



14 November 2022

Andrew Russack  
National President  
Association of Professional Engineers, Scientists and Managers, Australia  
Sent via email: [legal@professionalsaustralia.org.au](mailto:legal@professionalsaustralia.org.au)  
CC: [tony.pititto@au.gt.com](mailto:tony.pititto@au.gt.com)

**Association of Professional Engineers, Scientists and Managers, Australia  
– financial report year ended 30 June 2022 – (FR2022/35)**

Dear Andrew Russack,

I acknowledge the receipt of the financial report for the year ended 30 June 2022 for the Association of Professional Engineers, Scientists and Managers, Australia (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 28 October 2022.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

**Nil activity statements**

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- agree to provide financial support to ensure another reporting unit(s) has the ability to continue as a going concern [RG 11].

Please ensure in future years that the abovementioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the reporting guidelines.

**Disclosure of audit fees**

Australian Accounting Standard AASB 1054 *Australian Additional Disclosures* paragraph 10 requires the financial statements to separately disclose amounts paid to the auditor for the audit or review of the financial statements and for all other services performed.

Note 2 discloses audit and accounting fees but does not break down this expenditure as described above. It should be noted that if any of the audit fee relates to other services performed, then a description of the nature of the other services must be provided (refer to AASB 1054 paragraph 11).

## **You must rotate your registered auditor**

Correspondence was provided to the reporting unit on 17 June 2022, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Anthony Pititto was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Anthony Pititto is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via [this link](#).

## **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at [Mihiri.jayawardane@roc.gov.au](mailto:Mihiri.jayawardane@roc.gov.au).

Your Sincerely,



**Mihiri Jayawardane**  
**Registered Organisations Commission**



**THE ASSOCIATION OF PROFESSIONAL  
ENGINEERS, SCIENTISTS &  
MANAGERS, AUSTRALIA  
(Trading as Professionals Australia)  
ABN 99 589 872 974  
&  
CONTROLLED ENTITIES**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA  
& CONTROLLED ENTITIES**

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*s.268 Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 30 June 2022

I, Andrew Russack being the National President of the Association of Professional Engineers, Scientists & Managers, Australia (referred to through this report as Group, Reporting Unit and Association), trading as Professionals Australia, certify:

- that the documents lodged herewith are copies of the full report for the National President of the Association of Professional Engineers, Scientists & Managers, Australia, trading as Professionals Australia, for the period ended 30 June 2022 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009;
- that the full report was provided to members of the reporting unit on the 28 October 2022; and
- that the full report was presented to a general meeting of the committee of management (under APESMA Rule 33A.1.2) of the Reporting Unit on 22 October 2022 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



A. Russack  
National President

Dated 28 October 2022, West Melbourne, Victoria

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA  
& CONTROLLED ENTITIES**

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

*for the year ended 30 June 2022*

The National Board (APESMA's committee of management) presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2022.

Descriptive form

<b>Categories of expenditures</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Remuneration and other employment-related costs and expenses – employees	9,102,728	9,513,783
Advertising	13,134	23,550
Operating costs	3,556,668	3,994,207
Donations to political parties	–	–
Legal costs	279,349	407,192



A. Russack  
National President

Dated 30 September 2022, West Melbourne, Victoria

## **OPERATING REPORT**

*for the year ended 30 June 2022*

The National Board presents the report of the Group (APESMA Group) consisting of the Association of Professional Engineers, Scientists & Managers, Australia trading as Professionals Australia and the entities it controlled at the end or during the year ended 30 June 2022.

### **PRINCIPAL ACTIVITIES**

The principal activities of APESMA continued to be industrial advocacy, representation and workplace advice and support to APESMA members.

APESMA represents the industrial and professional interests of a range of professional employees across Australia. Our members include engineers, scientists, pharmacists, managers, architects, IT professionals, translators and interpreters and collieries staff.

Our mission is to advance the interests of our members so they can achieve their professional goals and secure better workplace outcomes.

We advocate for and defend the rights of members and provide industrial information, advice representation and support on workplace issues, grievances and disputes.

We also deliver solutions to support and facilitate the growth of our members through all stages of their careers. Our members benefit from a range of services we deliver, including accreditation, professional development, industry and pay information, insurance and discount products and services.

There has been no significant change in the nature of activities provided to members during the year.

### **FINANCIAL RESULTS OF OPERATION**

#### **Group**

The Group's net profit for the year was a surplus after providing for income tax of \$4,937,483 (2021: \$2,072,601).

Overall, the Group's revenue and other income increased by \$1.864 million, and expenditure decreased by \$986,853. The Group has net assets of \$33.739 million; primarily cash, property, plant & equipment and financial assets.

An overview of each operation is set out below.

#### **Chief Entity**

The financial performance during the year which again encompassed member and industrial services was underpinned by an increase in revenue and other income of \$3.209 million from \$14.276 million to \$17.485 million.

Total subscription revenues remained steady at \$11.560 million (2021: \$11.478 million).

Income from other activities grew to \$5.925 million (2021: \$2.798 million), with the one-off recognition of the Member Advantage sale of \$5.468 million.

Overall expenditure remained steady at \$12.294 million (2021: \$12.296 million) during the year, with effective management cost controls over the programs and staff resources.

Professionals Australia has organising and industrial teams based in NSW, Queensland, Victoria, South Australia, Western Australia, Tasmania and the ACT, supported by functions in the federal office including workplace advice and support, membership services, professional development, accreditation, communications and marketing, research and surveys and finance.

### **Workplace advice and support**

Qualified lawyers and experienced industrial staff handled over 2000 individual member requests for advice and assistance.

The impact of COVID-19 in 2021/22 and 2022 on workplaces and employees was reflected in the advice and representation sought by members. As lockdowns were progressively lifted the number of enquiries about leave entitlements doubled. As familiarity with workplace health and safety requirements increased over the course of the pandemic, the number of queries in this area halved, while requests for improved working from home provisions increased.

Contract reviews, performance and disciplinary investigations, redundancies, unfair dismissals and underpayments continued to be the most common types of advice and/or representation sought by members. The number of requests for assistance to deal with workplace bullying and harassment also doubled.

Underpayments continued to be a widespread problem and specific enforcement action was required to recover over \$230,000 in underpayments in this reporting period.

The pandemic also played a part in delaying some aspects of the four yearly annual review of awards. Major cases have re-started in the Professional Employees Award, the remaining aspect of the Pharmacy Award and for award rights being extended to translators and interpreters outside of health.

### **Bargaining**

Thirty-nine enterprise agreements were negotiated to protect and advance wages and conditions. These agreements covered a range of diverse sectors including local government, state and commonwealth public sectors, telecommunications, power, manufacturing, and health.

Bargaining during the COVID-19 pandemic has continued to be challenging for both the bargaining process and for the outcomes. Bargaining in nearly all states and the ACT involved at least some remote negotiations due to restrictions on meeting in person and many negotiations were conducted entirely remotely.

During the pandemic, a majority of employers opted for 'roll-over' agreements (i.e., retaining existing provisions with no major changes) to avoid protracted bargaining. However, employees were keen to see clauses introduced into agreements which reflected ongoing support for working from home, the right to disconnect and the availability of leave for COVID-19.

### **Advocacy and campaigns**

In the 2021-22 financial year, Professionals Australia undertook several surveys of members to inform our IR campaigns and membership services. These included the following:

- Professional Engineers Employment and Remuneration Survey, May to June 2022
- Member Satisfaction Survey, April 2022
- Pharmacists' Employment and Remuneration Survey, Sep 2021
- The impact of COVID-19 on pharmacists

As a result of these surveys, the following reports were published:

- Women in the STEM Professions Report – Women Staying in the STEM Workforce – An Economic Imperative for Australia, July 2021
- Professional Engineers Employment and Remuneration Report, November 2021
- Professional Scientists Employment and Remuneration Report, October 2021
- IT Professionals Employment and Remuneration Report, April 2021
- Overwhelmed, Exhausted and Burnt Out – the experience of employee pharmacists February 2022.

Professionals Australia's advocacy role involves engagement with government, industry and the community on major issues that impact professional employees and require multi-faceted solutions.

## **THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA & CONTROLLED ENTITIES**

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In response to member concerns, Professionals Australia played a significant role contributing to the Victorian Equal Opportunity and Human Rights Commission's independent review into workplace equality at Ambulance Victoria. Professionals Australia is now a representative on Ambulance Victoria's Steering Committee overseeing the implementation of workplace reforms in the organisation in response to the review recommendations.

Following the establishment of a professional engineer registration scheme in Victoria which took effect on 1 July 2021, Professionals Australia continued to advocate for engineer registration schemes in other states and territories including New South Wales, South Australia and Western Australia.

### **Other services**

Professionals Australia is an approved assessment entity for engineering registration in both Queensland and Victoria and provides an assessment of engineering qualifications, skills and experience in line with the legislative and regulatory requirements of engineering registration in both these jurisdictions.

We continued to offer CPD and webinars to members and access to insurance products including professional indemnity insurance and journey insurance and discount products and services through Member Advantage.

### **Member Advantage**

The business operations of Member Advantage, which provides discounted products and services to a range of different union members, and in which APESMA holds 75 percent ownership, was sold to Advantage Rewards Pty Ltd, for an ongoing annual Licence fee of \$625,000 per annum for ten years with effect from 1 December 2021. The sale is recognised in the 2022 financial year, and the related receivable in the balance sheet of Professionals Australia. The net earnings of Membership Advantage from 1 July to 30 November 2021 generated a net loss of \$ (26,959) after income tax and pre-elimination of intercompany transactions (2021: net profit of \$66,400).

### **NUMBER OF MEMBERS**

As at 30 June 2022 the number of financial members was 19,037 (2021: 20,132)

### **NUMBER OF EMPLOYEES**

As at 30 June 2022 the number of employees was 83 (2021: 90)

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

No significant changes in the Group's operations occurred during the financial year other than the disposal of Member Advantage Pty Ltd referred to above.

### **RIGHTS OF MEMBERS TO RESIGN**

Members have the right to resign from the Association by forwarding a written statement addressed and delivered to the person designated in the rules of the organisation or a branch of the organisation. Rule 9 in the Association's Rules provides details of the right of members to resign.

### **TRUSTEE OF SUPERANNUATION ENTITY**

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organization.

### **COVID-19 AND SUBSEQUENT EVENTS**

While the COVID-19 pandemic continued to impact APESMA's ability to enter workplaces and meet with members in person, which influences recruitment and growth of memberships, the Reporting Unit is not able to reasonably estimate the financial impact of COVID -19 on the financial performance of the Reporting unit.

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations, the results of those operations, or the state of affairs of the Reporting unit in subsequent financial periods.



**NATIONAL BOARD MEMBERS**

As at the date of this report, the members of the National Board were as follows:

Name	Position	Period
Andrew Russack	National President	July 2021 – June 22
Katie Havelberg	National Senior Vice President	July 2021 – June 22
Stuart Small	National Secretary	July 2021 – June 22
Andrew Wilkins	National Treasurer	July 2021 – June 22
Bianca Piljic	Vice President	July 2021 – June 22
Amy Boyd	Vice President	July 2021 – June 22
Robert Miller	Vice President	July 2021 – June 22

The Finance & Audit sub-committee consists of Board members by Andrew Wilkins, Robert Miller and Stuart Small.

This report is made in accordance with a resolution of the National Board.



A. Russack  
National President



A. Wilkins  
National Treasurer

Dated 30 September 2022, West Melbourne, Victoria

**COMMITTEE OF MANAGEMENT STATEMENT**

*for the year ended 30 June 2022*

On 30 September 2022 the National Board (the Committee of Management) of APESMA presents the report of the Group (APESMA Group) consisting of the Association of Professional Engineers, Scientists & Managers, Australia trading as Professionals Australia and the entities, passed the following resolution in relation to the general-purpose financial report of the Association for the financial year ended 30 June 2022:

The National Board declares in relation to the general-purpose financial statements that in its opinion:

- a) the financial statements and notes comply with Australian Accounting Standards;
- b) the financial statements and notes comply with 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;
- e) during the financial year to which the general-purpose financial statements relates and since the end of the year:
  - i) meetings of the committee of management were held in accordance with rules of the Association; and
  - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
  - iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
  - iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under Section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or Commissioner; and
  - vi) no orders for inspection of financial records have been made by the Registered Organisations Commission under Section 273 of the Fair Work (Registered Organisations) Act 2009.

This declaration is made in accordance with a resolution of APESMA's National Board (Committee of Management):



A. Russack  
National President



A. Wilkins  
National Treasurer

Dated 30 September 2022, West Melbourne, Victoria

**Statement of Comprehensive Income or Loss  
for the Year Ended 30 June 2022**

	Note	Group 2022 \$	2021 \$	Chief Entity 2022 \$	2021 \$
<b>Continuing Operations:</b>					
<b>Revenue</b>					
Membership Subscription	2	11,560,217	11,477,939	11,560,217	11,477,939
Other Revenue	2	890,525	2,256,339	224,272	497,710
Capitation fees and other revenue from another reporting unit	5	-	-	-	-
Levies	6	-	-	-	-
Other Income	2	5,438,620	2,300,385	5,701,120	2,300,385
	<b>2</b>	<b>17,889,362</b>	<b>16,034,663</b>	<b>17,485,609</b>	<b>14,276,034</b>
<b>Expenses</b>					
Employment Costs	2	(9,102,728)	(9,513,783)	(8,841,656)	(8,741,011)
Grants and/or donations	4	(4,000)	(4,000)	(4,000)	(4,000)
Capitation fees and other expenses to another reporting unit	5	-	-	-	-
Borrowing Costs	2	(115,474)	(127,329)	(115,474)	(127,329)
Professional Network Costs	2	-	-	-	-
Members' service & support	2	(2,492,756)	(2,897,155)	(2,152,553)	(2,062,045)
Other Expenses	2	(1,236,921)	(1,396,465)	(1,180,376)	(1,335,458)
		<b>(12,951,879)</b>	<b>(13,938,732)</b>	<b>(12,294,059)</b>	<b>(12,296,843)</b>
<b>Profit/(Loss) before Income Tax Expense</b>		<b>4,937,483</b>	<b>2,095,931</b>	<b>5,191,550</b>	<b>2,006,191</b>
Income Tax Benefit/(Expense)	7	-	(23,330)	-	-
<b>Net Profit/(Loss) for the Year</b>		<b>4,937,483</b>	<b>2,072,601</b>	<b>5,191,550</b>	<b>2,006,191</b>
<b>Other comprehensive income/(expenses)</b>		1,226,116	-	1,226,116	-
<b>Total Comprehensive income/(loss) for the Year</b>		<b>6,163,599</b>	<b>2,072,601</b>	<b>6,417,666</b>	<b>2,006,191</b>
Total comprehensive income/(loss) for the year attributable to					
• non-controlling interest		(6,740)	16,262	-	-
• members of chief entity		6,170,339	2,056,339	6,417,666	2,006,191
		<b>6,163,599</b>	<b>2,072,601</b>	<b>6,417,666</b>	<b>2,006,191</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes on pages 12 to 47.

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA  
& CONTROLLED ENTITIES**

**Statement of Financial Position  
as at 30 June 2022**

	Note	Group		Chief Entity	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Current Assets</b>					
Cash and Cash Equivalents	8	3,200,568	2,901,709	2,818,112	2,432,111
Trade and Other Receivables	9	1,454,861	688,985	1,454,861	522,749
Other Assets	10	193,084	320,957	193,084	318,761
Current Tax Assets		44,486	50,490	-	-
Financial Assets	11	16,816,725	17,446,385	16,816,725	17,446,385
<b>Total Current Assets</b>		<b>21,709,724</b>	<b>21,408,526</b>	<b>21,282,782</b>	<b>20,720,006</b>
<b>Non-Current Assets</b>					
Financial Assets	11	-	-	21	21
Trade and Other Receivables	9	4,479,123	-	4,479,123	-
Property, Plant & Equipment	12	12,520,528	11,317,345	12,520,528	11,317,345
Right-of-use-asset	13	294,280	433,201	294,280	433,201
Intangible Assets	14	4,778	55,036	4,778	26,941
<b>Total Non-Current Assets</b>		<b>17,298,709</b>	<b>11,805,582</b>	<b>17,298,730</b>	<b>11,777,508</b>
<b>Total Assets</b>		<b>39,008,433</b>	<b>33,214,108</b>	<b>38,581,512</b>	<b>32,497,514</b>
<b>Current Liabilities</b>					
Trade Payables	15	3,359,503	3,245,562	3,726,204	3,664,157
Other Payables	16	-	-	-	-
Lease Liabilities	13	124,029	263,816	124,029	263,816
Employee Provisions	17	1,521,698	1,784,826	1,521,698	1,784,826
<b>Total Current Liabilities</b>		<b>5,005,230</b>	<b>5,294,204</b>	<b>5,371,931</b>	<b>5,712,799</b>
<b>Non-Current Liabilities</b>					
Trade Payables	15	-	-	-	-
Lease Liabilities	13	195,663	195,663	195,663	195,663
Employee Provisions	17	67,704	60,504	67,704	60,504
<b>Total Non-Current Liabilities</b>		<b>263,367</b>	<b>256,167</b>	<b>263,367</b>	<b>256,167</b>
<b>Total Liabilities</b>		<b>5,268,597</b>	<b>5,550,371</b>	<b>5,635,298</b>	<b>5,968,966</b>
<b>Net Assets</b>		<b>33,739,836</b>	<b>27,663,737</b>	<b>32,946,214</b>	<b>26,528,548</b>
<b>Member Funds &amp; Reserves</b>					
Attributable to members of chief entity					
Organisation Funds	23(a)	14,843,224	9,492,657	14,051,624	8,453,730
Reserves	18	18,894,590	18,074,818	18,894,590	18,074,818
		<b>33,737,814</b>	<b>27,567,475</b>	<b>32,946,214</b>	<b>26,528,548</b>
Non-controlling interest		2,022	96,262	-	-
<b>Total Member Funds &amp; Reserves</b>		<b>33,739,836</b>	<b>27,663,737</b>	<b>32,946,214</b>	<b>26,528,548</b>

The above Statement of Financial Position should be read in conjunction  
with the accompanying notes on pages 12 to 47.

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA  
& CONTROLLED ENTITIES**

**Statement of Changes in Equity  
for the Year Ended 30 June 2022**

	Note	Organisation Funds	Reserves	Total attributable to members of chief entity	Non- controlling interest	Total
		\$	\$	\$	\$	\$
<b>Group Entity</b>						
<b>Balance – 30 June 2020</b>		<b>8,532,359</b>	<b>16,978,777</b>	<b>25,511,136</b>	<b>80,000</b>	<b>25,591,136</b>
Net Profit/(Loss) for the year		2,056,339	-	2,056,339	16,262	2,072,601
Other Comprehensive Income for the year						
Revaluation of buildings	18	-	-	-	-	-
Transfer to Legal Defence Fund (CSD)	18	(935,351)	935,351	-	-	-
Transfer to CSD MAF	18	(158,680)	158,680	-	-	-
Transfer to Civil Aviation Safety Authority	18	(2,010)	2,010	-	-	-
<b>Closing Member Funds at 30 June 2021</b>		<b>9,492,657</b>	<b>18,074,818</b>	<b>27,567,475</b>	<b>96,262</b>	<b>27,663,737</b>
Net Profit/(Loss) for the year		4,944,223		4,944,223	(6,740)	4,937,483
Other Comprehensive Income for the year						
Revaluation of buildings	18	-	1,226,116	1,226,116	-	1,226,116
Dividend Paid		-	-	-	(87,500)	(87,500)
Transfer to Legal Defence Fund (CSD)	18	583,158	(583,158)	-	-	-
Transfer to CSD MAF	18	(176,814)	176,814	-	-	-
Transfer to Civil Aviation Safety Authority	18	-	-	-	-	-
<b>Closing Member Funds at 30 June 2022</b>		<b>14,843,224</b>	<b>18,894,590</b>	<b>33,737,814</b>	<b>2,022</b>	<b>33,739,836</b>
<b>Chief Entity</b>						
<b>Balance – 30 June 2020</b>		<b>7,543,580</b>	<b>16,978,777</b>	<b>24,522,357</b>	<b>-</b>	<b>24,522,357</b>
Net Profit/(Loss) for the year		2,006,191	-	2,006,191	-	2,006,191
Other Comprehensive Income for the year						
Revaluation of buildings	18	-	-	-	-	-
Transfer to Legal Defence Fund (CSD)	18	(935,351)	935,351	-	-	-
Transfer to CSD MAF	18	(158,680)	158,680	-	-	-
Transfer to Civil Aviation Safety Authority	18	(2,010)	2,010	-	-	-
<b>Closing Member Funds at 30 June 2021</b>		<b>8,453,730</b>	<b>18,074,818</b>	<b>26,528,548</b>	<b>-</b>	<b>26,528,548</b>
Net Profit/(Loss) for the year		5,191,550	-	5,191,500	-	5,191,550
Other Comprehensive Income for the year						
Revaluation of buildings	18	-	1,226,116	1,226,116	-	1,226,116
Transfer to Legal Defence Fund (CSD)	18	583,158	(583,158)	-	-	-
Transfer to CSD MAF	18	(176,814)	176,814	-	-	-
Transfer to Civil Aviation Safety Authority	18	-	-	-	-	-
<b>Closing Member Funds at 30 June 2022</b>		<b>14,051,624</b>	<b>18,894,590</b>	<b>32,946,214</b>	<b>-</b>	<b>32,946,214</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes with the accompanying notes on pages 12 to 47.

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA  
& CONTROLLED ENTITIES**

**Statement of Cash Flows  
for the Year Ended 30 June 2022**

	Note	Group 2022 \$	2021 \$	Chief Entity 2022 \$	2021 \$
<b>Cash Flows from Operating Activities</b>					
Cash receipts from customers		14,334,093	15,555,408	13,420,735	13,686,470
Receipts from other reporting units/controlled entity		-	-	-	-
Cash payments to suppliers		(4,499,956)	(5,416,805)	(4,143,459)	(4,358,623)
Cash payments to employees		(9,358,656)	(9,486,171)	(9,097,585)	(8,713,400)
Interest and bank charges		(89,622)	(92,194)	(89,622)	(92,194)
Interest and investment income		108,451	817,880	108,451	817,880
Income tax (paid)/refund		4,658	(94,302)	-	-
Payment to other reporting units/controlled entity		-	-	-	-
<b>Net Cash Provided/(Used) by Operating Activities</b>	25(ii)	<b>498,968</b>	<b>1,283,816</b>	<b>198,520</b>	<b>1,340,133</b>
<b>Cash Flows from Investing Activities</b>					
Rental Income		28,959	28,959	28,959	28,959
Receipt/(Payment) of dividend		(87,500)	-	260,492	-
Purchase of Fixed Assets & Intangible Assets		(88,111)	(58,501)	(48,513)	(40,492)
Proceeds from Sale of Fixed Assets		-	-	-	-
Purchase of Investments		229,135	(156,852)	229,135	(156,852)
<b>Net Cash Provided/(Used) by Investing Activities</b>		<b>82,483</b>	<b>(186,394)</b>	<b>470,073</b>	<b>(168,385)</b>
<b>Cash Flows from Financing Activities</b>					
Loan (Repayments)/Receipts Controlled Entities		-	-	-	3,621
Repayment of Lease Liability		(282,592)	(303,826)	(282,592)	(303,826)
<b>Net Cash Provided/(Used) by Financing Activities</b>		<b>(282,592)</b>	<b>(303,826)</b>	<b>(282,592)</b>	<b>(300,205)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents at the Beginning of the Year		298,859	793,596	386,001	871,543
		2,901,709	2,108,113	2,432,111	1,560,568
<b>Cash and Cash Equivalents at the End of the Year</b>	25(i)	<b>3,200,568</b>	<b>2,901,709</b>	<b>2,818,112</b>	<b>2,432,111</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes on pages 12 to 47.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES**

**Basis of Preparation**

The 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 (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009*. The accounts have also been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated. The financial statements are presented in Australian dollars. The Association is a not-for-profit entity for the purpose of preparing the financial statements

**Comparative amounts**

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

**a) Adoption of New Australian Accounting Standards requirements**

The accounting policies adopted are consistent with those of the previous financial year with no new standards adopted for the first time this financial year.

**b) New Accounting Standards for Application in Future Periods**

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Group include:

- AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**c) Accrual Accounting**

The accounts have been prepared under the accrual basis of accounting which means that revenues and expenses are recognised as they are respectively earned and incurred (and not as money is received or paid) and are brought to account in the financial period to which they relate.

**d) Principles of Consolidation**

The Group's accounts comprise the accounts of the Association of Professional Engineers, Scientists and Managers, Australia (Federal Organisation and Branches) henceforth known as the Chief Entity (APESMA) and all of its controlled entities. A controlled entity is defined as an entity controlled by APESMA. Control exists where APESMA has the capacity to control decision-making in relation to the financial and operating policies of another entity so that the other entity operates with APESMA to achieve the objectives of APESMA.

All inter-entity balances and transactions between entities in the Group have been eliminated on consolidation.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the members of Chief Entity and the non-controlling interests based on their respective ownership interests.

**e) Property, Plant and Equipment**

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

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

**Depreciation**

The depreciable amounts of all fixed assets including buildings, are depreciated over their estimated economic lives on a straight line method commencing from the time the assets are ready for use. Rates of depreciation vary from 2.5% per annum for buildings to 33.3% for office equipment.

**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.



**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**e) Property, Plant and Equipment (continued)**

**Revaluations—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. Movements in the value of land and buildings are recognized through other comprehensive income in the statement of comprehensive income or loss. 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.

**f) Intangible assets**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful 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 intangible assets are 3 years.

**g) Leases**

The Reporting unit assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Reporting unit as a lessee**

The Reporting unit applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Reporting unit recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

**Right-of-use assets**

The Reporting unit recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

	<b>2022</b>	<b>2021</b>
Land & buildings	<b>4 to 5 years</b>	4 to 5 years
Plant and equipment	<b>3 to 6 years</b>	3 to 6 years

**Notes to the Consolidated Annual Accounts  
For the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**g) Leases (continued)**

If ownership of the leased asset transfers to the Reporting Unit at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

**Lease liabilities**

At the commencement date of the lease, the Reporting unit recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Reporting Unit and payments of penalties for terminating the lease, if the lease term reflects the Reporting Unit exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Reporting unit uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 6.3%.

**Short-term leases and leases of low-value assets**

The Reporting unit's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases that are below \$5,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**h) Financial instruments**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Reporting Unit's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Reporting Unit initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**h) Financial Instruments (continued)**

**Financial assets at fair value through profit and loss**

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.

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.

**Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Trade receivables**

For trade receivables that do not have a significant financing component, the Reporting Unit applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

**Expected credit losses**

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses 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.

**Financial liabilities**

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

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

The Reporting Unit's financial liabilities include trade and other payables.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**h) Financial Instruments (continued)  
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 Effective Interest Rate (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.

**i) Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

**j) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call, bank overdrafts together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**Notes to the Consolidated Annual Accounts  
For the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**k) Revenue**

The Reporting Unit enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations. 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 Reporting Unit has a contract with a customer, the Reporting Unit recognises revenue when or as it transfers control of goods or services to the customer. The Reporting Unit 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.

**Member services**

The commission revenue and corporate program fees from member services, received by the subsidiary Member Advantage, are recognised over time, in line with the relevant performance obligation, being the provision of the service to members on a periodical basis (monthly or quarterly).

In line with AASB15, this revenue is recorded net of commission expenses as Member Advantage meets the definition of Agent. As such revenue received from commission on loyalty programs will be recognized as the net amount of consideration that the entity retains after paying the other party the consideration received in exchange for the services provided.

**Membership subscriptions**

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Reporting Unit.

If there is only one distinct membership service promised in the arrangement, the Reporting Unit recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Reporting Unit's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Reporting Unit allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Reporting unit charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Reporting Unit recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

**Notes to the Consolidated Annual Accounts  
For the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**k) Revenue (continued)**

**Membership subscriptions (continued)**

For member subscriptions paid annually in advance, the reporting unit has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the reporting unit at their standalone selling price, the reporting unit accounts for those sales as a separate contract with a customer.

For member subscriptions paid annually in advance, the Reporting Unit has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Reporting Unit at their standalone selling price, the Reporting Unit accounts for those sales as a separate contract with a customer.

**Interest income**

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

**Rental income**

Leases in which the Reporting unit 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. Contingent rents are recognised as revenue in the period in which they are earned.

**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.

**l) 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Notes to the Consolidated Annual Accounts  
For the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**m) Comparative Figures**

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

**n) Other Financial Assets**

In the separate financial statements of the Chief Entity, investments in controlled entities that are not classified as held for sale or included in a disposal group classified as held for sale, are accounted for at cost, as are other unlisted shares.

**o) Employee Benefits**

***Short-term employee benefits***

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

***Other long-term employee benefits***

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

Entitlements of employees of the Group are the legal responsibility of the Chief Entity, APESMA.

**p) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**q) Income Tax**

No provision for income tax has been raised as the Chief Entity being a trade union is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997 however it still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

The charge for current income tax expense for controlled entities is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, when there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

**r) Fair Value of Assets and Liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.



**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**r) Fair Value of Assets and Liabilities (continued)**

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

**s) Estimation uncertainty**

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

*Useful lives of depreciable assets*

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**s) Estimation uncertainty (continued)**

*Fair value of financial instruments*

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

*Fair value measurement of land and building*

This fair value is determined by the directors of the Company and is supported by independent valuations. At the end of each reporting period the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The best evidence of fair value is current prices in an active market for similar properties.

*Provisions – Long service leave*

As discussed in Note 1p, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

	Note	Group 2022 \$	2021 \$	Chief Entity 2022 \$	2021 \$
<b>2. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:–</b>					
<b>a) Crediting as Revenue</b>					
Subscriptions		11,560,217	11,477,939	11,560,217	11,477,939
Member Services (Member Advantage Pty Ltd) – discontinued operation		861,566	2,227,380	-	-
Licence Fees		-	-	195,313	468,751
Rental Income		28,959	28,959	28,959	28,959
<b>Total other revenue</b>		<b>890,525</b>	<b>2,256,339</b>	<b>224,272</b>	<b>497,710</b>
Interest		108,451	817,880	108,451	817,880
Trust Distributions		251,172	202,253	251,172	202,253
(Decrement)/Increment in market value of investment		(651,697)	854,200	(651,697)	854,200
Profit from Sale of Member Advantage business		5,468,704	-	5,468,704	-
Grants and/or Donations		-	-	-	-
Revenue from recovery of wages activity		-	-	-	-
Income recognised from volunteer services		-	-	-	-
Other Income		261,990	426,052	524,490	426,052
<b>Total other income</b>		<b>5,438,620</b>	<b>2,300,385</b>	<b>5,701,120</b>	<b>2,300,385</b>
<b>Total revenue</b>		<b>17,889,362</b>	<b>16,034,663</b>	<b>17,485,609</b>	<b>14,276,034</b>
<b>b) Charging as Expenses</b>					
<b>Employment Costs</b>					
Office Holders:					
Salaries & Allowances		-	-	-	-
Annual Leave		-	-	-	-
Long Service Leave		-	-	-	-
Separation & Redundancy		-	-	-	-
Superannuation		-	-	-	-
Other Employment Costs		-	-	-	-
Employees Other than Office Holders:					
Salaries & Allowances		7,049,067	7,232,143	6,831,085	6,795,631
Annual Leave		634,526	615,249	631,379	584,065
Long Service Leave		(62,738)	178,920	(65,172)	167,897
Separation & Redundancy		223,739	234,966	223,739	-
Superannuation		784,218	766,852	756,758	732,085
Other Employment Costs		473,916	485,653	463,867	461,333
		<b>9,102,728</b>	<b>9,513,783</b>	<b>8,841,656</b>	<b>8,741,011</b>
<b>Borrowing Costs</b>		<b>115,474</b>	<b>127,329</b>	<b>115,474</b>	<b>127,329</b>
<b>Professional Network Costs</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Members' service and support</b>		<b>2,492,756</b>	<b>2,897,155</b>	<b>2,152,553</b>	<b>2,062,045</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

	Note	Group 2022 \$	2021 \$	Chief Entity 2022 \$	2021 \$
<b>2. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:- (CONT'D)</b>					
<b>Other Expenses</b>					
Affiliation Fees	2(c)	223,948	222,159	223,948	222,159
Meeting Expenses		24,602	21,108	24,602	21,108
Audit & Accounting Fees		100,726	102,863	95,726	90,001
Legal Fees – Litigation		-	-	-	-
Legal Fees – Other Legal Matters		279,349	407,192	273,149	407,192
Depreciation & Amortisation		583,635	643,143	562,951	594,998
Fair Value Loss – Federal Office Building		-	-	-	-
Fair Value Loss – Investment		-	-	-	-
Compulsory Levies (ACTU Election Levy)		-	-	-	-
Consideration to Employers for Payroll Deductions		-	-	-	-
Fees/allowances – meetings and conferences		-	-	-	-
Conference and meeting expenses		-	-	-	-
Total paid to employers for payroll deductions of membership subscriptions		-	-	-	-
Penalties – RO Act or RO Regulations		-	-	-	-
Other expenses		24,661	-	-	-
		<b>1,236,921</b>	<b>1,396,465</b>	<b>1,180,376</b>	<b>1,335,458</b>
<b>c) Affiliation Fees Paid</b>					
Unions NSW		27,256	26,517	27,256	26,517
Unions ACT Trades and Labour Council of the ACT Inc.		5,168	5,232	5,168	5,232
ACTU		110,290	101,520	110,290	101,520
UNI Global Union		-	2,620	-	2,620
New Castle Trades Hall Council		1,025	1,002	1,025	1,002
NT Trades and Labour Council		-	-	-	-
SA Unions		8,432	8,023	8,432	8,023
Unions Tasmania		1,982	2,760	1,960	2,760
Victorian Trades Hall Council		39,480	38,284	39,480	38,284
Unions WA WA's Peak Union Body		5,990	6,141	5,990	6,141
Qld Council of Unions		23,023	28,477	23,023	28,477
Sydney May Day Committee		-	-	-	-
Federation of Vehicle Industry Unions (SA)		-	318	-	318
Union Aid Abroad - APHEDA		1,302	1,265	1,302	1,265
		<b>223,948</b>	<b>222,159</b>	<b>223,948</b>	<b>222,159</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

	Group		Chief Entity	
	2022	2021	2022	2021
	\$	\$	\$	\$

### 3. REVENUE AND INCOME

#### Disaggregation of revenue from contracts with customers

A disaggregation of the reporting unit's 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:

<i>Type of customer</i>				
Members – over time	11,560,217	11,477,939	11,560,217	11,477,939
Other reporting units	-	-	-	-
Government	-	-	-	-
Other Parties – over time	890,525	2,256,339	224,272	497,710
<b>Total revenue from contracts with customers</b>	<b>12,450,742</b>	<b>13,734,278</b>	<b>11,784,489</b>	<b>11,975,649</b>

#### Disaggregation of income for furthering activities

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

			<i>Income funding sources</i>	
Members – over time	11,560,217	11,477,939	11,560,217	11,477,939
Other reporting units	-	-	-	-
Government	-	-	-	-
Other Parties – over time	890,525	2,256,339	224,272	497,710
<b>Total income for furthering activities</b>	<b>12,450,742</b>	<b>13,734,278</b>	<b>11,784,489</b>	<b>11,975,649</b>

### 4. GRANT OR DONATIONS

#### 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	4,000	4,000	4,000	4,000
<b>Total grants or donations</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

	Group		Chief Entity	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>5. CAPITATION FEES</b>				
Capitation fees:				
Capitation fees APESMA	-	-	-	-
<b>Total Capitation fees</b>	-	-	-	-

<b>6. LEVIES</b>				
Compulsory or voluntary levies	-	-	-	-
<b>Total levies</b>	-	-	-	-

<b>7. INCOME TAX EXPENSE</b>				
Prima facie tax at 25% (2021: 26%) on Profit/(Loss)	1,564,965	544,942	-	-
Deferred income tax losses not brought to account	-	-	-	-
Exempt (Income)/Loss	(1,564,965)	(521,612)	-	-
Previously unrecognised tax losses to reduce current tax expense	-	-	-	-
Tax effect of over provision of income tax in prior year	-	-	-	-
<b>Total Income Tax Expense/(Benefit)</b>	-	<b>23,330</b>	-	-

The Chief Entity is a tax exempt entity

<b>8. CASH AND CASH EQUIVALENTS</b>				
Cash at Bank	3,197,768	2,898,910	2,815,312	2,429,311
Short-term Deposits	-	-	-	-
Cash on Hand	2800	2,800	2800	2,800
Cash Management Account	-	0	-	0
	<b>3,200,568</b>	<b>2,901,709</b>	<b>2,818,112</b>	<b>2,432,111</b>

Refer to Note 23 for details on restrictions on cash and cash equivalents

<b>9. TRADE AND OTHER RECEIVABLES</b>				
<b>Current</b>				
Sundry Receivables	829,861	688,985	829,861	522,749
Amounts Owed by Related Parties	625,000	-	625,000	-
Amounts Owed by Controlled Entities	-	-	-	-
Receivables from Other Reporting Units	-	-	-	-
Less allowance for expected credit losses	-	-	-	-
	<b>1,454,861</b>	<b>688,985</b>	<b>1,454,861</b>	<b>522,749</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

	Group		Chief Entity	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>9. TRADE AND OTHER RECEIVABLES</b>				
<b>Non-current</b>				
Sundry Receivables	-	688,985	-	522,749
Amounts Owed by Controlled Entities	-	-	-	-
Amounts Owed by Related Parties	4,479,123	-	4,479,123	-
Receivables from Other Reporting Units	-	-	-	-
Less allowance for expected credit losses	-	-	-	-
	<b>4,479,123</b>	<b>688,985</b>	<b>4,479,123</b>	<b>522,749</b>

**Net Fair Values**

The National Board consider that the carrying amount of all receivables approximate their net fair values.

**Significant Terms and Conditions**

Sundry receivables are normally required to be settled within 60 days.

Loans to controlled entities are unsecured and considered recoverable unless a provision has been raised against the amount receivable. They are interest free.

**Credit Risk**

The Group does not have any significant exposure to any individual customer or counterparty. The major concentration of credit risk that arises from the Group's receivables is within the engineering industry in Australia.

**10. OTHER ASSETS**

Prepayments	<b>193,084</b>	<b>320,957</b>	<b>193,084</b>	<b>318,761</b>
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**11. FINANCIAL ASSETS**

**Current**

Commonwealth Bank Term Deposits	7,630,250	7,690,050	7,630,250	7,690,050
Vanguard Index Funds-Unit Trust	4,044,627	4,449,325	4,044,627	4,449,325
Short Term Investments	5,141,848	5,307,009	5,141,848	5,307,009
	<b>16,816,725</b>	<b>17,446,386</b>	<b>16,816,725</b>	<b>17,446,384</b>

**Non-Current**

Shares in Controlled Entities	-	-	21	21
Shares in Other Entities	-	-	-	-
	-	-	<b>21</b>	<b>21</b>

**Net Fair Values**

Shares in entities noted above have an aggregate net fair value approximating their carrying value. Refer to Note 23 for details on restrictions on financial assets.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

<b>12. PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land and Buildings at National Board Valuation	12,230,000	11,386,656	12,230,000	11,386,656
Accumulated Depreciation	-	(401,635)	-	(401,635)
	<b>12,230,000</b>	<b>10,985,021</b>	<b>12,230,000</b>	<b>10,985,021</b>
Office Equipment at Cost	915,613	885,962	915,613	885,962
Accumulated Depreciation	(625,085)	(553,638)	(625,085)	(553,638)
	<b>290,528</b>	<b>332,324</b>	<b>290,528</b>	<b>332,324</b>
<b>Total property, plant &amp; equipment</b>	<b>12,520,528</b>	<b>11,317,345</b>	<b>12,520,528</b>	<b>11,317,345</b>

**Valuation of Land and Buildings**

Land and buildings held by the Group were subject to assessment for fair value by the National Board at 30 June 2022 based on the independence valuations of these properties as outlined below. Independent valuations are obtained for all properties over a rolling five-year period.

It is noted that the market that the properties are valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Due to possible changes in market conditions and other circumstances the valuations below are regarded only as relevant as at 30 June 2022.

The property located at 152-160 Miller Street West Melbourne Victoria was independently valued as at 30 June 2022 by Mr. G Longden FAPI, certified practicing valuer of M3 Property.

The property located at Level 1, 491 Kent Street Sydney NSW was independently valued as at 30 June 2022 by Mr. A Duguid AAPI, certified practicing valuer of M3 Property.

The property located at Lot 1, 12-14 Thelma Street, West Perth was independently valued as at 20 May 2022 by Mr. A Dart AAPI, certified practicing valuer of CBRE.

The property located at 4/7 Napier Close, Deakin, Australian Capital Territory 2600 was independently valued as at 05 May 2022 by Mr. L Katrivessis AAPI, certified practicing valuer of Opteon.



**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**12. PROPERTY, PLANT & EQUIPMENT (CONT'D)**

**Movements in Carrying Amounts**

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

<b>CHIEF ENTIY</b>	<b>Land &amp; Buildings</b>	<b>Office Equipment</b>	<b>Total</b>
<b>Balance 30 June 2020</b>	11,188,500	367,516	11,556,016
Additions/WIP	-	42,837	42,837
Revaluation	-	-	-
Disposals/Adjustments	-	(2,344)	(2,344)
Depreciation Expense	(203,479)	(75,685)	(279,164)
<b>Balance 30 June 2021</b>	<b>10,985,021</b>	<b>332,324</b>	<b>11,317,345</b>
Balance 1 July 2021	10,985,021	332,324	11,317,345
Additions	18,863	29,650	48,513
Revaluation	1,226,116	-	1,226,116
Reversal of accumulated depreciation on revaluation	232,731	-	232,731
Disposals/Adjustments	-	-	-
Depreciation Expense	(232,731)	(71,446)	(304,177)
<b>Balance 30 June 2022</b>	<b>12,230,000</b>	<b>290,528</b>	<b>12,520,528</b>

<b>GROUP</b>	<b>Land &amp; Buildings</b>	<b>Office Equipment</b>	<b>Total</b>
<b>Balance 30 June 2020</b>	11,188,500	367,516	11,556,016
Additions/WIP	-	42,837	42,837
Revaluation	-	-	-
Disposals/Adjustments	-	(2,344)	(2,344)
Depreciation Expense	(203,479)	(75,685)	(279,164)
<b>Balance 30 June 2021</b>	<b>10,985,021</b>	<b>332,324</b>	<b>11,317,345</b>
Balance 1 July 2021	10,985,021	332,324	11,317,345
Additions	18,863	29,650	48,513
Revaluation	1,226,116	-	1,226,116
Reversal of accumulated depreciation on revaluation	232,731	-	232,731
Disposals/Adjustments	-	-	-
Depreciation Expense	(232,731)	(71,446)	(304,177)
<b>Balance 30 June 2022</b>	<b>12,230,000</b>	<b>290,528</b>	<b>12,520,528</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**13. LEASES**

The Reporting Unit applied AASB16 using the modified retrospective approach, under which the cumulative effect of initial application would have been recognised in retained earnings at 1 July 2019 had it been material.

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Right of use assets	1,105,514	988,562	1,105,514	988,562
Accumulated Depreciation	(811,234)	(555,361)	(811,234)	(555,361)
	<b>294,280</b>	<b>433,201</b>	<b>294,280</b>	<b>433,201</b>

Set out below are the carrying amounts of right-of-use assets recognised per assets and the movements during the period:

<b>GROUP/CHIEF ENTITY</b>	<b>Vehicles</b>	<b>Land &amp; Building</b>	<b>Total</b>
<b>Balance 30 June 2020</b>	332,931	74,521	407,452
Adoption of AASB 16 Leases	-	-	-
Additions	133,978	179,508	313,486
Depreciation Expense	(178,470)	(109,266)	(287,736)
<b>Balance 30 June 2021</b>	<b>288,438</b>	<b>144,764</b>	<b>433,201</b>
Balance 1 July 2021	288,438	144,764	433,201
Adoption of AASB 16 Leases	-	-	-
Additions	32,594	84,358	116,952
Depreciation Expense	(149,405)	(106,469)	(255,874)
<b>Balance 30 June 2022</b>	<b>171,627</b>	<b>122,653</b>	<b>294,280</b>

The table below describes the nature of the Reporting Unit's leasing activities by type of right-of-use asset recognised on balance sheet:

<b>Right of use asset (ROA)</b>	<b>No of ROA</b>	<b>Range of remaining term</b>	<b>Average remaining lease term</b>	<b>No of leases with extensions</b>	<b>No of leases with option to purchase</b>	<b>No of leases with variable payments</b>	<b>No of leases with termination options</b>
Office building	2	1-2 years	1.5 years	-	-	-	-
Motor vehicles	27	1-4 years	3 years	-	-	-	-

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**13. LEASES (CONT'D)**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Group		Chief Entity	
	2022	2021	2022	2021
	\$	\$	\$	\$
Balance 1 Jul	459,479	414,684	459,479	414,684
Adoption of AASB 16 Leases	-	-	-	-
Additions	116,952	313,486	116,952	313,486
Accretion of interest	25,892	35,145	25,892	35,145
Payments	(282,631)	(303,836)	(282,631)	(303,836)
<b>Balance 30 June</b>	<b>319,692</b>	<b>459,479</b>	<b>319,692</b>	<b>459,479</b>
Current	124,029	263,186	124,029	263,186
Non-current	195,663	195,663	195,663	195,663

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	255,874	287,736	255,874	287,736
Interest expense on lease liabilities	25,892	35,145	25,892	35,145
<b>Total amount recognised in profit or loss</b>	<b>281,766</b>	<b>322,881</b>	<b>281,766</b>	<b>322,881</b>

No variable lease payments are recognized by the Reporting Unit.

**Reporting Unit as a lessor**

Amounts included in the income statement are as follows:

	Group		Chief Entity	
	2022	2021	2022	2021
	\$	\$	\$	\$
Lease income	28,959	28,959	28,959	28,959
<b>Balance 30 June</b>	<b>28,959</b>	<b>28,959</b>	<b>28,959</b>	<b>28,959</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**14. INTANGIBLE ASSETS**

Balance 1 July 2021	55,036	113,262	26,941	55,040
Additions/WIP	39,598	18,009	-	-
Disposals/Adjustments	(47,009)	-	-	-
Amortisation for the year	(42,847)	(76,235)	(22,163)	(28,099)
<b>Balance 30 June 2022</b>	<b>4,778</b>	<b>55,036</b>	<b>4,778</b>	<b>26,941</b>

Intangible assets comprise mainly of website costs and software licenses and are amortised over the estimated useful life of 3 years.

**15. TRADE PAYABLES**

**Current**

Trade and Sundry Creditors	1,384,285	1,435,239	1,357,010	1,203,470
Prepaid Subscriptions & Fees	1,719,196	1,810,323	1,719,196	1,810,323
Amounts Owed to Controlled Entities	-	-	649,998	650,364
Amounts Owed to Related Parties	256,022	-	-	-
Payable to Other Reporting Units	-	-	-	-
	<b>3,359,503</b>	<b>3,245,562</b>	<b>3,726,204</b>	<b>3,664,157</b>

**Non Current**

Trade and Sundry Creditors	-	-	-	-
Prepaid Subscriptions & Fees	-	-	-	-
Amounts Owed to Controlled Entities	-	-	-	-
Amounts Owed to Related Parties	-	-	-	-
Payable to Other Reporting Units	-	-	-	-
	-	-	-	-

Trade and sundry creditors are generally settled within 30 days. The National Board considers the carrying amounts of these items approximate their net fair values.

Prepaid subscriptions and fees represent amounts received in respect to the 2022/23 period.

**16. OTHER PAYABLES**

**Current**

Legal costs –litigation and other legal matters	-	-	-	-
Payable to employers for making payroll deductions of membership subscriptions	-	-	-	-
	-	-	-	-

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

	Group		Chief Entity	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>17. EMPLOYEE PROVISIONS</b>				
<b>Current</b>				
Office Holders	-	-	-	-
Annual Leave	-	-	-	-
Long Service Leave	-	-	-	-
Separation and Redundancies	-	-	-	-
Other Employee Benefits	-	-	-	-
Employees Other than Office Holders:			-	-
Annual Leave	766,376	747,521	766,376	747,521
Long Service Leave	755,322	1,037,305	755,322	1,037,305
Separation and Redundancies	-	-	-	-
Other Employee Benefits	-	-	-	-
	<b>1,521,698</b>	<b>1,784,826</b>	<b>1,521,698</b>	<b>1,784,826</b>
<b>Non-Current</b>				
Office Holders				
Employees Other than Office Holders:				
Long Service Leave	67,704	60,504	67,704	60,504
	<b>67,704</b>	<b>60,504</b>	<b>67,704</b>	<b>60,504</b>

**Net Fair Values**

The National Board considers that the carrying amounts of provisions for employee entitlements approximate their net fair values (annual leave) and present value (long service leave). Provisions are payable when leave legally falls due.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

	Group		Chief Entity	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>18. RESERVES</b>				
<b>Property Revaluation Reserve</b>				
Balance at start of year	4,501,525	4,501,525	4,501,525	4,501,525
Transfer on sale of building	-	-	-	-
Revaluation during year	1,226,116	-	1,226,116	-
<b>Balance as at end of year</b>	<b>5,727,641</b>	<b>4,501,525</b>	<b>5,727,641</b>	<b>4,501,525</b>

The Property Revaluation reserve captures the increase/decrease value of property assets of the Association following revaluation.

<b>Innovation Reserve</b>				
Balance as at start of year	239,633	239,633	239,633	239,633
Transfer to member funds	-	-	-	-
<b>Balance as at end of year</b>	<b>239,633</b>	<b>239,633</b>	<b>239,633</b>	<b>239,633</b>

The Innovation reserve contains the refunds received from the reinstatement of Chifley Business School debtor following the sale of the Chifley Business School Pty Ltd to Laureate International Universities. This reserve to be used specifically to grow Association membership across both collective and non-collective bases via investment in new technologies and staff resources.

<b>Total Other Reserves</b>	<b>5,967,274</b>	<b>4,741,158</b>	<b>5,967,274</b>	<b>4,741,158</b>
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**18A. OTHER SPECIFIC DISCLOSURES FUNDS**

**Compulsory levy/voluntary contribution fund**

**APESMA Legal Defence Fund**

Balance as at start and end of year	<b>528,464</b>	<b>528,464</b>	<b>528,464</b>	<b>528,464</b>
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The APESMA Legal Defence Fund reserve was created out of the surplus funds from the Building APESMA's Future initiative undertaken in financial year 2007/2008.

**Civil Aviation Safety Authority**

Balance at start of year	52,263	50,253	52,263	50,253
Transfer from member funds	-	2,010	-	2,010
<b>Balance as at end of year</b>	<b>52,263</b>	<b>52,263</b>	<b>52,263</b>	<b>52,263</b>

The CASA reserve was established as a legal defence fund to be used specifically for the professional staff of CASA, who remain members of Professionals Australia.

**CSD Legal Defence Fund**

Balance at start of year	12,481,703	11,546,352	12,481,703	11,546,352
Reclassification from Organisation Funds	-	-	-	-
Transfer to Reserve	(583,158)	935,351	(583,158)	935,351
<b>Balance as at end of year</b>	<b>11,898,545</b>	<b>12,481,703</b>	<b>11,898,545</b>	<b>12,481,703</b>

The CSD Legal Defence Fund was established from net assets brought in from the amalgamation with the Australian Collieries' Staff Association, with funds to only be applied towards specific purposes (predominantly the provision of legal representation and associated costs for members of the Collieries Staff Division) – refer note 23.

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA  
& CONTROLLED ENTITIES**

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

	Group		Chief Entity	
	2022	2021	2022	2021
	\$	\$	\$	\$

**18A. OTHER SPECIFIC DISCLOSURES FUNDS (CONT'D)**

**CSD Members Assistance Fund**

Balance at start of year	271,230	112,550	271,230	112,550
Transfer to reserve	176,814	158,680	176,814	158,680
<b>Balance as at end of year</b>	<b>448,044</b>	<b>271,230</b>	<b>448,044</b>	<b>271,230</b>

The CSD Members Assistance Fund was established for the purpose of supporting eligible members of the Collieries Staff Division Fund experiencing loss of income – refer note 23.

<b>Total Compulsory levy/voluntary contribution fund</b>	<b>12,927,316</b>	<b>13,333,660</b>	<b>12,927,316</b>	<b>13,333,660</b>
<b>Total Reserves</b>	<b>18,894,590</b>	<b>18,074,818</b>	<b>18,894,590</b>	<b>18,074,818</b>

**19. COMMITMENTS**

Future Finance Lease Payments are payable as follows:

< 1 year	-	-	-	-
1-5 years	-	-	-	-
Gross Lease Payments	-	-	-	-
Less Future Finance Charges	-	-	-	-
Lease Liabilities	-	-	-	-
Current	-	-	-	-
Non Current	-	-	-	-
Lease Liabilities	-	-	-	-

Future Operating Lease Payments are payable as follows:

< 1 year (short term and low value leases excluded from AASB 16 )	-	-	-	-
1-5 years	-	-	-	-
<b>Total Future Operating Commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**20. CONTROLLED ENTITIES**

	Chief Entity Investment		Equity Holding		Contributions to Group Profit or (Loss)	
	2022	2021	2022	2021	2022	2021
	\$	\$	%	%	\$	\$
<b>Chief Entity</b>						
Association of Professional Engineers, Scientists & Managers, Australia	-	-	-	-	6,259,861	2,056,339
<b>Controlled Entities</b>						
APESMA Lawyers Pty Ltd	10	10	100	100	-	-
APESMA Insurance Services Pty Ltd	10	10	100	100	-	-
Member Advantage Pty Ltd	0.75	0.75	75	75	(26,959)	66,400
	<b>20.75</b>	<b>20.75</b>				

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**21. RELATED PARTIES**

**a) Related Party Transactions for the Reporting Period:**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	<b>Group</b>		<b>Chief Entity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue received from controlled entities includes the following:</b>				
Member Advantage				
Licence fee	195,313	468,750	195,313	468,750
Service fee	-	163,580	-	163,580
<b>Expenses paid to controlled entities</b>	-	-	-	-
Loans from controlled entities are disclosed in the notes to the financial report.	-	-	649,998	650,364

**Terms and conditions of transactions with related parties**

**b) Key Management Personnel Remuneration for the Reporting Period**

No member of the National Board received remuneration for services rendered.

	<b>Group</b>		<b>Chief Entity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Short-term employee benefits:</b>				
Salary (including annual leave taken)	1,436,791	1,339,306	1,360,291	1,108,235
Annual leave accrued	56,318	(44,450)	40,823	(43,494)
Performance bonus	33,514	-	-	-
<b>Total short-term employee benefits</b>	<b>1,526,623</b>	<b>1,294,856</b>	<b>1,401,114</b>	<b>1,064,741</b>
<b>Post-employment benefits:</b>				
Superannuation	154,000	133,495	142,999	109,645
<b>Total post-employment benefits</b>	<b>154,000</b>	<b>133,495</b>	<b>142,999</b>	<b>109,645</b>
<b>Other long-term benefits:</b>				
Long service leave	44,802	(70,822)	31,826	(18,153)
<b>Total other long-term benefits</b>	<b>44,802</b>	<b>(70,822)</b>	<b>31,826</b>	<b>(18,153)</b>
<b>Termination benefits</b>	-	-	-	-
<b>Total</b>	<b>1,725,425</b>	<b>1,357,529</b>	<b>1,575,939</b>	<b>1,156,233</b>



**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

	Group		Chief Entity	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>22. REMUNERATION OF AUDITOR</b>				
<i>Value of the services provided</i>				
Grant Thornton				
Financial statement and other audit services	63,350	58,500	50,000	45,000
Other services	5,000	26,425	5,000	25,975
	<b>68,350</b>	<b>84,925</b>	<b>55,000</b>	<b>70,975</b>
Daley Audit				
Financial statement audit and other audit services	10,560	10,310	10,560	10,310
Other services	19,160	26,800	19,160	26,800
	<b>29,720</b>	<b>37,110</b>	<b>29,720</b>	<b>37,110</b>
<b>Total remuneration of auditor</b>	<b>98,070</b>	<b>122,035</b>	<b>84,720</b>	<b>108,985</b>

**23. FINANCIAL RISK MANAGEMENT**

**Financial Risk Management**

The Group's financial instruments consist mainly of deposits with banks, investment portfolio, accounts receivable and payable and loans to entities.

**a) Organisation Funds**

The Group bank balances are subject to a group limit facility arrangement providing full set-off of debt and interest based on the net balance of group bank accounts excluding the following balances of the Collieries Staff Division (CSD) Legal Defence Fund and the CSD Members Assistance Fund (refer to note 18A), which cannot be encumbered or used for set-off without authority of the management committee of the Collieries Staff Division:

- Cash at bank balances of \$500,814 (2021: \$469,876); and
- Financial assets of \$11,674,878 (2021: \$12,139,375).

Similarly, the assets and liabilities of these Funds are restricted from use by the group, for any other purposes as has been expressed in the Rules of APESMA as lodged with Fair Work Commission and summarised at note 18A. All expenditures made must be with the express authority of the independent management committee of the CSD. Net balances of these funds are also reported at note 18A.

**b) Interest Rate Risk**

The Group'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 classes of financial assets and financial liabilities, is as follows:–

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**23. FINANCIAL RISK MANAGEMENT (CONT'D)**

**b) Interest Rate Risk (continued)**

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturities			Non Interest Bearing	Total
	%	\$	1 year or less	1 to 5 years	> 5 years	\$	\$
<b>Chief Entity 30 June 2022</b>							
<b>Assets:</b>							
Cash and Cash Equivalents	0.15	2,815,312	-	-	-	-	2,815,312
Financial Assets	2.50	-	7,630,250	-	-	9,186,475	16,816,725
Receivables	5.00	-	5,933,984	-	-	-	5,933,984
<b>Total financial assets</b>		<b>2,815,312</b>	<b>13,564,234</b>	<b>-</b>	<b>-</b>	<b>9,186,475</b>	<b>25,566,021</b>
<b>Liabilities:</b>							
Trade and Sundry Payables (including Legal Costs)	-	-	-	-	-	1,357,010	1,357,010
Lease Liability	-	-	-	-	-	319,692	319,692
Bank bills and Overdraft	-	-	-	-	-	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,676,702</b>	<b>1,676,702</b>
<b>Net financial assets (liabilities)</b>		<b>2,815,312</b>	<b>13,564,234</b>	<b>-</b>	<b>-</b>	<b>7,509,773</b>	<b>23,889,319</b>

The total amount of financial liabilities disclosed above excludes statutory payables (i.e. GST payable)

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturities			Non Interest Bearing	Total
	%	\$	1 year or less	1 to 5 years	> 5 years	\$	\$
<b>Chief Entity 30 June 2021</b>							
<b>Assets:</b>							
Cash and Cash Equivalents	0.15	2,091,801	-	-	-	-	2,091,801
Financial Assets	2.50	-	7,690,050	-	-	9,756,334	17,446,385
Receivables	5.00	-	522,749	-	-	-	522,749
<b>Total financial assets</b>		<b>2,091,801</b>	<b>8,212,799</b>	<b>-</b>	<b>-</b>	<b>9,756,334</b>	<b>20,060,935</b>
<b>Liabilities:</b>							
Trade and Sundry Payables (including Legal Costs)	-	-	-	-	-	1,853,834	1,853,834
Lease Liability	-	-	-	-	-	459,479	459,479
Bank bills and Overdraft	-	-	-	-	-	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,313,313</b>	<b>2,313,313</b>
<b>Net financial assets (liabilities)</b>		<b>2,091,801</b>	<b>8,212,799</b>	<b>-</b>	<b>-</b>	<b>7,433,011</b>	<b>17,747,622</b>

The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**23. FINANCIAL RISK MANAGEMENT (CONT'D)**

**b) Interest Rate Risk (continued)**

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturities			Non Interest Bearing	Total
	%	\$	1 year or less	1 to 5 years	> 5 years	\$	\$
<b>Group 30 June 2022</b>							
<b>Assets:</b>							
Cash and Cash Equivalents	0.15	3,197,768	-	-	-	-	3,197,768
Financial Assets	2.50	-	7,630,250	-	-	9,186,475	16,816,725
Receivables	5.00	-	5,933,984	-	-	-	5,933,984
<b>Total financial assets</b>		<b>3,197,768</b>	<b>13,564,234</b>	<b>-</b>	<b>-</b>	<b>9,186,475</b>	<b>25,948,477</b>
<b>Liabilities:</b>							
Trade and Sundry Payables	-	-	-	-	-	1,384,285	1,384,285
Lease Liability	-	-	-	-	-	319,692	319,692
Bank bills and Overdraft	-	-	-	-	-	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,703,977</b>	<b>1,703,977</b>
<b>Net financial assets (liabilities)</b>		<b>3,196,768</b>	<b>13,564,234</b>	<b>-</b>	<b>-</b>	<b>7,482,498</b>	<b>24,244,500</b>

The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturities			Non Interest Bearing	Total
	%	\$	1 year or less	1 to 5 years	> 5 years	\$	\$
<b>Group 30 June 2021</b>							
<b>Assets:</b>							
Cash and Cash Equivalents	0.15	2,635,753	-	-	-	-	2,635,753
Financial Assets	2.50	-	7,690,050	-	-	9,756,334	17,446,384
Receivables	5.00	-	688,985	-	-	-	688,985
<b>Total financial assets</b>		<b>2,635,753</b>	<b>8,379,035</b>	<b>-</b>	<b>-</b>	<b>9,756,334</b>	<b>20,771,122</b>
<b>Liabilities:</b>							
Trade and Sundry Payables	-	-	-	-	-	1,435,239	1,435,239
Lease Liability	-	-	-	-	-	459,479	459,479
Bank bills and Overdraft	-	-	-	-	-	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,894,719</b>	<b>1,894,718</b>
<b>Net financial assets (liabilities)</b>		<b>2,635,753</b>	<b>8,379,035</b>	<b>-</b>	<b>-</b>	<b>7,861,615</b>	<b>18,876,404</b>

The total amount of financial liabilities disclosed above excludes statutory payables (i.e. GST payable)

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**23. FINANCIAL RISK MANAGEMENT (CONT'D)**

**c) Credit Risk**

The Group does not obtain collateral or other security when dealing with related entities.

The carrying amounts of financial assets included in the statement of financial position represent the Group's maximum exposure to credit risk in relation to these assets. Where entities have a right of set-off and intend to settle on a net basis, this set-off has been reflected in the financial statements in accordance with accounting standards.

**Credit quality of financial instruments not past due or individually determined as impaired**

	Not past due nor impaired	Past due or impaired	Not past due nor impaired	Past due or impaired
	2022 \$	2022 \$	2021 \$	2021 \$
<b>Group</b>				
Receivables	5,933,984	-	688,985	-
<b>Chief Entity</b>				
Receivables	5,933,984	-	522,749	-

**Ageing of financial assets that were not impaired**

	<30 days \$	31 – 60 days \$	61 – 90 days \$	> 90 days \$	Total \$
<b>2022</b>					
<b>Group</b>					
Receivables	5,933,984	-	-	-	5,933,984
<b>Chief Entity</b>					
Receivables	5,933,984	-	-	-	5,933,984
<b>2021</b>					
<b>Group</b>					
Receivables	599,467	29,270	2,711	57,537	688,985
<b>Chief Entity</b>					
Receivables	467,378	23,834	-	31,537	522,749

**d) Net Fair Values**

The net fair values of the Group's financial assets and financial liabilities are not expected to be significantly different from each class of asset and liability as disclosed above and recognised in the statement of financial position as at 30 June 2022.

**Notes to the Consolidated Annual Accounts  
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**23. FINANCIAL RISK MANAGEMENT (CONT'D)**

**e) Market Risk**

The Group is not exposed to material market risk; therefore no sensitivity analysis has been disclosed showing how the profit or loss would have been affected by changes in the relevant risk variable.

**f) Liquidity Risk**

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained within the group and by the parent entity.

**Net Fair Values of Financial Assets and Liabilities**

The net fair values of:—

- Term receivables, government and fixed interest securities and bonds are determined by discounting the cash flows, at the market interest rates of similar securities, to their present values
- The lease liability is determined by discounting the cash flows, at the incremental borrowing rate, to their present value.
- Other assets and liabilities approximate their carrying values

**Net Fair Values of Financial Assets and Liabilities**

**GROUP**

2022	Carrying Amount	Fair Value
	2022	2022
	\$	\$
<b>Financial assets</b>		
Cash & Cash Equivalents	3,197,768	3,197,768
Receivables	5,933,984	5,933,984
Investments	16,816,725	16,816,725
<b>Financial liabilities</b>		
Payables	1,384,285	1,384,285
Lease Liability	319,692	319,692
<hr/>		
2021	Carrying Amount	Fair Value
	2021	2021
	\$	\$
<b>Financial assets</b>		
Cash & Cash Equivalents	2,901,709	2,901,709
Receivables	688,985	688,985
Investments	17,446,385	17,446,385
<b>Financial liabilities</b>		
Payables	1,435,239	1,439,239
Lease liability	459,479	459,479

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**23. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(f) Liquidity Risk (continued)**

**Net Fair Values of Financial Assets and Liabilities**

**CHIEF ENTITY**

2022	Carrying Amount	Fair Value
	2022	2022
	\$	\$
<b>Financial assets</b>		
Cash & Cash Equivalents	2,815,312	2,815,312
Receivables	5,933,894	5,933,894
Investments	16,816,725	16,816,725
<b>Financial liabilities</b>		
Payables	1,357,010	1,357,010
Lease Liability	319,692	319,692

2021	Carrying Amount	Fair Value
	2021	2021
	\$	\$
<b>Financial assets</b>	2,432,111	2,432,111
Cash & Cash Equivalents	522,749	522,749
Receivables	17,466,385	17,466,385
Investments		
<b>Financial liabilities</b>		
Payables	1,203,470	1,203,470
Lease liability	459,479	459,479

**24. FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS**

Analysis of financial and non-financial assets that are measured at fair value by fair value hierarchy:

**Group & Chief Entity**

**2022**

	Carrying amount at 30 June 2022	Date of valuation	Level 1	Level 2	Level 3
	\$		\$	\$	\$
<b>Financial Assets</b>					
Vanguard Index Fund – Unit Trust	4,044,627	30/06/2022	4,044,627		
Short-term investment	5,141,848	30/06/2022	5,141,848	-	-
<b>Property</b>					
Land & Buildings	12,230,000	30/06/2022	-	12,230,000	-

**Notes to the Consolidated Annual Accounts  
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**24. FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS (CONT'D)**

**Group & Chief Entity**

**2021**

	Carrying amount at 30 June 2022	Date of valuation	Level 1	Level 2	Level 3
	\$		\$	\$	\$
Financial Assets					
Vanguard Index Fund – Unit Trust	4,449,325	30/06/2021	4,449,325		
Short-term investment	5,307,009	30/06/2021	5,307,009	-	-
Property					
Land & Buildings	10,985,021	30/06/2021	-	10,985,021	-

	<b>Group</b>		<b>Chief Entity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	\$	\$	\$	\$

**25. NOTES TO THE CASH FLOW STATEMENT**

- i) Cash and cash equivalents comprises cash on hand and at bank, net of outstanding bank overdrafts, as follows:-

Cash on hand	2,800	2,800	2,800	2,800
Cash at bank	3,197,768	2,898,909	2,815,312	2,429,311
Cash Management Account	-	-	-	-
Bank Overdraft	-	-	-	-
	<b>3,200,568</b>	<b>2,901,709</b>	<b>2,818,112</b>	<b>2,432,111</b>

- ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities

Operating Profit/(Loss) after Income Tax	6,163,599	2,071,255	6,417,666	2,006,191
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**Non cash and investing items**

Asset Impairment/Write Offs	-	-	-	-
Depreciation and Amortisation	583,635	643,134	562,951	594,998
Interest Income	-	-	-	-
Rental Income	(28,959)	(28,959)	(28,959)	(28,959)
Revaluation of building	(1,226,116)	-	(1,226,116)	-
Reversal of depreciation on revaluation	(166,458)		(232,731)	
Doubtful Debts - Other	-	-	-	-
Dividend received	-	-	(262,500)	
Receipts from related entities	-	-	-	(3,621)
Net (Profit)/Loss on Sale of Fixed Assets	-	-	-	-
Increment/(Decrement) in value of investment	400,524	(1,056,453)	400,524	(1,056,453)
Interest on Lease Liabilities	25,852	35,135	25,852	35,135

**Notes to the Consolidated Annual Accounts  
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	2022 \$	Group 2021 \$	Chief Entity 2022 \$	2021 \$
<b>25. NOTES TO THE CASH FLOW STATEMENT (CONT'D)</b>				
ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities (cont'd)				
<b>Changes in Operating Assets/Liabilities</b>				
Sundry Debtors	(5,244,999)	(11,138)	(5,411,230)	51,856
Prepayments	127,873	21,049	125,676	21,268
Employee Entitlements	(255,948)	27,612	(255,928)	27,612
Creditors and Other Payables	115,307	(348,194)	83,315	(307,894)
Provision for Income Tax	4,658	(69,626)	-	-
<b>Net cash provided by/(used in) operating activities</b>	<b>498,968</b>	<b>1,283,815</b>	<b>198,520</b>	<b>1,340,133</b>
iii) The Group has bank overdraft (\$0.5 million) facilities which were not utilised as at 30 June 2022. These facilities are subject to annual review.				
iv) <b>Cash Flow Information</b>				
Cash inflows				
• Media Entertainment and Arts Alliance	10,800	10,800	10,800	10,800
• LGEA of NSW	585,238	565,038	585,238	565,038
• Rail Tram and Bus Union - NSW Branch	-	-	-	-
• International Transport Federation	-	-	-	-
<b>Total Cash inflows</b>	<b>596,038</b>	<b>575,838</b>	<b>596,038</b>	<b>575,838</b>
Cash outflows				
• LGEA of NSW	531,170	521,771	531,170	521,771
• ACTU	138,991	107,998	138,991	107,998
• Newcastle Trades Hall Council	1,285	1,002	1,285	1,002
• QLD Council of Unions	25,560	31,488	25,560	31,488
• SA Unions	8,432	9,084	8,432	9,084
• UNI Global Union	-	43,417	-	43,417
• Union Aid Abroad - APHEDA	1,302	1,265	1,302	1,265
• Unions ACT	5,016	10,400	5,016	10,400
• Unions NSW	39,068	23,870	39,068	23,870
• Unions TAS	2,309	2,760	2,309	2,760
• Unions WA	5,990	9,069	5,990	9,069
• Victorian Trades Hall Council	39,480	40,052	39,480	40,052
• Australian Services Union (VIC)	4,898	7,588	4,898	7,588
• United Services Union	2,117	873	2,117	873
• SA May Day Collective	318	318	318	318
• Australian Services Union (TAS)	5,174	4,597	5,174	4,597
• Media Entertainment and Arts Alliance	-	598	-	598
• Australian Manufacturing Workers' Union	-	1,080	-	1,080
<b>Total Cash outflows</b>	<b>811,110</b>	<b>817,230</b>	<b>811,110</b>	<b>817,230</b>



## Notes to the Consolidated Annual Accounts for the Year Ended 30 June 2022

### 26. SEGMENT REPORTING

The Group operates predominantly in the one business and geographical segment, being in the private and public sector providing services to its members in respect of legal, employment and general industrial matters.

### 27. CONTINGENT ASSETS AND LIABILITIES

The National board are not aware of any other contingent assets or liabilities as at 30 June 2022.

### 28. SUBSEQUENT EVENTS

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

### 29. GOING CONCERN

The financial statements are prepared on the basis that the Group and the Chief Entity will continue as a going concern and that assets including property plant and equipment and liabilities would be realised in the normal course of business at their recorded values as at 30 June 2022.

The Group and the Chief Entity's ability to continue as a going concern is not reliant on the financial support of any other entity.

### 30. BUSINESS COMBINATIONS

No assets or liabilities were acquired during the year as part of a business combination.

The Group and the Chief Entity did not acquire any assets or liabilities during the financial year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the Commissioner under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the Commissioner under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

### 31. SALE OF MEMBER ADVANTAGE BUSINESS

On 13 November 2022 Member Advantage Pty Ltd and Advantage Rewards Pty Ltd entered into a sale of Business Agreement that will transfer all supplier groups and client groups to Advantage Rewards. Advantage Rewards agreed to pay an annual license fee to Professionals Australia of \$625,000 for ten years, adjusted by individual Union members on the platform as at 30 June of that year. The inter-company service agreement has a term of 10 years.

Profit on sale of business has been recorded in note 2 for \$5,468,704 based on the net present value of the license fee payments to be received.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2022**

**31. SECTION 272 FAIR WORKS (REGISTERED ORGANISATIONS) ACT 2009**

Group operates predominantly in the one business and geographical segment, being in the private and public sector providing services to its members in respect of legal, employment and general industrial matters.

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- 1) A member of a reporting unit, or the Commissioner, 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).

**National Board Assembly Statement**

On 22 October 2022 the National Assembly of the Association of Professional Engineers, Scientists & Managers, Australia, trading as Professionals Australia, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2022:

The National Assembly declares in relation to the financial report 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 Reporting Guidelines of the Commissioner of Fair Work Commission and other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (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;
- (e) during the financial year to which the GPFR relates and since the end of the year:
  - (i) meetings of the National Board were held in accordance with the rules of the organisation; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting units have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request of a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act has been provided to the member or the Commissioner; and
  - (vi) where any orders for inspection of financial records 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 National Board.



A. Russack  
National President



A. Wilkins  
National Treasurer

Dated: 22 October 2022  
West Melbourne, Victoria

Dated: 22 October 2022  
West Melbourne, Victoria

**Officer Declaration Statement**

I, Andrew Russack, being the National President and Andrew Wilkins, being the National Treasurer of the Association of Professional Engineers, Scientists & Managers, Australia, trading as Professionals Australia, declare that the following activities did not occur during the reporting period ending 30 June 2022.

The reporting unit did not:

- (a) agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount).
- (b) 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.
- (c) incur fees as consideration for employers making payroll deductions of membership subscriptions.
- (d) pay legal costs relating to litigation.
- (e) pay a penalty imposed under the RO Act or the Fair Work Act 2009.
- (f) have a payable to an employer for that employer making payroll deductions of membership subscriptions.
- (g) have a payable in respect of legal costs relating to litigation,
- (h) have another entity administer the financial affairs of the reporting unit.
- (i) make a payment to a former related party of the reporting unit.
- (j) provide cash flows to another reporting unit and/or controlled entity.



A. Russack  
National President



A. Wilkins  
National Treasurer

Dated: 30 September 2022  
West Melbourne, Victoria

Dated: 30 September 2022  
West Melbourne, Victoria

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## Independent Auditor's Report

To the Members of the Association of Professional Engineers, Scientists and Managers, Australia

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of The Association of Professional Engineers, Scientists and Managers, Australia (the Reporting Unit), which comprises the report required under subsection 255 (2A), the officer declaration statement, the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 30 June 2022, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management Statement.

In our opinion, the accompanying financial presents fairly, in all material aspects, the financial position of the Association of Professional Engineers, Scientists and Managers, Australia as at 30 June 2022, 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).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

#### Basis for opinion

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

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

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### **Information other than the financial report and auditor's report thereon**

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management 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 Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intends to liquidate the Reporting Unit or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that A J Pititto is an approved auditor, a member of the Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



A J Pititto  
Partner – Audit & Assurance

Registration Number (as registered by the RO Commissioner under the RO Act): AA2017/86

Melbourne, 30 September 2022