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.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
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(q) 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 Institute's intangible assets are:

	2023	2022
Intangibles	5 years	5 years

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are software product offerings in which the Institute does not control the underlying software used in the arrangement. Where costs incurred to configure or customise a SaaS arrangement result in the creation of a resource which is identifiable, and where the Institute has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation period is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, the Institute recognises those costs as an expense when the supplier provides the services. However, the Institute recognise those costs as a prepayment if, and to the extent that, the supplier performing the configuration and customisation activities is the vendor of the SaaS product (or an agent of the vendor) and those activities do not represent a distinct service in addition to the SaaS access. This is because, in that circumstance, the Institute cannot separately benefit from the configuration and customisation activities and instead those activities are set up activities performed by the SaaS vendor so that it can provide the SaaS access to the Institute.

In the process of applying the Institute's accounting policy on configuration and customisation of costs incurred in implementing SaaS arrangements, management has made the following judgements:

- Determining whether cloud computing arrangements contain a software licence intangible asset

The Institute evaluates cloud computing arrangements to determine if it provides a resource that the Institute can control. The Institute determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:

- The Institute has the contractual right to take possession of the software during the hosting period without significant penalty.
- It is feasible for the Institute to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.

- Capitalisation of configuration and customisation costs in SaaS arrangements

Where the Institute incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance on-premise software that belongs to the Institute or to provide code that can be used by the Institute in other arrangements, the Institute applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB 138 Intangible Assets.

For the year ended 30 June 2023, the Institute did not have any costs incurred in implementing SaaS arrangements that were recognised as intangible assets.

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 or loss when the asset is derecognised.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
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(r) 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.

(s) Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Institute was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

In other cases, for the purposes of determining recoverable amount, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(t) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty and judgements

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

(i) Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(ii) Impairment review

As described in Note 1(s), management is required to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgement requiring assessment as to whether the asset can be supported by the net present value of future cashflows derived from the use of such assets.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
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(u) Fair value measurement

The Institute measures non-financial assets such as land and buildings, at fair value at each balance sheet date.

Fair value is the price 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 principle 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 Institute. 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 Institute 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.

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 Institute 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. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Institute has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
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Note 2 Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Institute, the results of those operations, or the state of affairs of the Institute in subsequent financial periods.

Note 3 Revenue and income

	2023	2022
	\$	\$

Disaggregation of revenue from contracts with customers

A disaggregation of the Institute's revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

Type of customer

Members	<u>1,657,711</u>	<u>1,512,260</u>
	<u>1,657,711</u>	<u>1,512,260</u>

Disaggregation of income for furthering activities

A disaggregation of the Institute's income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets a disaggregation of income by funding source:

Income funding sources	<u>-</u>	<u>-</u>
3A Capitation fees and other revenue from another reporting unit		
Capitation fees	-	-
Other revenue from another reporting unit	<u>-</u>	<u>-</u>
3B Compulsory levies		
Total compulsory levies	<u>-</u>	<u>-</u>
3C Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	<u>-</u>	<u>-</u>
3D Grants and / or donations		
Grants	-	-
Donations	<u>-</u>	<u>-</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 3 Income (Cont'd)

	2023	2022
	\$	\$
3E Income recognised from volunteer services		
Amounts recognised from volunteer services	-	-
Total income recognised from volunteer services	<u>-</u>	<u>-</u>
3F Interest received		
Deposits	<u>57,257</u>	<u>11,422</u>
3G Rental revenue		
Properties	84,808	93,673
Car park leases	750	1,800
	<u>85,558</u>	<u>95,473</u>
3H Other income		
Dividend received	934	2,595
Sundry	300	548
	<u>1,234</u>	<u>3,143</u>
3I Unrealised gain on revaluation of assets		
Revaluation of shares in listed companies	<u>13,648</u>	<u>1,185</u>
3J Net gains from sales of assets		
Gains from sales of property, plant and equipment	<u>-</u>	<u>1,806</u>

Note 4 Expenses

	2023	2022
	\$	\$
4A Employee expenses		
Holders of office:		
- Wages and salaries (includes honorariums)	364	416
- Superannuation	-	-
- Leave and other entitlements	-	-
- Separation and redundancies	-	-
- Other employee benefi	-	-
Subtotal employee expenses holders of office	<u>364</u>	<u>416</u>
Employees other than office holders		
- Salaries and wages	928,068	895,60
- Superannuation	154,170	137,913
- Leave and other entitlements	168,904	274,944
- Separation and redundancies	-	-
- Other employee benefits	22,118	17,391
Subtotal employee expenses employees other than office holders	<u>1,273,260</u>	<u>1,325,908</u>
Total employee expenses	<u>1,273,624</u>	<u>1,326,324</u>

Martin Byrne held office during the year however this was an unpaid position.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 4 Expenses (Cont'd)

	2023	2022
	\$	\$
4B Capitation fees and other expense to another reporting unit		
Capitation fees	-	-
Other expense to another reporting unit	-	-
	-	-
	-	-

	2023	2022
	\$	\$
4C Affiliation fees		
Head office		
Australian Council of Trade Unions ACTU	11,238	11,280
International Transport Workers' Federation	3,362	3,597
Nautilus	4,382	4,676
Victoria		
Victorian Trades Hall Council	973	941
Geelong Trades Hall Council	51	83
Tasmania		
Unions Tasmania	586	566
South Australia		
SW Trades & Labor Council	32	32
Queensland		
Union Shopper	399	525
Queensland Council of Unions	3,273	2,965
Newcastle		
Newcastle Trades Hall Council	364	457
NSW District		
Workers Health Centre Affiliation	415	409
Unions NSW	2,750	1,827
Total Affiliation fees	27,825	27,358

	2023	2022
	\$	\$
4D Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and Meeting expenses (include conference Note 18 & travel and accommodation Note 19).	23,337	13,712
Property expenses	113,374	80,242
Office expenses	12,410	11,081
Information communications technology	22,090	27,964
Other expenses		
Advertising	2,140	668
Bank charges and government duties	8,179	7,976
Entertainment	-	-
Florist/death notices	181	141
Member advantage program	1,922	1,846
Motor vehicle costs	18,948	16,080
Publications/subscriptions	1,590	1,590
Staff amenities	978	641
Staff training	240	320
Sundry	4,099	5,254
	209,488	167,515

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Note 4 Expenses (Cont'd)

4E Grants or donations

	2023 \$	2022 \$
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	55,518
Total grants or donations	-	55,518

4F Depreciation and amortisation

	2023 \$	2022 \$
Depreciation		
Land and buildings	88,380	95,428
Property, plant and equipment	17,380	15,742
Total depreciation	105,760	111,170
Amortisation		
AIMPE App	-	-
Total amortisation	-	-
Total depreciation and amortisation	105,760	111,170

4G Legal costs

	2023 \$	2022 \$
Litigation	-	-
Other legal costs	109,607	34,888
Total legal costs	109,607	34,888

4H Projects

	2023 \$	2022 \$
Home Affairs and Defence	3,033	1,436
Dredges	303	-
Federal Council	23,462	34,208
Federal Executive	7,484	3,675
Maritime Industry Seagoing Award	18,241	23,801
Navais/barges/Small Ships	1,704	1,145
NMSC/Qualification	3,111	578
Offshore expenses	71,002	16,520
Port Services Award	213	106
Shipping Reform and Political Lobby	44,687	20,313
Surveyors	2,775	3,042
Tourism	2,124	-
Tugs	45,712	24,480
Project - QLD Branch Organising - QLD	-	116
Other Projects - QLD	51	-
	223,902	129,420

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Note 4 Expenses (Cont'd)

4I Loss on disposal of fixed assets

	2023 \$	2022 \$
Plant and equipment	183	-

4J Other expenses

	2023 \$	2022 \$
Penalties - via RO Act or the <i>Fair Work Act 2009</i>	-	-
On Watch expenses	120,073	118,656
	120,073	118,656

Note 5 Cash and cash equivalents

	2023 \$	2022 \$
Current		
Cash on hand	969	1,500
Cash at bank	322,744	381,370
Short term deposits	2,196,867	2,322,435
	2,520,580	2,705,305

Note 6 Trade and other receivables

	2023 \$	2022 \$
Current		
Receivables from other reporting unit	-	-
Less allowance for expected credit losses	-	-
Other Receivables:		
Accrued income	45,887	5,510
Sundry debtors	2,490	-
GST receivable	-	2,283
	48,377	7,793

The Institute has recognised the following assets and liabilities related to contracts with customers:

Receivables - current	48,377	7,793
Receivables - non-current	-	-
	48,377	7,793

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
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Note 7 Property, plant and equipment

	2023	2022
	\$	\$
Land and buildings		
Freehold land and buildings (at 2021 valuation)	3,173,139	3,173,139
Sydney	758,469	758,469
South Australia	743,948	743,948
Newcastle	1,306,460	1,306,460
Victoria	400,000	400,000
Queensland	6,382,016	6,382,016
	<u>(243,615)</u>	<u>(148,396)</u>
Less accumulated depreciation	<u>6,138,401</u>	<u>6,233,620</u>
Net land and buildings		
Motor vehicle	91,980	91,980
At cost	<u>(84,779)</u>	<u>(82,378)</u>
Less accumulated depreciation	<u>7,201</u>	<u>9,602</u>
Net motor vehicle		
Furniture and fittings	160,812	166,573
At cost	<u>(143,191)</u>	<u>(145,550)</u>
Less accumulated depreciation	<u>17,621</u>	<u>21,023</u>
Net furniture and fittings		
Office equipment		
At cost	105,285	113,635
Less accumulated depreciation	<u>(84,949)</u>	<u>(100,241)</u>
Net office equipment	<u>20,336</u>	<u>13,394</u>
Total land, buildings, plant and equipment	<u>6,183,559</u>	<u>6,277,639</u>

Fair value of the properties was determined by using market comparable approach or income capitalisation approach. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation, being 30 June 2021, the properties' fair values are based on valuations performed by Preston Rowe Paterson, who are accredited independent valuers.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
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Note 7 Property, plant and equipment (Cont'd)

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2023	Balance at beginning of year \$	Additions \$	Disposal \$	Revaluation \$	Depreciation/ Amortisation expense \$	Carrying amount at the end year \$
Land and buildings	6,233,620	-	-	-	(95,219)	6,138,401
Motor vehicle	9,602	-	-	-	(2,401)	7,201
Furniture and fittings	21,023	-	(81)	-	(3,321)	17,621
Office equipment	13,394	11,864	(103)	-	(4,819)	20,336
Total	6,277,639	11,864	(184)	-	(105,760)	6,183,559

2022	Balance at beginning of year \$	Additions \$	Disposal \$	Revaluation \$	Depreciation/ Amortisation expense \$	Carrying amount at the end year \$
Land and buildings	6,329,048	-	-	-	(95,428)	6,233,620
Motor vehicle	14,178	-	(1,376)	-	(3,200)	9,602
Furniture and fittings	22,584	1,901	-	-	(3,462)	21,023
Office equipment	20,966	1,508	-	-	(9,080)	13,394
Total	6,386,776	3,409	(1,376)	-	(111,170)	6,277,639

Note 8 Intangibles

	2023 \$	2022 \$
AIMPE App - at cost	23,350	23,350
Less Accumulated amortisation	(23,350)	(23,350)
	-	-

Set out below are the carrying amounts of intangible asset recognised and the movements during the period:

As at 1 July 2022	-
Amortisation	-
As at 30 June 2023	-

Note 9 Financial assets

	2023 \$	2022 \$
Financial assets at fair value through profit or loss		
Shares in listed companies - at market value	66,443	52,795

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 10 Trade payables

	2023	2022
	\$	\$
Current		
Trade creditors and accruals	89,727	104,780
GST payable	28,402	-
Payables to other reporting units	-	-
	118,129	104,780

Note 11 Other payables

	2023	2022
	\$	\$
Current		
Membership contributions received in advance	260,997	247,972
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal costs	-	-
	260,997	247,972

The settlement for trade and other payable is usually made within 30 days

Note 12 Provisions - employee benefits

	2023	2022
	\$	\$
Holders of office:		
Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
	-	-
Employees other than office holders:		
Annual leave	168,573	166,797
Long service leave	564,826	537,329
Separation and redundancies	-	-
Other	-	-
	733,399	704,126
Total current provisions - employee benefits	733,399	704,126
Current	711,496	686,882
Non current	21,903	17,244
	733,399	704,126

The movement in the current year provisions has been charged to operational expenditure at salary levels applicable as at 30 June.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 13 Equity

	2023	2022
	\$	\$
13A General funds		
Retained profit at the beginning of the year	1,971,623	2,342,483
Deficit for the year	<u>(280,220)</u>	<u>(370,860)</u>
Retained profit at the end of the year	<u><u>1,691,403</u></u>	<u><u>1,971,623</u></u>
13B Reserves		
Asset Revaluation Reserve		
Opening balance	4,484,317	4,484,317
Transfer of gain on properties previously sold	-	-
Asset revaluation increment	-	-
Closing balance	<u><u>4,484,317</u></u>	<u><u>4,484,317</u></u>
Capital Realisation Reserve		
Opening balance	1,530,714	1,530,714
Transfer of gain on properties previously sold	-	-
Closing balance	<u><u>1,530,714</u></u>	<u><u>1,530,714</u></u>
	<u><u>6,015,031</u></u>	<u><u>6,015,031</u></u>
13C Other specific disclosures - funds		
Compulsory levy/Voluntary contribution fund - if invested in assets	-	-
Other funds required by rules	-	-
	<u><u>-</u></u>	<u><u>-</u></u>

Note 14 Cash flow

(a) Cash flow reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:

Statement of cash flows	2,520,580	2,705,305
Statement of financial position	<u>2,520,580</u>	<u>2,705,305</u>
Difference	<u>-</u>	<u>-</u>

Reconciliation of cash flow from operations with operating surplus/(deficit)

Deficit for the year	(280,220)	(370,860)
Non cash flow in operating activities:		
Unrealised loss in investment	-	(109)
Depreciation and amortisation	105,761	111,170
(Gain)/Loss on disposal of property, plant and equipment	183	(1,806)
(Increase)/Decrease in trade debtors	(40,584)	851
Increase/(Decrease) in provisions	29,273	170,318
Increase/(Decrease) in trade creditors and accruals	<u>26,374</u>	<u>43,267</u>
Net cash used in operating activities	<u><u>(159,213)</u></u>	<u><u>(47,169)</u></u>

(b) Cash inflow information

Cash inflows		
Receipts/Transfers from other reporting units - (branch transfers)	<u>197,489</u>	<u>151,711</u>
Cash outflows		
Payments/Transfers to other reporting units - (branch transfers)	<u><u>(197,489)</u></u>	<u><u>(151,711)</u></u>

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 15 Commitments and contingencies

(a) Operating lease commitments - as lessee

	2023	2022
	\$	\$
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:		
- not later than 1 year	-	-
- later than 1 year but not more than 5 years	-	-
- more than 5 years	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>

(b) Operating lease commitments - as lessor

	2023	2022
	\$	\$
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:		
- not later than 1 year	77,132	70,239
- later than 1 year but not more than 5 years	-	77,132
Balance at the end of the year	<u>77,132</u>	<u>147,371</u>

Note 16 Related party disclosures

16A Related party transactions for the reporting period

There were no related party transactions for the year ended 30 June 2023. (2022: NIL)

16B Key management personnel remuneration for the reporting period

	2023	2022
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	177,612	172,553
Annual leave accrued	23,379	22,452
Performance bonus	-	-
Total short-term employee benefits	<u>200,991</u>	<u>195,005</u>
Post-employment benefits		
Superannuation	<u>5,211</u>	5,058
Total post-employment benefits	<u>5,211</u>	<u>5,058</u>
Other long-term benefits		
Long service leave	<u>4,342</u>	4,171
Total other long-term benefits	<u>4,342</u>	<u>4,171</u>
Termination benefits	<u>-</u>	<u>-</u>
Total	<u>210,544</u>	<u>204,234</u>

Honorariums paid to selected 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.

16C Transactions with key management personnel and their family members

There were no transactions with key management personnel and their family members for the year ended 30 June 2023. (2022: NIL)

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 17 Remuneration of Auditors	2023	2022
	\$	\$
Amounts received, or due and receivable, by Auditors for:		
Financial statement audit services	25,166	25,300
Other services	-	-
	<u>25,166</u>	<u>25,300</u>

Note 18 Meeting and conference expenses - travel and accommodation

	2023	2022
	\$	\$
Head office	6,811	4,758
Victoria branch	10,260	4,609
Western Australia branch	-	408
Northern Territory sub branch	105	-
Queensland branch	6,161	3,937
	<u>23,337</u>	<u>13,712</u>

Note 19 Segment reporting

The Institute operates predominantly in one business and geographical segment, being a Institute of employees providing industrial and workplace relations services to its members in Australia.

Note 20 Financial instruments

(a) Interest rate risk

The Institute'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 Institute's exposure to interest rate risk is detailed in note 20F.

(b) 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 20D.

The Institute does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Institute.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Institute might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Institute manages that risk by preparing cash flow forecasts and only investing surplus cash. The Institute's exposure to liquidity risk is disclosed in note 20E.

(d) 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 Institute 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 21A.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 20A Categories of financial instruments

	2023	2022
	\$	\$
Financial assets		
Cash	323,713	382,870
Receivables	48,377	7,793
Held to maturity investments		
- Term deposits	2,196,867	2,322,435
Fair value through profit or loss		
- Shares in listed companies (at market value)	66,443	52,795
Carrying amount of financial assets	2,635,400	2,765,893
Financial liabilities		
Other financial liabilities		
- Contributions received in advance	260,997	247,972
- Trade and other payables	118,129	104,780
Carrying amount of financial liabilities	379,126	352,752

Note 20B Net income and expense from financial assets

	2023	2022
	\$	\$
Cash and cash equivalents		
- Interest	574	26
Held to maturity investments		
- Interest	56,683	11,396
Available for sale assets		
- Dividends	934	2,595
- Change in market value	13,648	1,185
Net gain from financial assets	71,839	15,202

Note 20C Net income and expense from financial liabilities

There were no income and expense from financial liabilities for the year ended 30 June 2023. (2022: NIL)

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 20D Credit risk

The following table illustrates the Institute's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2023	2022
	\$	\$
Financial assets		
Cash and cash equivalents	323,713	382,870
Receivables	48,377	7,793
Held to maturity investments	2,196,867	2,322,435
Fair value through profit or loss assets	66,443	52,795
Total	2,635,400	2,765,893
Financial liabilities		
Other financial liabilities	379,126	352,752

No assets have been pledged or held as collateral.

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

	Not past due or impaired	Past due or impaired	Not past due or impaired	Past due or impaired
	2023	2023	2022	2022
	\$	\$	\$	\$
Cash and cash equivalents	323,713	-	382,870	-
Receivables	48,377	-	7,793	-
Held to maturity investments	2,196,867	-	2,322,435	-
Fair value through profit or loss assets	66,443	-	52,795	-
	2,635,400	-	2,765,893	-

Ageing of financial assets that were past due but not impaired 2023:

	0-30 days	31-60 days	61-90 days	90+ days	Total
	\$	\$	\$	\$	\$
Cash and cash equivalents	323,713	-	-	-	323,713
Receivables	48,377	-	-	-	48,377
Held to maturity investments	2,196,867	-	-	-	2,196,867
Fair value through profit or loss assets	66,443	-	-	-	66,443
	2,635,400	-	-	-	2,635,400

Ageing of financial assets that were past due but not impaired 2022:

	0-30 days	31-60 days	61-90 days	90+ days	Total
	\$	\$	\$	\$	\$
Cash and cash equivalents	382,870	-	-	-	382,870
Receivables	7,793	-	-	-	7,793
Held to maturity investments	2,322,435	-	-	-	2,322,435
Fair value through profit or loss assets	52,795	-	-	-	52,795
	2,765,893	-	-	-	2,765,893

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 20E Liquidity risk

Contractual maturities for financial liabilities 2023:

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Other financial liabilities	379,126	-	-	-	-	379,126
Total	379,126	-	-	-	-	379,126

Contractual maturities for financial liabilities 2022:

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Other financial liabilities	352,752	-	-	-	-	352,752
Total	352,752	-	-	-	-	352,752

Note 20F Interest rate risk

Sensitivity analysis of the risk that the Institute is exposed to for 2023

	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	1%	21,969	23,224
Interest rate risk	-1%	(21,969)	(23,224)

Sensitivity analysis of the risk that the Institute is exposed to for 2022

	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	1%	21,969	23,224
Interest rate risk	-1%	(21,969)	(23,224)

Note 20G Changes in liabilities arising from financing activities

	30 June 2022 \$	Cash flows \$	30 June 2023 \$
Contribution received in advance	247,972	13,025	260,997
Trade and other payable	104,780	13,349	118,129
	352,752	26,374	379,126

	30 June 2021 \$	Cash flows \$	30 June 2022 \$
Contribution received in advance	213,540	34,432	247,972
Trade and other payable	98,945	5,835	104,780
	312,485	40,267	352,752

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 21 Fair value measurement

Note 21A Financial assets and liabilities

Management of the Institute assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table contains the carrying amounts and related fair values for the Institute's financial assets and liabilities:

	Carrying Amount 2023 \$	Fair Value 2023 \$	Carrying Amount 2022 \$	Fair Value 2022 \$
Financial assets				
Cash and cash equivalents	323,713	323,713	382,870	382,870
Receivables	48,377	48,377	7,793	7,793
Held to maturity investments	2,196,867	2,196,867	2,322,435	2,322,435
Fair value through profit or loss assets	<u>66,443</u>	<u>66,443</u>	<u>52,795</u>	<u>52,795</u>
Total	<u>2,635,400</u>	<u>2,635,400</u>	<u>2,765,893</u>	<u>2,765,893</u>
Financial liabilities				
Contribution received in advance	260,997	260,997	247,972	247,972
Trade and other payable	<u>118,129</u>	<u>118,129</u>	<u>104,780</u>	<u>104,780</u>
Total	<u>379,126</u>	<u>379,126</u>	<u>352,752</u>	<u>352,752</u>

Note 21B Financial and non-financial assets and liabilities fair value hierarchy

Fair value hierarchy – 30 June 2023

	Date of valuation	Level 2
Assets measured at fair value	30/06/2021	\$
Properties		<u>6,120,000</u>
Total		<u>6,120,000</u>

Fair value hierarchy – 30 June 2022

	Date of valuation	Level 2
Assets measured at fair value	30/06/2021	\$
Properties		<u>6,120,000</u>
Total		<u>6,120,000</u>

Except for the properties which are measured at level 2 of fair value hierarchy as disclosed above, all other financial and non-financial assets and liabilities are measured at level 1 of the fair value hierarchy.

Note 22 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 the General Manager:

- (i) 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.
- (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) A reporting unit must comply with an application made under subsection (1).

**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 2023.

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

- have another entity administer the financial affairs of the reporting unit

- make a payment to a former related party of the reporting unit

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

Signed by the officer:

Dated at Sydney, this 22nd day of September 2023