

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE, 2011**

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**FORRESTS ROBERTS BAZBAUERS & KINDRED  
CHARTERED ACCOUNTANTS  
SYDNEY**

## AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

### OPERATING REPORT

I, Martin Byrne, Federal Treasurer of the Australian Institute of Marine and Power Engineers, hereby report on the operations of the AIMPE during 2010-11 as follows:

(a) 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 and the promotion of the maritime industry. As a result of these activities the AIMPE negotiated numerous collective agreements with various employers in the maritime industry. These were submitted to Fair Work Australia for approval (following endorsement by the members concerned). AIMPE was also involved in a number of industrial disputes – although none of these resulted in any disruption to shipping.

Additionally AIMPE took the unusual step of arresting a ship, "Tassie Bridge", in Melbourne for approximately 5 weeks in order to secure the wages and entitlements owing to a group of members employed on the ship. An amount of \$83,419.66 was recovered for the members who had been employed on the ship. A further amount of \$100,000 in expenses incurred by the Admiralty Marshal and paid by AIMPE was recouped as was an amount of \$9,000 in legal expenses.

During 2010-11 AIMPE also commenced a public campaign called the Red Ensign Campaign to promote support for the rebuilding of the Australian shipping fleet. This campaign included production and dissemination of postcards, stickers and flyers as well activities to increase the profile and understanding of the history and significance of the Australian Red Ensign.

To disseminate information to members, AIMPE maintains an active communication strategy encompassing direct mail of the union journal to members' home address, monthly reports to all ships with members on board, email communications to ships where available and regular monthly meetings at major locations around the country. AIMPE continued in 2010-11 to make the union's regular journal available online, which increases its timeliness and accessibility for members who are often away from home for periods of up to 13 weeks.

AIMPE continued to be represented on industry bodies including the Commercial Vessels Industry Advisory Group (CVIAG), subsequently the NMSC Reference Group on Auditing of Standards and the Seafarers Safety, Rehabilitation and Compensation Authority. AIMPE's Assistant Federal Secretary, Mr. Martin Byrne was a Director of the Australian Maritime Safety Authority during 2010-11 whilst a member of AIMPE, Mr. Michael Large was a member of the Board of the National Offshore Petroleum Safety Authority during 2010-11.

Throughout 2010-11, AIMPE also retained its long-standing affiliations with the International Transport Workers Federation, the Australian Council of Trade Unions and the Australian Labor Party.

(b) Regarding the financial affairs of the AIMPE in 2010-11, membership fee income was again up on the income in the previous financial year due to an increase in membership numbers as well as a modest increase in fees. The value of AIMPE's managed investment assets recovered somewhat during 2010-11 after a substantial drop in the 2008-09 due to the global financial crisis.

AIMPE owns all of the premises in which our offices are located. During 2010-11 the AIMPE premises in Clarendon Street South Melbourne were sold and new premises purchased at Convention Centre Place, South Wharf. This move was achieved without expenditure of additional capital and the sale of the old premises generated enough cash flow to purchase the new strata title premises. Although a short term loan was taken out to cover the purchase, it was repaid within the financial year. The new premises have been very well received by the Victoria Tasmania Branch members and the opening was officiated by the ACTU President Ged Kearney. Victoria Tasmania Branch Secretary Ian McAllister deserves particular credit for overseeing the sale and purchase transactions and the fit-out of the new premises.

AIMPE continued in 2010-11 to let some space out to tenants in our Head Office in Surry Hills, Sydney and in our SA Branch office in Port Adelaide.

(c) Members are entitled to resign by providing a notice of resignation in writing to the Branch Secretary of the Branch to which the member belongs as provided by Rule 31. During 2010-11 there were 121 members who resigned from the AIMPE, slightly more than the 111 who resigned in 2009-10. These figures also include members who died during the period.

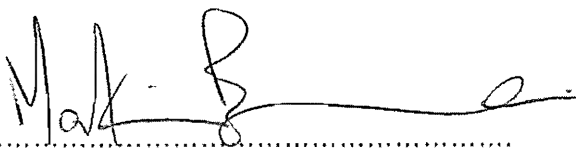
The number of new members who joined the AIMPE in 2010-11 was 258 (note: 7 new members resigned during the same financial year in which they joined) slightly less than the 274 new members in the previous year. At 30<sup>th</sup> June 2011 the total number of members in the union was 3331 (including Honorary members) up from the 3184 in 2009-10. The number of Honorary members of the AIMPE in 2010-11 was 702. That is there were 2,629 fee paying members of AIMPE during 2010-11.

AIMPE's fee paying membership has been increasing modestly each year for at least the last 7 years. This has in large part been due to the increase in activity in the offshore oil and gas sector and to a lesser extent due to the increase in port activity caused by the resources boom. There has been a decline in the coastal shipping sector employment however AIMPE Organisers have expanded the union's area of coverage since the enactment of the Fair Work Act with its improved collective bargaining rights for employees.

(d) The Federal Executive of the AIMPE for 2010-11 was elected by the 2010 Federal Council in a ballot conducted by the Australian Electoral Commission. This is the Committee of Management of the organization. The persons elected were:

Federal President	Terry Snee,
Senior Vice President	Peter Toohey,
Vice Presidents	Henning Christiansen and
	Monty Woolley
Federal Treasurer	Martin Byrne.

The total number of people employed by AIMPE during the course of 2010-11 was 18 (comprising 13 full-time staff, 3 part-time staff and 2 casual staff members). As at 30<sup>th</sup> June 2011 the number of people employed was 15 (12 full time and 3 part time staff). One full time staff member was dismissed during 2010-11.

Signed.....

MARTIN BYRNE,  
Federal Treasurer, AIMPE

Dated..... 21<sup>st</sup> October 2011 .....

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

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**INCOME STATEMENT****FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	2011 \$	2010 \$
<b>INCOME</b>			
Membership Contributions (including arrears, entrance fees and less refunds)		2,368,765	2,128,477
On Watch Subscriptions		8,740	600
Interest Received		85,310	65,789
Bad Debt Recovered		-	103
Dividends Received		3,662	3,766
Net Income Received - Macquarie Managed Portfolio		47,402	43,481
Rent		40,636	30,914
Sundry		2,827	2,066
Surplus/(Deficit) on Sale of Property, Plant and Equipment		827,095	-
Realised Gain/(Loss) on Investments		2,733	16,860
Unrealised Gain/(Loss) on Investments		31,095	95,571
<b>TOTAL INCOME</b>		<u>3,418,265</u>	<u>2,387,627</u>
<b>EXPENDITURE</b>			
<b>PERSONNEL</b>			
Salaries - Officials and Staff	3 / 11	1,069,774	944,620
Superannuation		318,984	253,504
Payroll Tax		28,760	32,517
Workers Compensation Insurance		11,653	9,721
Fringe Benefits Tax		(1,030)	3,928
		<u>1,428,141</u>	<u>1,244,290</u>
<b>COMMUNICATIONS</b>			
Casual Typing		-	-
Postage & Freight		8,249	7,023
Printing & Stationery		13,709	10,817
Repairs & Maintenance - Office Equipment		2,935	2,602
Telephone, Internet & Facsimile		43,693	51,207
		<u>68,586</u>	<u>71,649</u>
<b>BUILDING</b>			
Cleaning & Maintenance		25,418	24,186
Insurance		13,237	10,452
Light & Power		8,967	8,282
Rates, Taxes & Land Tax		29,044	26,824
Valuation Fees		2,795	3,700
Agent Fees		573	553
		<u>80,034</u>	<u>73,997</u>
<b>TRAVEL AND ACCOMMODATION</b>	12	66,815	52,306

The attached notes form part of these accounts

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 30TH JUNE 2011**

**(Continued)**

	NOTE	2011 \$	2010 \$
<b>MOTOR VEHICLE EXPENSES</b>			
Motor Vehicle Running Costs		20,033	14,507
Fringe Benefits Tax		1,192	769
		<u>21,225</u>	<u>15,276</u>
<b>OTHER ADMINISTRATION</b>			
Audit and Accountancy	10	49,725	40,084
Advertising		1,585	201
Affiliation Fees		31,566	27,261
Bank Charges and Government Duties		22,103	19,804
Computer Software		450	2,291
Donations		53,337	2,144
Entertainment		850	848
Florist		186	373
Interest Paid		9,012	-
Legal Fees		102,468	82,488
Publications		11,421	11,207
Staff Amenities		2,430	2,475
Staff Training		932	-
Sundry Expenses		7,694	14,892
		<u>293,759</u>	<u>204,068</u>
<b>PROJECTS</b>	4	227,286	188,554
<b>MISCELLANEOUS</b>			
Depreciation - Buildings	2 / 8	21,478	13,002
Depreciation - Other On Watch	2 / 8	43,257	32,943
		83,192	72,482
		<u>147,927</u>	<u>118,427</u>
<b>TOTAL EXPENDITURE</b>		<u>2,333,773</u>	<u>1,968,567</u>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<u>1,084,492</u>	<u>419,060</u>
Gain/Loss on revaluation of Freehold Land and Buildings		(400,000)	393,110
Transfer of Gain/Loss on revaluation of Freehold Land and Buildings to Asset Revaluation Reserve	6	400,000	(393,110)
<b>TOTAL CHANGES IN EQUITY</b>	7	<u>1,084,492</u>	<u>419,060</u>

The attached notes form part of these accounts

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**BALANCE SHEET**

**AS AT 30TH JUNE 2011**

	NOTE	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash Assets	5	2,006,835	1,779,342
Receivables		<u>68,824</u>	<u>47,756</u>
<b>TOTAL CURRENT ASSETS</b>		<u>2,075,659</u>	<u>1,827,098</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	4,506,414	3,985,766
Investments	9	<u>1,542,772</u>	<u>1,461,209</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>6,049,186</u>	<u>5,446,975</u>
<b>TOTAL ASSETS</b>		<u>8,124,845</u>	<u>7,274,073</u>
<b>CURRENT LIABILITIES</b>			
Membership Contributions Received in Advance		550,897	490,869
Payables		195,838	146,466
Provision for Annual Leave	3	<u>145,661</u>	<u>130,821</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>892,396</u>	<u>768,156</u>
<b>NON CURRENT LIABILITIES</b>			
Provision for Long Service Leave	3	<u>324,117</u>	<u>282,077</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>324,117</u>	<u>282,077</u>
<b>TOTAL LIABILITIES</b>		<u>1,216,513</u>	<u>1,050,233</u>
<b>NET ASSETS</b>		<u>6,908,332</u>	<u>6,223,840</u>
<b>EQUITY</b>			
General Fund	7	3,275,268	2,190,776
Asset Revaluation Reserve	6	2,536,268	2,936,268
Capital Realisation Reserve		<u>1,096,796</u>	<u>1,096,796</u>
<b>TOTAL EQUITY</b>		<u>6,908,332</u>	<u>6,223,840</u>

The attached notes form part of these accounts

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**Statement of Changes in Equity  
For the year ended 30 June 2011**

	<b>Note</b>	<b>General Fund</b>	<b>Asset Revaluation Reserve</b>	<b>Capital Realisation Reserve</b>	<b>TOTAL</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2009</b>		1,771,716	2,543,158	1,096,796	5,411,670
Surplus (Deficit) for the year		419,060	-	-	419,060
Other comprehensive income for the year		-	393,110	-	393,110
<b>Balance at 30 June 2010</b>		2,190,776	2,936,268	1,096,796	6,223,840
Surplus (Deficit) for the year		1,084,492	(400,000)	-	684,492
Other comprehensive income for the year					-
<b>Balance at 30 June 2011</b>		3,275,268	2,536,268	1,096,796	6,908,332

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:-</b>			
<b>RECEIPTS:-</b>			
Contributions, Entrance Fees and Levies Received from Members and "On Watch" Subscriptions		2,413,160	2,208,404
Interest Received		88,615	63,991
Dividends Received		3,229	3,406
Rent Income Received		40,636	30,914
Other Income Received		2,827	2,169
<b>TOTAL RECEIPTS</b>		<u>2,548,467</u>	<u>2,308,884</u>
<b>PAYMENTS:-</b>			
Payments to Suppliers and Employees		1,852,308	1,583,576
Payment Relating to Projects		227,286	188,554
Payments Relating to "On Watch"		83,192	72,482
<b>TOTAL PAYMENTS</b>		<u>2,162,786</u>	<u>1,844,612</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	13a	<u>385,681</u>	<u>464,272</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:-</b>			
<b>RECEIPTS</b>			
Withdrawals from Macquarie Managed Portfolio		-	-
Proceeds from Sale of Property, Plant and Equipment		1,080,016	-
Proceeds from Sale of Shares in Listed Companies		201	-
<b>TOTAL RECEIPTS</b>		<u>1,080,217</u>	<u>-</u>
<b>PAYMENTS:-</b>			
Deposits into Macquarie Managed Portfolio		-	-
Payment for Property, Plant and Equipment		1,238,405	30,271
<b>TOTAL PAYMENTS</b>		<u>1,238,405</u>	<u>30,271</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(158,188)</u>	<u>(30,271)</u>
Net Increase / (Decrease) in Cash Held		227,493	434,001
Cash at the Beginning of the Financial year		1,779,342	1,345,341
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	13b	<u><u>2,006,835</u></u>	<u><u>1,779,342</u></u>

The attached notes form part of these accounts

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 2011**

**Note 1: Information to be Provided to Members**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Division 7 section 272 which reads as follows:

- (1) A member of a reporting unit, or the Industrial Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period 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.
- (3) A reporting unit must comply with an application made under subsection (1).

**Note 2: Statement of Significant Accounting Policies**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009.

The financial report has been prepared on a modified accruals basis of accounting where, in accordance with Division 3 section 252(4) of the Fair Work (Registered Organisations) Act 2009, membership subscriptions are kept on a cash basis. The financial report is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Income Tax**

No provision for income tax is necessary as trade unions are exempt from income tax under Section 50-15 of the Income Tax assessment Act 1997.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 2011**

**Note 2: Statement of Significant Accounting Policies (cont'd)**

**(b) Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the directors.

**Plant and Equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Buildings	2 – 11.25%
Plant and equipment	9 - 60%

**(c) Investments**

Shares in listed companies held as current assets are valued by directors at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 2011**

**Note 2: Statement of Significant Accounting Policies (cont'd)**

**(d) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to the employee superannuation funds and are charged as expenses when incurred.

**(e) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

**(f) Income**

Income from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

Income from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

**(g) 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.

**(h) Comparative Figures**

Where necessary, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 2011**

**(Continued)**

	2011	2010
	\$	\$
<b>3. PROVISIONS FOR HOLIDAY PAY AND LONG SERVICE LEAVE</b>		
The increase/(decrease) in current year provisions have been charged to operational expenditure at salary levels applicable at 30th June to Salaries		
Provision for Annual Leave	14,840	13,469
Provision for Long Service Leave	42,040	43,558
	<u>56,880</u>	<u>57,027</u>
<b>4. PROJECTS</b>		
Expenditure shown in the Income and Expenditure Account under projects are made up as follows:-		
Australian Maritime Safety Authority	-	232
Australian Oil Refineries	-	964
Bunker Barge	-	28
Dredges	4,813	4,843
Electricity Commission of New South Wales	1,439	1,203
Federal Council	28,495	20,817
Federal Executive	21,973	13,079
Federal President	27,166	14,525
Industrial Relations Campaign	2,248	103
International Conferences - I.T.F./I.M.O.	33,663	46,454
Marine Parks/EPA	2,643	120
Maritime Industry Seagoing Award	37,653	24,927
NMSC/Qualifications	13,699	2,738
Offshore	10,502	23,808
Organisation - Non Union Sector	439	1,232
Port Services Award	2,001	677
Red Ensign Campaign	11,852	-
Small Ships	7,940	-
Surveyors	496	163
Tarong	-	309
Tourist Industry	1,430	6,081
Tugs	18,834	19,075
Tug Conference	-	7,176
	<u>227,286</u>	<u>188,554</u>
<b>5. CASH ASSETS</b>		
Cash on Hand	2,824	2,824
Cash at Bank	719,044	394,495
Deposits at Call	1,284,967	1,382,023
	<u>2,006,835</u>	<u>1,779,342</u>
<b>6. ASSET REVALUATION RESERVE</b>		
Opening Balance	2,936,268	2,543,158
Revaluation increment on freehold land and buildings	-	393,110
Revaluation adjustment on sale of freehold land and buildings	(400,000)	-
Closing Balance	<u>2,536,268</u>	<u>2,936,268</u>

The attached notes form part of these accounts

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**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FINANCIAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2011**

**(Continued)**

	NOTE	2011 \$	2010 \$
<b>7. GENERAL FUND</b>			
Retained surplus (deficit) at the beginning of the year		2,190,776	1,771,716
Operating Surplus/(Deficit) for the year		1,084,492	419,060
Retained surplus (deficit) at the end of the year		<u>3,275,268</u>	<u>2,190,776</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
<b>Freehold Land and Buildings</b>			
52 Buckingham Street, Surry Hills			
Sydney (at 2010 Independent Valuation + additions)		1,650,000	1,650,000
South Australia (at 2010 Valuation)		660,000	660,000
Newcastle (at 2010 Valuation + additions)		451,718	450,000
Victoria (at cost plus additions)		1,108,646	679,441
Western Australia (at cost plus additions)		426,125	426,125
Queensland (at 2010 Valuation)		320,000	320,000
		<u>4,616,489</u>	<u>4,185,566</u>
Less:- Accumulated Depreciation		<u>286,324</u>	<u>296,779</u>
		<u>4,330,165</u>	<u>3,888,787</u>
<b>Motor Vehicles</b>			
Motor Vehicles - at cost		189,931	127,752
Less:- Accumulated Depreciation		<u>91,578</u>	<u>93,672</u>
		<u>98,353</u>	<u>34,080</u>
<b>Furniture and Fittings</b>			
Furniture and Fittings - at cost		168,433	170,531
Less:- Accumulated Depreciation		<u>129,080</u>	<u>139,921</u>
		<u>39,353</u>	<u>30,610</u>
<b>Office Equipment</b>			
Office Equipment - at cost		147,220	135,716
Less:- Accumulated Depreciation		<u>110,347</u>	<u>105,384</u>
		<u>36,873</u>	<u>30,332</u>
<b>Sundry Assets</b>			
The following items are included in Sundry Assets:- Noise Level Meters; Bindings for Publications and Reports; Hot Water Systems; Telephone Installations.			
Sundry Assets - at cost		8,799	8,799
Less:- Accumulated Depreciation		<u>7,129</u>	<u>6,842</u>
		<u>1,670</u>	<u>1,957</u>
<b>Total written down value</b>		<u>4,506,414</u>	<u>3,985,766</u>

The attached notes form part of these accounts

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FINANCIAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2011**

**(Continued)**

	NOTE	2011 \$	2010 \$
<b>9. INVESTMENTS</b>			
Shares in Listed Companies - at market value		83,147	83,056
Macquarie Managed Portfolio - at market value		<u>1,459,625</u>	<u>1,378,153</u>
		<u>1,542,772</u>	<u>1,461,209</u>
<b>10. AUDITOR'S REMUNERATION</b>			
Amounts received, or due and receivable, by Auditors for:-			
Auditing the Accounts		<u>49,725</u>	<u>40,084</u>
Included above are amounts received, or due and receivable, by Auditors other than Forrest Roberts Bazbauers & Kindred			
Auditing the Accounts		<u>10,180</u>	<u>10,214</u>
<b>11. SALARIES AND BENEFITS - OFFICIALS AND STAFF</b>			
Salaries and Benefits, not including provisions for Long Service Leave and Annual Leave as shown in Note 3 comprise the following:-			
Honorary Elected Officials		780	780
Full Time Elected Officials		215,323	203,097
Staff		<u>796,791</u>	<u>683,716</u>
		<u>1,012,894</u>	<u>887,593</u>
<b>12. TRAVEL AND ACCOMMODATION</b>			
Head Office		50,159	41,670
Newcastle Branch		6,194	6,800
Victoria Branch		1,536	282
Western Australia Branch		451	173
Queensland Branch		8,311	3,272
South Australia Branch		164	109
		<u>66,815</u>	<u>52,306</u>

The attached notes form part of these accounts

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FINANCIAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2011**

**(Continued)**

	NOTE	2011 \$	2010 \$
<b>13. STATEMENT OF CASH FLOWS</b>			
<b>a. Reconciliation of Net Cash provided by Operating Activities to Operating Surplus/(Deficit)</b>			
<b>OPERATING SURPLUS/(DEFICIT)</b>		<u>1,084,492</u>	<u>419,060</u>
<b>ADD BACK:-</b>			
Deficit on Sale of Property, Plant and Equipment		-	-
Realised Loss on Investments		-	-
Unrealised Loss on Investments		-	-
Depreciation		64,735	45,945
Increase in Sundry Creditors and Accruals		49,372	20,985
Increase in Provision for Annual Leave		14,840	13,469
Increase in Provision for Long Service Leave		42,040	43,558
Decrease in Sundry Debtors		-	-
Increase in Contributions Received in Advance		60,028	83,316
		<u>231,015</u>	<u>207,273</u>
		<u>1,315,507</u>	<u>207,273</u>
<b>DEDUCT:-</b>			
Surplus on Sale of Property, Plant and Equipment		827,095	-
Realised Gain on Investments		2,733	16,860
Unrealised Gain on Investments		31,095	95,571
Macquarie Managed Portfolio Net Income Reinvested		47,402	43,481
Dividend Reinvested		433	360
Decrease in Contributions Received in Advance		-	-
Increase in Sundry Debtors		21,068	5,789
Decrease in Sundry Creditors and Accruals		-	-
Decrease in Provision for Annual Leave		-	-
Decrease in Provision for Long Service Leave		-	-
		<u>929,826</u>	<u>162,061</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<u><u>385,681</u></u>	<u><u>45,212</u></u>
<b>b. Reconciliation of Cash:-</b>			
Cash on Hand		2,824	2,824
Cash at Bank		719,044	394,495
Deposits at Call		1,284,967	1,382,023
		<u><u>2,006,835</u></u>	<u><u>1,779,342</u></u>

c. The union has no credit stand-by or financing facilities in place.

d. There were no non-cash financing or investing activities during the year.

The attached notes form part of these accounts

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 2011**

**Note 14: Segment Reporting**

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

**Note 15: Financial Instruments**

**Interest Rate Risk**

The branch'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.

**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 balance sheet and notes to and forming part of those financial statements.

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

**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 company 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 balance sheet and in the notes to and forming part of the financial statements.

**Note 16: Union Details**

The principal place of business of the Union is:

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

**AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**

**COMMITTEE OF MANAGEMENT STATEMENT**

On 21<sup>st</sup> October 2011 the Committee of Management passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30<sup>th</sup> June 2011:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the financial reporting guidelines of the Industrial Registrar;
- (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;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the \_\_\_\_\_ organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Registrar; and
  - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) in relation to recovery of wages activity:
  - (i) an amount of \$83,419.66 in wages and entitlements was recovered for the members who had been employed on the ship "Tassie Bridge" which had been arrested by AIMPE.

Signed on behalf of the Committee of Management by:

Tony Doe  
Name:

President  
Title of Office held:

Signed at SYDNEY this 21<sup>st</sup> day of OCTOBER, 2011

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## INDEPENDENT AUDIT REPORT

### **Scope**

We have audited the financial report of the Australian Institute of Marine and Power Engineers for the year ended 30 June 2011 comprising the Income Statement, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements. The Union's Committee of Management is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, the Fair Work (Registered Organisations) Act 2009 and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### **Audit opinion**

In our opinion, the financial report of the Australian Institute of Marine and Power Engineers is in accordance with applicable Accounting Standards, the Fair Work (Registered Organisations) Act 2009 and other mandatory professional reporting requirements in Australia giving a true and fair view of the Organisation's financial position as at 30 June 2011 and of their performance for the year ended on that date.

### **FORREST ROBERTS BAZBAUERS & KINDRED**

Chartered Accountants



**R.E. BAZBAUERS B.Com FCA**

Partner

Level 1, 692 Pacific Highway  
CHATSWOOD NSW 2067

Signed at

*Sydney*

this

*21<sup>st</sup>*

day of

*October*, 20*11*