

APESMA

*The Association of Professional
Engineers, Scientists &
Managers, Australia*

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29 October, 2002

The Industrial Registrar
Australian Industrial Registry
80 Collins Street
Melbourne
Victoria 3000

Dear Sir

Lodgement of Annual Accounts

I am enclosing the Annual Accounts of the Association for the year ended 30 June 2002. As previously advised, the Association has prepared two sets of Annual Accounts. One set is prepared on a summary basis which has been published on a printed media namely the August publication of Professional Update. The other set which is a full set of Annual Accounts is available on request from the members but however it is available on an electronic format on the Association website.

I am enclosing the full set as well as audited summary version of the Annual Accounts and the Secretary Declaration.

Should you require further details, please do not hesitate to contact me.

Yours Faithfully



ROGER LEE
DIRECTOR FINANCE

FR2002/739



26 October 2002

The Industrial Registrar
Australian Industrial Registry
80 Collins Street
Melbourne
Victoria 3000

Dear Sir,

**National Secretary's Declaration in Pursuant to Section 280 (1) of the Workplace
Relations Act 1996**

I, Mr Greg Sutherland, Professional Engineer, being the National Secretary of the
Association of Professional Engineers, Scientists & Managers, Australia, hereby certify:

1. That the attachments contains a true copy of the Auditor's Report, the Statement of Income
& Expenditure and the Balance Sheet of the Organisation and its Branches for the year ended
30 June 2002. Approval has been given under Section 271 of the Act for the Organisation to
present a consolidated Annual Account. The branches and divisions are as follows:

- **Federal Organisation**
- **New South Wales Branch**
- **Victorian Branch**
- **South Australian Branch**
- **Western Australian Branch**
- **Australian Capital Territory Branch**
- **Queensland Branch**
- **Tasmanian Branch**
- **Northern Territory Branch**
- **Local Government Engineers Association of NSW Division**
- **Senior Managers (Telstra and Australia Post) Division**
- **Australian Broadcasting Commission Senior Executives Division**
- **Architects Division**
- **Pharmacists Division**
- **Transport Division**
- **Collieries Staff Division**

2. That the Annual Account was presented in a meeting of the members duly convened in
according with Section 279 (6) of the Workplace Relations Act 1996.

3. That the date of the meeting was 26th October 2002.



G SUTHERLAND
NATIONAL SECRETARY



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

SUMMARISED FINANCIAL STATEMENTS

30 JUNE 2002

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS &
MANAGERS, AUSTRALIA

Statement of Financial Position
as at 30 June 2002

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
Current Assets	3,288,019	1,925,287	1,741,525	1,209,829
Non Current Assets	8,195,237	7,684,325	9,575,956	8,609,613
Total Assets	11,483,256	9,609,612	11,317,481	9,819,442
Current Liabilities	7,896,116	6,617,812	6,161,157	5,265,739
Non Current Liabilities	383,738	359,768	383,738	359,768
Total Liabilities	8,279,854	6,977,580	6,544,895	5,625,507
Net Assets	3,203,402	2,632,032	4,772,586	4,193,935
Funds & Reserves				
Organisation Funds	1,118,359	546,989	2,687,543	2,108,892
Reserves	2,085,043	2,085,043	2,085,043	2,085,043
Total Funds & Reserves	3,203,402	2,632,032	4,772,586	4,193,935

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

**Statement of Financial Performance
For the Period Ended 30 June 2002**

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
Member Subscriptions	6,739,093	6,562,425	6,739,093	6,562,425
Other Income	9,857,730	10,423,166	2,808,677	2,483,825
Total Income	16,596,823	16,985,591	9,547,770	9,046,250
Less Expenditure	(16,517,655)	(16,910,737)	(9,461,321)	(8,406,222)
Profit from Ordinary Activities before income tax	79,168	74,854	86,449	640,028
Income Tax	-	-	-	-
Profit from Ordinary Activities after income tax	79,168	74,854	86,449	640,028
Amalgamation with ACSA	492,202	-	492,202	-
Total changes in equity other than those arising from transaction with owners as owners	571,370	74,854	578,651	640,028

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

**Statement of Cashflows
For the Period Ended 30 June 2002**

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
Cash receipts in the ordinary course of operations	15,910,515	16,276,065	9,418,264	8,586,589
Cash payments in the ordinary course of operations	(15,111,425)	(16,711,482)	(8,576,155)	(7,268,751)
Net Cash Provided by Operating Activities	799,090	(435,417)	842,109	1,317,838
Net Cash (Used In) Investing Activities	(232,504)	(1,716,441)	(547,581)	(3,333,666)
Net Increase/(Decrease) in Cash	566,586	(2,151,858)	294,528	(2,015,828)
Cash at the Beginning of the Period	136,908	2,288,766	136,908	2,152,736
Cash at the End of the Period	703,494	136,908	431,436	136,908

**Notes to the Summarised Financial Statements
For the Period Ended 30 June 2002**

1. BASIS OF PREPARATION

The accounting policies adopted by the Association are detailed in its Financial Report. These policies have been consistently applied between the periods under review.

2. INFORMATION TO BE PROVIDED TO MEMBERS

The Financial Report of the Association has been audited in accordance with the provisions of the Workplace Relations Act 1996, as amended and the Auditor's Report, Accounts and Statements approved by the National Board, a resolution being passed as required by Section 279(2) of the Act. The following summary is provided for members in accordance with section 279(2) of that Act.

A copy of the Auditor's Report, Accounts and Statements will be supplied free of charge to members who request the same.

Certificates required to be given under the Act by the Accounting Officer and the National Board have been completed in accordance with the provisions of the Act and contain no qualifications.

In accordance with the requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 274 which reads as follows:-

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation;
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed;
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

3. COMPARATIVE INFORMATION

The current period is from 1 July, 2001 to 30 June, 2002.



STANNARDS

Accountants and Advisors

Partners

Marino Angelini, CA
David Stannard, CA
Michael Shulman, CA
Philip Shulman, CPA
Nello Traficante, CPA
Justin Bramley, CPA

Independent Auditors' Report To The Members of The Association of Professional Engineers, Scientists and Managers, Australia

SCOPE

We have audited the summarised financial statements of the Association for the year ended 30 June, 2002 as set out on pages 1 to 4 in order to express an opinion on it to the members of the Association. The Association's National Board are responsible for the summarised financial statements.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the summarised financial statements are free of material misstatement. We have also performed an independent audit of the full financial report of the Association for the financial period ended 30 June, 2002. Our audit report on the full financial report was signed on 5 October, 2002 and was not subject to any qualification.

Our procedures in respect of the audit of the summarised financial statements included testing that the information included in them are consistent with the full financial report, and examination, on a test basis, of evidence supporting the amounts and other disclosures which were derived from the full financial report. These procedures have been undertaken to form an opinion as to whether the summarised financial information complies with the Workplace Relations Act 1996 ("the Act") in that, in all material respects, it is presented fairly in accordance with that Act.

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

AUDIT OPINION

In our opinion, the summarised financial statements of the Association comply with the Act in all material respects.

M B Shulman
Chartered Accountant – Registered Company Auditor

M Angelini
Chartered Accountant – Registered Company Auditor

Dated: 5/10/2002

Melbourne, Victoria

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

**FINANCIAL STATEMENTS AND REPORTS
FOR THE PERIOD ENDED 30 JUNE 2002**

**Consolidated Statement of Financial Performance
For the Period Ended 30 June 2002**

	Note	Economic Entity		Chief Entity	
		2002 \$	2001 \$	2002 \$	2001 \$
Subscription Income		6,739,093	6,562,425	6,739,093	6,562,425
Other Income from Ordinary Activities		9,857,730	10,423,166	2,808,677	2,483,825
Salary Costs Expense		16,596,823	16,985,591	9,547,770	9,046,250
Borrowing Costs Expense		(7,264,914)	(6,446,503)	(5,733,366)	(5,166,870)
Professional Update Costs Expense		(338,210)	(420,605)	(288,181)	(340,523)
Other Expenses from Ordinary Activities		(200,960)	(280,706)	(200,960)	(280,706)
Profit from Ordinary Activities before Income Tax		(8,713,571)	(9,762,923)	(3,238,814)	(2,618,123)
Profit from Ordinary Activities before Income Tax	3	79,168	74,854	86,449	640,028
Income Tax Expense related to Profit from Ordinary Activities	4	-	-	-	-
Profit from Ordinary Activities after Income Tax	20	79,168	74,854	86,449	640,028
Amalgamation of Chief Entity with ACSA organisations	19(v)	492,202	-	492,202	-
Total changes in equity other than those resulting from transactions with owners as owners		571,370	74,854	578,651	640,028

Consolidated Statement of Financial Position
as at 30 June 2002

	Note	Economic Entity		Chief Entity	
		2002 \$	2001 \$	2002 \$	2001 \$
Current Assets					
Cash Assets	5	703,494	136,908	431,436	136,908
Receivables	6	2,442,654	1,711,021	1,172,513	997,682
Other	7	141,871	77,358	137,576	75,239
Total Current Assets		3,288,019	1,925,287	1,741,525	1,209,829
Non Current Assets					
Receivables	6	-	-	2,080,382	1,599,236
Investments	8	419,933	419,933	712	712
Property, Equipment & Vehicles	9	7,742,861	7,226,723	7,494,862	7,009,665
Intangibles	10	32,443	37,669	-	-
Total Non Current Assets		8,195,237	7,684,325	9,575,956	8,609,613
Total Assets		11,483,256	9,609,612	11,317,481	9,819,442
Current Liabilities					
Payables	11	5,073,290	4,123,690	3,338,331	2,771,617
Interest-Bearing Liabilities	12	1,675,936	1,665,922	1,675,936	1,665,922
Provisions	13	1,146,890	828,200	1,146,890	828,200
Total Current Liabilities		7,896,116	6,617,812	6,161,157	5,265,739
Non Current Liabilities					
Payables	11	-	-	-	-
Interest-Bearing Liabilities	12	383,738	359,768	383,738	359,768
Total Non Current Liabilities		383,738	359,768	383,738	359,768
Total Liabilities		8,279,854	6,977,580	6,544,895	5,625,507
Net Assets		3,203,402	2,632,032	4,772,586	4,193,935
Funds & Reserves					
Organisation Funds	20	1,118,359	546,989	2,687,543	2,108,892
Reserves	14	2,085,043	2,085,043	2,085,043	2,085,043
Total Funds & Reserves		3,203,402	2,632,032	4,772,586	4,193,935
Contingent Liabilities and Commitments	15				

**Consolidated Statements of Cashflow
For the Period Ended 30 June 2002**

	Note	Economic Entity		Chief Entity	
		2002 \$	2001 \$	2002 \$	2001 \$
Cash from Operating Activities					
Cash receipts in the ordinary course of operations		15,910,515	16,276,065	9,418,264	8,586,589
Cash payments in the ordinary course of operations		(15,111,425)	(16,711,482)	(8,576,155)	(7,268,751)
Net Cash Provided by Operating Activities	19(ii)	799,090	(435,417)	842,109	1,317,838
Cash from Investing Activities					
Lease Repayments		(217,000)	(313,157)	(217,000)	(313,157)
Proceeds – Bank Bills		-	(1,500,000)	-	(1,500,000)
Interest and Bank Charges		(338,210)	(420,605)	(288,181)	(340,523)
Interest Income		10,335	13,083	10,335	13,083
(Payments)/Receipts (To)/From Controlled Entities		-	-	(481,146)	(1,626,999)
Payments for Fixed Assets		(161,814)	(33,452)	(45,774)	(33,452)
Proceeds – Sale of Fixed Assets		205,000	530,586	205,000	466,963
Payment for Investments		-	7,104	-	419
Cash acquired from amalgamation with ACSA	19(v)	269,185	-	269,185	-
Net Cash Provided by Investing Activities		(232,504)	(1,716,441)	(547,581)	(3,333,666)
Net Increase/(Decrease) in Cash		566,586	(2,151,858)	294,528	(2,015,828)
Cash at the Beginning of the Period		136,908	2,288,766	136,908	2,152,736
Cash at the End of the Period	19(i)	703,494	136,908	431,436	136,908

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002**

1. ACCOUNTING METHODS & POLICIES

Basis of Preparation

The accounts have been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements issued by the Australian Accounting Standards Board. 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 following is a summary of the significant accounting policies adopted in the preparation of the accounts.

a) 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.

b) Principles of Consolidation

The economic entity's accounts comprise the accounts of the Association of Professional Engineers, Scientists & 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 economic entity have been eliminated on consolidation.

c) Property, Equipment and Vehicles

Fixed assets are included at cost or at valuation. The depreciable amounts of all fixed assets including buildings, are depreciated over their estimated economic lives on a straight line and/or reducing balance 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 computer equipment.

d) Receivables, Accounts Payable, Provisions & Borrowings

Trade accounts receivable are generally settled within 60 days and are carried in the accounts at amounts due. A provision is raised for any doubtful debts based on a review of all outstanding amounts at balance date. Bad debts are written off in the period in which they are identified.

Trade accounts payable, including accruals not yet billed, are recognised when the economic entity becomes obliged to make future payments as a result of a purchase of assets or services. Trade accounts payable are generally settled within 30 days. Loans and debentures are recognised when issued at the amount of the net proceeds received and carried at amortised cost until the liabilities are settled. Interest on the instruments is recognised as an expense on an effective yield basis.

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

e) Employee Benefits

The provision for employee benefits in the form of wages, salaries and annual leave represents the amounts the economic entity has a present obligation to pay resulting from employees' services to balance date. This provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs.

The provision for long service leave represents the present value of estimated future cash outflows (including related on-costs) to be made by the economic entity in respect of employees' services to balance date. Where such payments will not be settled in the next twelve months, they have been discounted using relevant national government security rates.

f) Income Tax

No provision for income tax is necessary for the chief entity as "trade unions" are exempt from income tax under the Income Tax Assessment Act.

The other controlled entities of the economic entity adopt tax-effect accounting procedures, whereby the income tax expense in the profit and loss account is based on the accounting profit, after allowing for permanent differences. Future tax benefits relating to tax losses are not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on net cumulative timing differences is set aside to the future income tax benefit account at the rates which are expected to apply when those timing differences reverse.

g) Goodwill

The excess of the value of the purchase consideration plus incidental expenses over the fair value of identifiable net assets acquired (i.e. goodwill) is amortised on a straight line basis over twenty years, being the period during which the benefits are expected to arise.

h) Net Fair Values of Financial Assets and Liabilities

Net fair values of financial instruments are determined on the following bases:—

- Monetary financial assets and liabilities not traded in an organised financial market – cost basis which is the carrying amounts of trade and sundry debtors, sundry creditors and prepaid subscriptions and fees and accruals (and which approximates net market value);
- Fixed rate loans and bills of exchange – current risk adjusted market rates; and
- Investments in shares, other equity securities, debentures and other debt securities not traded in an organised financial market – directors' estimates of net market values based on future net cash flows, including transaction costs necessary to realise the securities, discounted at current risk adjusted market rates.

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

i) Development Costs

Costs incurred in respect of future new educational programs have been deferred and will be amortised on a straight line basis over their estimated economic lives or 5 years, whichever period is shorter.

j) Going Concern

The accounts have been prepared on a going concern basis notwithstanding the economic entity's and chief entity's working capital deficiencies on the basis of future expected cash flows and profitability.

k) Comparative Information

Where necessary, comparative information has been reclassified to comply with current year presentation of the accounts.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of sub-sections (1), (2) and (3) of section 274 which read as follows:—

- 1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- 2) An organisation shall, on application made under sub-section (1) by a member of the organisation, or a Registrar, make the specified information available to the member or the Registrar in such manner and within such time, as is prescribed.
- 3) A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
3. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:-				
a) Crediting as Revenue				
Subscriptions	6,739,093	6,562,425	6,739,093	6,562,425
Interest	10,335	13,083	10,335	13,083
Other Income	9,847,395	10,410,083	2,798,342	2,470,742
	16,596,823	16,985,591	9,547,770	9,046,250
b) Charging as Expenses				
Affiliation Fees	117,017	103,811	117,017	103,811
Salaries & Allowances – Officers	-	-	-	-
Salaries & Allowances – Other	7,272,068	6,377,020	5,740,520	5,097,381
Meeting Expenses	167,145	183,836	117,039	114,536
Audit & Accounting Fees	22,000	20,000	12,000	10,000
Legal Fees	196,317	44,833	185,467	42,714
Members' Services & Support	7,667,217	8,960,796	2,353,741	1,907,640
Long Service Leave	27,000	32,395	27,000	32,395
Annual Leave	(34,154)	37,094	(34,154)	37,094
Interest and Bank Charges	338,210	420,605	288,181	340,523
Depreciation	487,500	397,612	402,400	392,612
Other Industrial Expenses	26,050	23,805	26,050	23,805
"Professional Update" Costs	200,960	280,706	200,960	280,706
Industrial Library	25,100	23,005	25,100	23,005
Amortisation of Goodwill	5,225	5,225	-	-
4. INCOME TAX EXPENSE				
The National Board estimates that the potential future income tax benefit of income tax losses not brought to account as an asset in the accounts is:	546,610	544,426	-	-
5. CASH				
Cash at Bank	341,133	56,089	69,845	56,089
Cash on Hand	16,488	13,024	15,718	13,024
Cash on Deposit	345,873	67,795	345,873	67,795
	703,494	136,908	431,436	136,908

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
6. RECEIVABLES				
Current				
Subscriptions in Arrears	905,423	770,000	905,423	770,000
Provision for Non-Collectability	(60,000)	(60,000)	(60,000)	(60,000)
Net Subscriptions	845,423	710,000	845,423	710,000
Sundry Debtors	1,597,231	1,001,021	327,090	287,682
	2,442,654	1,711,021	1,172,513	997,682
Non Current				
Amounts Owed by Controlled Entities	-	-	2,080,382	1,599,236

Net Fair Values

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

Significant Terms and Conditions

Subscriptions and sundry debtors are required to be settled within 60 days.

Loans to controlled entities are unsecured and considered recoverable. They are interest free.

Credit Risk

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

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
7. OTHER ASSETS				
Prepayments	141,871	77,358	137,576	75,239
8. INVESTMENTS				
Shares in Controlled Entities	-	-	26	26
Other Unlisted Shares & Expenditure Carried Forward	419,933	419,933	686	686
	419,933	419,933	712	712

Net Fair Values

Shares in entities noted above have an aggregate net fair value approximating their carrying value.

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
9. PROPERTY, EQUIPMENT & VEHICLES				
Land and Buildings at National Board Valuation 30/06/01	5,813,011	5,071,261	5,813,011	5,071,261
Buildings at Cost	-	-	-	-
Total Land & Buildings	5,813,011	5,071,261	5,813,011	5,071,261
Accumulated Depreciation	142,937	-	142,937	-
	5,670,074	5,071,261	5,670,074	5,071,261
Office Equipment at Cost	4,119,923	4,057,590	3,725,015	3,692,682
Accumulated Depreciation	(2,807,851)	(2,594,495)	(2,595,002)	(2,391,876)
	1,312,072	1,463,095	1,130,013	1,300,806
Motor Vehicles at Cost	440,381	400,487	240,485	231,762
Accumulated Depreciation	(259,156)	(205,688)	(125,200)	(91,732)
	181,225	194,799	115,285	140,030
Motor Vehicles – Leased	820,884	701,462	820,884	701,462
Accumulated Amortisation	(241,394)	(203,894)	(241,394)	(203,894)
	579,490	497,568	579,490	497,568
Total Property, Equipment & Vehicles	7,742,861	7,226,723	7,494,862	7,009,665

The revaluation of freehold land and buildings was based on an assessment of the current market value of freehold land and buildings at the date of valuation by the National Board. All assets are carried at an amount not greater than their recoverable value.

	Economic Entity \$	Chief Entity \$
Fixed Assets – start of year	7,226,723	7,009,665
Additions – net	296,774	180,733
Transfers (ACSA Amalgamation)	706,864	706,864
Depreciation	(487,500)	(402,400)
Fixed Assets – end of year	7,742,861	7,494,862

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
10. INTANGIBLES				
Goodwill	104,506	104,506	-	-
Accumulated Amortisation	(72,063)	(66,837)	-	-
	32,443	37,669	-	-

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
11. PAYABLES				
Current				
Sundry Creditors	1,598,422	791,855	1,123,902	731,617
Prepaid Subscriptions & Fees	3,474,868	3,331,835	2,214,429	2,040,000
	5,073,290	4,123,690	3,338,331	2,771,617
Non Current				
Amounts Owed to Controlled Entities	-	-	-	-
	-	-	-	-
12. INTEREST-BEARING LIABILITIES				
Current				
Bank Bills	1,500,000	1,500,000	1,500,000	1,500,000
Lease Liabilities	175,936	165,922	175,936	165,922
	1,675,936	1,665,922	1,675,936	1,665,922
Non Current				
Lease Liabilities	380,736	356,766	380,736	356,766
Debentures	3,002	3,002	3,002	3,002
	383,738	359,768	383,738	359,768

Sundry Creditors and Prepaid Subscriptions & Fees

Sundry creditors and prepaid subscriptions & fees are generally settled within 30 days. The National Board consider the carrying amounts of these items approximate their net fair values.

Bank Bills, Debentures and Amounts Owed to Controlled Entities

The bank bills are secured by first mortgage over the economic entity's property in Melbourne. The debentures and amounts owed to controlled entities are unsecured.

The National Board consider that the carrying amounts of bank bills, debentures, lease liabilities and amounts owed to controlled entities approximate their net fair values.

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

	Economic Entity		Chief Entity	
	2002	2001	2002	2001
	\$	\$	\$	\$
13. PROVISIONS				
Current				
Long Service Leave	237,000	210,000	237,000	210,000
Annual Leave	909,890	618,200	909,890	618,200
	1,146,890	828,200	1,146,890	828,200

Net Fair Values

The National Board consider that the carrying amounts of provisions for employee entitlements approximate their net fair values. Such provisions are payable as and when such leave legally falls due.

	Economic Entity		Chief Entity	
	2002	2001	2002	2001
	\$	\$	\$	\$
14. RESERVES				
Capital Profits Reserve				
Balance as at start and end of year	144,184	144,184	144,184	144,184
Property Revaluation Reserve				
Balance as at start and end of year	1,395,064	1,395,064	1,395,064	1,395,064
Asset Realisation Reserve				
Balance as at start and end of year	451,777	451,777	451,777	451,777
General Reserve				
Balance as at start and end of year	94,018	94,018	94,018	94,018
Total Reserves	2,085,043	2,085,043	2,085,043	2,085,043
15. CONTINGENT LIABILITIES AND COMMITMENTS				
The Chief Entity has confirmed its intention to provide continuing financial support to all of its controlled entities as and when required by those entities.				
Future Finance Lease Payments are payable as follows:-				
< 1 year	212,000	203,576	212,000	203,576
1-5 years	407,722	368,434	407,722	368,434
Gross Lease Payments	619,722	572,010	619,722	572,010
Less Future Finance Charges	63,050	49,322	63,050	49,322
Lease Liabilities	556,672	522,688	556,672	522,688
Current	175,936	165,922	175,936	165,922
Non Current	380,736	356,766	380,736	356,766
Lease Liabilities	556,672	522,688	556,672	522,688

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

	Chief Entity Investment		Equity Holding		Contributions to Economic Entity Profit & Loss	
	2002 \$	2001 \$	2002 %	2001 %	2002 \$	2001 \$
16. CONTROLLED ENTITIES						
Chief Entity						
Association of Professional Engineers, Scientists & Managers, Australia					86,449	640,028
Controlled Entities						
Member Advantage Pty Ltd	2	2	100	100	23,799	(26,005)
ETM Placements Pty Ltd	10	10	100	100	280,341	5,280
Education and Training for Professionals Pty Ltd	2	2	100	100	(351,220)	(642,854)
APESMA Insurance Services Pty Ltd	2	2	100	100	32,713	80,739
Engineering Placements Pty Ltd	-	-	100	100	-	-
APESMA Bargaining Agency Pty Ltd	10	10	100	100	7,086	17,666
	26	26	n/a	n/a	79,168	74,854

No dividends were received or are receivable from controlled entities this year. All investments are in ordinary shares and all controlled entities were incorporated in Australia. Engineering Placements Pty Ltd is wholly-owned by ETM Placements Pty Ltd.

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
17. EMPLOYEE BENEFITS				
Aggregate employee benefits including on-costs:				
Annual Leave and Long Service Leave	1,146,890	828,200	1,146,890	828,200
The present value of employee entitlements not expected to be settled within twelve months of balance date has been calculated using the following:	%	%	%	%
Assumed rate of increase in salaries and wages	3	3	3	3
Discount Rate	6	6	6	6
Settlement term (years)	10	10	10	10

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

18. ADDITIONAL FINANCIAL DISCLOSURES

Interest Rate Risk

The economic entity's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments at balance date are:-

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate 1 year or less \$	Maturities 1 to 5 years \$	over 5 years \$	Non Interest Bearing \$	Total \$
30 June 2002							
Assets:							
Cash	4.55	703,494	-	-	-	-	703,494
Subscriptions and Sundry Debtors		-	-	-	-	2,442,654	2,442,654
Shares and other equity securities		-	-	-	-	419,933	419,933
		703,494	-	-	-	2,862,587	3,566,081
Liabilities:							
Leases	6.80	-	175,936	380,736	-	-	556,672
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	5,073,290	5,073,290
Bank bills	5.70	-	1,500,000	-	-	-	1,500,000
Employee entitlements & Debentures		-	-	-	-	1,149,892	1,149,892
		-	1,675,936	380,736	-	6,223,182	8,279,854
Net financial (liabilities)		703,494	(1,675,936)	(380,736)	-	(3,360,595)	(4,713,773)
30 June 2001							
Total financial assets		136,908	-	-	-	1,711,733	1,848,641
Total financial liabilities		-	1,665,922	356,766	-	4,954,892	6,977,580
Net financial (liabilities)		136,908	(1,665,922)	(356,766)	-	(3,243,159)	(5,128,939)

Credit Risk

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

The carrying amounts of financial assets included in the consolidated statement of financial position represent the economic entity'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 accounts in accordance with accounting standards.

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
19. NOTES TO THE STATEMENTS OF CASH FLOW				
i) Cash comprises cash on hand and at bank, net of outstanding bank overdrafts, as follows:-				
Cash	703,494	136,908	431,436	136,908
Bank Overdraft	-	-	-	-
	703,494	136,908	431,436	136,908
ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities				
Operating Profit/(Loss) after Income Tax	79,168	74,854	86,449	640,028
Add/Less Non cash and investing items				
Depreciation	487,500	397,612	402,400	392,612
Interest and Bank Charges	338,210	420,605	288,181	340,523
Employee Entitlements	(7,154)	69,494	(7,154)	69,494
Amortisation of Goodwill	5,225	5,225	-	-
Doubtful Debts (Subscriptions)	-	-	-	-
Interest Income	(10,335)	(13,083)	(10,335)	(13,083)
Loss/(Profit) on Disposal of Assets	(88,975)	(74,351)	(88,975)	(74,351)
	803,639	880,356	670,566	1,355,223
(Increase)/Decrease in Operating Assets, net of assets acquired through amalgamation				
Subscriptions	(135,423)	(199,999)	(135,423)	(199,999)
Sundry Debtors	(451,575)	(472,092)	105,227	(172,227)
Prepayments	(56,262)	(16,404)	(54,086)	(16,735)
	160,379	191,861	586,284	966,262
Increase/(Decrease) in Operating Liabilities, net of liabilities assumed through amalgamation				
Creditors and Other Payables	638,711	(627,278)	255,825	351,576
	799,090	(435,417)	842,109	1,317,838
iii) The economic entity has bill and bank overdraft facilities of \$5.5 million as at 30 June, 2002 which were utilised to the extent of \$1.5 million.				
iv) During the period, the economic entity acquired \$0.25 million of assets by way of finance lease.				

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2002 (Cont'd)**

19. NOTES TO THE STATEMENTS OF CASH FLOW (CONT'D)

(v) In the current year, the activities of APESMA, ACSA (Central Council) ACSA (NSW), ACSA (QLD) and ACSA (WA) were amalgamated. The net assets of the ACSA organisations on amalgamation were as follows:

	ACSA (Central Council) \$	ACSA (QLD) \$	ACSA (NSW) \$	ACSA (WA) \$	Total \$
Cash at bank and on hand	9,132	199,377	19,380	70,526	298,415
Sundry Debtors (including memberships)	4,115	23,695	113,302	3,523	144,635
Prepayments	429	792	6,909	-	8,130
Other Assets	-	101	-	20	121
Plant & Equipment	-	57,508	47,658	1,698	106,864
Land & Buildings	-	-	600,000	-	600,000
	13,676	281,473	787,249	75,767	1,158,165
Less:					
Bank Overdraft	-	29,230	-	-	29,230
Sundry Creditors and Accruals	13,390	23,048	237,444	600	274,482
Loans	-	36,407	-	-	36,407
Employee Entitlements	-	-	325,844	-	325,844
Net Assets Transferred at Amalgamation Date	286	192,788	223,961	75,167	492,202
Net Cash Acquired	9,132	170,147	19,380	70,526	269,185

20. ORGANISATION FUNDS

	Economic Entity		Chief Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
Organisation Funds brought forward	546,989	472,135	2,108,892	1,468,864
Profit/(Loss) for year	79,168	74,854	86,449	640,028
Amalgamation with ACSA	492,202	-	492,202	-
Organisation Funds closing down	1,118,359	546,989	2,687,543	2,108,892

National Board's Certificate

We, Mr Dario Tomat and Mr Barry Tonkin being two members of the National Board of the Association of Professional Engineers, Scientists & Managers, Australia, Federal Organisation and Branches, do state on behalf of the National Board and in accordance with a resolution passed by the Board that:-

1. In the opinion of the National Board, the attached accounts show a true and fair view of the financial affairs of the Economic Entity being the Association and its Branches and the entities it controls, as at 30 June, 2002;
2. In the opinion of the National Board, meetings of the National Board were held during the period ended 30 June, 2002 in accordance with the rules of the Association;
3. To the knowledge of any member of the National Board, there have been, during the year, no instances where records of the Association or other documents (not being documents containing information made available to a member of the organisation under subsection 274(2) of the Workplace Relations Act 1996 or copies of those records or documents or copies of the rules of the Association and its Branches), have not been furnished or made available to members of the Association in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the Association; and
4. The Association has complied with Section 273(1), 279(1) and 279(6) of the Act in relation to the financial accounts in respect of the period ended 30 June, 2001 and the auditors' report thereon.


Dario Tomat


Barry Tonkin

Dated: 5 October 2002

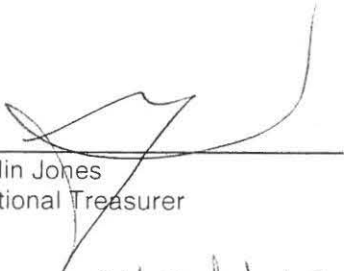
Melbourne, Victoria

Accounting Officer's Certificate

I, Mr Colin Jones being the officer responsible for the accounting records of the Association of Professional Engineers, Scientists & Managers, Australia, Federal Organisation & its Branches certify that as at 30 June, 2002. The number of members in the Association was 24,469.

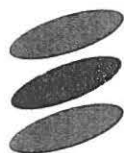
In my opinion:—

1. The attached accounts show a true and fair view of the financial affairs of the Association and its Branches as at 30 June, 2002;
2. A record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Association;
3. Before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
4. With regard to the funds of the Association, raised by compulsory levies or voluntary contributions from members or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
5. No loans or other financial benefits, other than remuneration in respect of their full-time employment with the Association, were provided to persons holding office in the Association; and
6. The register of members of the Association was maintained in accordance with the Act.


Colin Jones
National Treasurer

Dated: 5th October, 2002

Melbourne, Victoria



STANNARDS

Accountants and Advisors

Partners

Marino Angelini, CA
David Stannard, CA
Michael Shulman, CA
Philip Shulman, CPA
Nello Traficante, CPA
Justin Bramley, CPA

Independent Auditors' Report To The Members of The Association of Professional Engineers, Scientists and Managers, Australia

SCOPE

We have audited the financial statements of the Association of Professional Engineers, Scientists and Managers, Australia ("the Association") for the financial period ended 30 June, 2002. The financial statements include the consolidated accounts of the economic entity comprising the Association of Professional Engineers, Scientists and Managers, Australia, and the entities it controlled at 30 June, 2002 or from time to time during the financial year. The National Board are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the Workplace Relations Act 1996 and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the economic entity's and the Association's financial position and the results of their operations.

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





**Independent Auditors' Report
To The Members of The Association of Professional
Engineers, Scientists and Managers, Australia (Cont'd)**

AUDIT OPINION

In our opinion:—

- i) there were kept by the economic entity and the Association in respect of the year satisfactory accounting records detailing the sources and nature of the income (including income from members) and the nature and purposes of the expenditure of the economic entity and the Association;
- ii) the attached accounts and statements, prepared under the historical cost convention and in accordance with section 273 of the Workplace Relations Act 1996 and other mandatory professional reporting requirements, are properly drawn up so as to give a true and fair view of:
 - a) the financial affairs of the economic entity and the Association as at 30 June, 2002;
 - b) the income and expenditure and net result of the economic entity and the Association for the period ended on that date; and
- iii) we received all the information and explanations that, under Section 276(2) of the Workplace Relations Act 1996, officers or employees of the economic entity and the Association were required to provide.

M B Shulman
Chartered Accountant
Registered Company Auditor

M Angelini
Chartered Accountant
Registered Company Auditor

Dated: 5/10/02

Melbourne, Victoria



AUSTRALIAN INDUSTRIAL REGISTRY

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7799
Fax: (03) 9654 6672

Ref: 215V: FED: FR2002/739

Mr G Sutherland
National Secretary
The Association of Professional Engineers,
Scientists and Managers, Australia
PO Box 1272L
MELBOURNE VIC 3001

Attention: Roger Lee, Director Finance

Dear Mr Sutherland,

Attention: Roger Lee, Director Finance


**Re: The Association of Professional Engineers, Scientists and Managers, Australia
Financial Documents and Summary - year ended 30 June 2002 - FR2002/739**

Receipt is acknowledged of the financial documents (and summary) lodged under s280(1) of the *Workplace Relations Act 1996* for the abovementioned organisation for the year ended 30 June 2002, lodged in the Industrial Registry on 31 October 2002.

The documents have been filed.

If you have any queries please contact me on (03) 8661 7799.

Yours faithfully,



Andrew Schultz
Statutory Services Branch

16 December 2002