



AUSTRALIAN INDUSTRIAL REGISTRY

Level 36, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
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Mr. Roger Lee
Director Finance
The Association of Professional Engineers, Scientists and Managers, Australia
GPO Box 1272L
MELBOURNE VICTORIA 3001

Dear Mr. Lee,

Financial documents and summary financial documents for The Association of Professional Engineers, Scientists and Managers, Australia for year ended 30 June 2003 (215V: FR2003/736)

Receipt is acknowledged of the financial documents lodged under former section 280(1) of the *Workplace Relations Act 1996* ("the Act") for The Association of Professional Engineers, Managers and Scientists, Australia for the year ended 30 June 2003. The documents were lodged in the Industrial Registry on 3 November 2003.

Receipt is further acknowledged of the summary financial documents lodged in the Industrial Registry under former subsection 279(2)(a) of the Act on 3 November 2003.

In each instance, the documents have been filed.

Please contact me by telephone on 03 8661 7785 or by email at mark.elliott@air.gov.au should you either wish to discuss this correspondence or if you require any further information on the financial reporting requirements of the Act.

Yours sincerely,

Mark Elliott
Statutory Services Branch
19 January 2004

2003/136



The Association of Professional
Engineers, Scientists &
Managers, Australia

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Melbourne Vic 3001

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29 October 2003

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 2003. 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



26 October 2003

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


*The Association of Professional
Engineers, Scientists &
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Phone: (03) 9695 8800
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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 2003. 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 25th October 2003.



**G SUTHERLAND
NATIONAL SECRETARY**



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

**FINANCIAL STATEMENTS AND REPORTS
FOR THE PERIOD ENDED 30 JUNE 2003**

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA

**Consolidated Statement of Financial Performance
For the Period Ended 30 June 2003**

	Note	Economic Entity		Chief Entity	
		2003 \$	2002 \$	2003 \$	2002 \$
Subscription Income		7,037,484	6,739,093	7,037,464	6,739,093
Other Income from Ordinary Activities		8,128,885	9,857,730	3,022,259	2,808,677
Salary Costs Expense		15,166,349	16,596,823	10,059,723	9,547,770
Borrowing Costs Expense		(8,199,232)	(7,264,914)	(6,206,280)	(5,733,366)
Professional Update Costs Expense		(452,411)	(338,210)	(421,077)	(288,181)
Other Expenses from Ordinary Activities		(212,045)	(200,960)	(212,045)	(200,960)
		(6,593,884)	(8,713,571)	(3,109,151)	(3,238,814)
Profit from Ordinary Activities before Income Tax	3	(291,223)	79,168	111,170	86,449
Income Tax Expense related to Profit from Ordinary Activities	4	-	-	-	-
Profit from Ordinary Activities after Income Tax	20	(291,223)	79,168	111,170	86,449
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		(291,223)	571,370	111,170	578,651

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA

**Consolidated Statement of Financial Position
as at 30 June 2003**

	Note	Economic Entity		Chief Entity	
		2003 \$	2002 \$	2003 \$	2002 \$
Current Assets					
Cash Assets	5	1,557,079	703,494	1,557,079	431,436
Receivables	6	2,480,028	2,442,654	872,368	1,172,513
Other	7	199,407	141,871	62,661	137,576
Total Current Assets		4,236,514	3,288,019	2,492,108	1,741,525
Non Current Assets					
Receivables	6	-	-	2,538,941	2,080,382
Investments	8	569,944	419,933	200,723	712
Property, Equipment & Vehicles	9	7,622,553	7,742,861	7,397,602	7,494,862
Intangibles	10	27,219	32,443	-	-
Total Non Current Assets		8,219,716	8,195,237	10,137,266	9,575,956
Total Assets		12,456,230	11,483,256	12,629,374	11,317,481
Current Liabilities					
Payables	11	4,591,624	5,073,290	2,793,191	3,338,331
Interest-Bearing Liabilities	12	3,552,582	1,675,936	3,552,582	1,675,936
Provisions	13	1,027,268	1,146,890	1,027,268	1,146,890
Total Current Liabilities		9,171,474	7,896,116	7,373,041	6,161,157
Non Current Liabilities					
Payables	11	-	-	-	-
Interest-Bearing Liabilities	12	372,577	383,738	372,577	383,738
Total Non Current Liabilities		372,577	383,738	372,577	383,738
Total Liabilities		9,544,051	8,279,854	7,745,618	6,544,895
Net Assets		2,912,179	3,203,402	4,883,756	4,772,586
Funds & Reserves					
Organisation Funds	20	827,136	1,118,359	2,798,713	2,687,543
Reserves	14	2,085,043	2,085,043	2,085,043	2,085,043
Total Funds & Reserves		2,912,179	3,203,402	4,883,756	4,772,586
Contingent Liabilities and Commitments	15				

**Consolidated Statements of Cashflow
For the Period Ended 30 June 2003**

	Note	Economic Entity		Chief Entity	
		2003 \$	2002 \$	2003 \$	2002 \$
Cash from Operating Activities					
Cash receipts in the ordinary course of operations		15,117,994	15,910,515	10,348,887	9,418,264
Cash payments in the ordinary course of operations		(15,116,416)	(15,111,425)	(9,633,729)	(8,576,155)
Net Cash Provided by Operating Activities	19(ii)	1,578	799,090	716,158	842,109
Cash from Investing Activities					
Lease Repayments		(264,516)	(217,000)	(264,517)	(217,000)
Proceeds – Bank Bills		1,800,000	-	1,800,000	-
Interest and Bank Charges		(452,411)	(338,210)	(421,077)	(288,181)
Interest Income		10,981	10,335	10,981	10,335
(Payments)/Receipts (To)/From Controlled Entities		-	-	(458,589)	(481,146)
Payments for Fixed Assets		(95,000)	(161,814)	(110,266)	(45,774)
Proceeds – Sale of Fixed Assets		52,964	205,000	52,964	205,000
Payment for Investments		(200,011)	-	(200,011)	-
Cash acquired from amalgamation with ACSA	19(v)	-	269,185	-	269,185
Net Cash Provided by Investing Activities		852,007	(232,504)	409,485	(547,581)
Net Increase/(Decrease) in Cash		853,585	566,586	1,125,643	294,528
Cash at the Beginning of the Period		703,494	136,908	431,436	136,908
Cash at the End of the Period	19(i)	1,557,079	703,494	1,557,079	431,436

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2003**

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 2003 (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 2003 (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 2003 (Cont'd)**

	Economic Entity		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
3. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:-				
a) Crediting as Revenue				
Subscriptions	7,037,464	6,739,093	7,037,464	6,739,093
Interest	10,981	10,335	10,981	10,335
Other Income	8,117,904	9,847,395	3,011,278	2,798,342
	15,166,349	16,596,823	10,059,723	9,547,770
b) Charging as Expenses				
Affiliation Fees	148,619	117,017	148,619	117,017
Salaries & Allowances – Officers	-	-	-	-
Salaries & Allowances – Other	8,199,232	7,272,068	6,206,281	5,740,520
Meeting Expenses	199,449	167,145	135,801	117,039
Audit & Accounting Fees	25,000	22,000	13,000	12,000
Legal Fees	48,451	196,317	45,673	185,467
Members' Services & Support	5,671,814	7,664,371	2,278,482	2,360,895
Long Service Leave	(72,373)	27,000	(72,373)	27,000
Annual Leave	(47,249)	(34,154)	(47,249)	(34,154)
Interest and Bank Charges	452,411	338,210	421,077	288,181
Depreciation	545,308	487,500	537,558	402,400
Other Industrial Expenses	32,300	26,050	32,300	26,050
"Professional Update" Costs	212,045	200,960	212,045	200,960
Industrial Library	37,340	25,100	37,340	25,100
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:	792,061	669,410	-	-
5. CASH				
Cash at Bank	647,749	341,133	647,749	69,845
Cash on Hand	15,359	16,488	15,359	15,718
Cash on Deposit	893,971	345,873	893,971	345,873
	1,557,079	703,494	1,557,079	431,436

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2003 (Cont'd)**

	Economic Entity		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
6. RECEIVABLES				
Current				
Subscriptions in Arrears	870,729	905,423	870,729	905,423
Provision for Non-Collectability	(49,001)	(60,000)	(49,001)	(60,000)
Net Subscriptions	821,728	845,423	821,728	845,423
Sundry Debtors	1,658,300	1,597,231	50,640	327,090
	2,480,028	2,442,654	872,368	1,172,513
Non Current				
Amounts Owed by Controlled Entities	-	-	2,538,941	2,080,382

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	
	2003 \$	2002 \$	2003 \$	2002 \$
7. OTHER ASSETS				
Prepayments	199,407	141,871	62,661	137,576
8. INVESTMENTS				
Shares in Controlled Entities	-	-	26	26
Other Unlisted Shares & Expenditure Carried Forward	569,944	419,933	200,697	686
	569,944	419,933	200,723	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 2003 (Cont'd)**

	Economic Entity		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
9. PROPERTY, EQUIPMENT & VEHICLES				
Land and Buildings at National Board Valuation 30/06/01	5,813,011	5,813,011	5,813,011	5,813,011
Buildings at Cost	-	-	-	-
Total Land & Buildings	5,813,011	5,813,011	5,813,011	5,813,011
Accumulated Depreciation	(255,847)	(142,937)	(255,847)	(142,937)
	5,557,164	5,670,074	5,557,164	5,670,074
Office Equipment at Cost	4,480,291	4,119,923	4,142,407	3,725,015
Accumulated Depreciation	(3,150,614)	(2,807,851)	(2,982,912)	(2,595,002)
	1,329,677	1,312,072	1,159,495	1,130,013
Motor Vehicles at Cost	281,450	440,381	112,745	240,485
Accumulated Depreciation	(178,978)	(259,156)	(65,042)	(125,200)
	102,472	181,225	47,703	115,285
Motor Vehicles – Leased	773,607	820,884	773,607	820,884
Accumulated Amortisation	(140,367)	(241,394)	(140,367)	(241,394)
	633,240	579,490	633,240	579,490
Total Property, Equipment & Vehicles	7,622,553	7,742,861	7,397,602	7,494,862

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	7,742,861	7,494,862
Additions – net	425,000	440,298
Depreciation	(545,308)	(537,558)
Fixed Assets – end of year	7,622,553	7,397,602

	Economic Entity		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
10. INTANGIBLES				
Goodwill	104,506	104,506	-	-
Accumulated Amortisation	(77,287)	(72,063)	-	-
	27,219	32,443	-	-

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2003 (Cont'd)**

	Economic Entity		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
11. PAYABLES				
Current				
Sundry Creditors	1,262,626	1,598,422	414,540	1,123,902
Prepaid Subscriptions & Fees	3,328,998	3,474,868	2,378,651	2,214,429
	4,591,624	5,073,290	2,793,191	3,338,331
Non Current				
Amounts Owed to Controlled Entities	-	-	-	-
12. INTEREST-BEARING LIABILITIES				
Current				
Bank Bills	3,300,000	1,500,000	3,300,000	1,500,000
Lease Liabilities	252,582	175,936	252,582	175,936
	3,552,582	1,675,936	3,552,582	1,675,936
Non Current				
Lease Liabilities	369,575	380,736	369,575	380,736
Debentures	3,002	3,002	3,002	3,002
	372,577	383,738	372,577	383,738

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 2003 (Cont'd)**

	Economic Entity		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
13. PROVISIONS				
Current				
Long Service Leave	164,627	237,000	164,627	237,000
Annual Leave	862,641	909,890	862,641	909,890
	1,027,268	1,146,890	1,027,268	1,146,890

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	
	2003 \$	2002 \$	2003 \$	2002 \$
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	274,832	212,000	274,832	212,000
1-5 years	418,380	407,722	418,380	407,722
Gross Lease Payments	693,212	619,722	693,212	619,722
Less Future Finance Charges	71,055	63,050	71,055	63,050
Lease Liabilities	622,157	556,672	622,157	556,672
Current	252,582	175,936	252,582	175,936
Non Current	369,575	380,736	369,575	380,736
Lease Liabilities	622,157	556,672	622,157	556,672

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2003 (Cont'd)**

	Chief Entity Investment		Equity Holding		Contributions to Economic Entity Profit & Loss	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
16. CONTROLLED ENTITIES						
Chief Entity						
Association of Professional Engineers, Scientists & Managers, Australia					111,170	86,449
Controlled Entities						
Member Advantage Pty Ltd	2	2	100	100	2,785	23,799
ETM Placements Pty Ltd	10	10	100	100	14,513	280,341
Education and Training for Professionals Pty Ltd	2	2	100	100	(438,844)	(351,220)
APESMA Insurance Services Pty Ltd	2	2	100	100	14,260	32,713
Engineering Placements Pty Ltd	-	-	100	100	(1,043)	-
Chifley Business School Pty Ltd	10	10	100	100	5,936	7,086
	26	26	n/a	n/a	(291,223)	79,168

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	
	2003	2002	2003	2002
	\$	\$	\$	\$
17. EMPLOYEE BENEFITS				
Aggregate employee benefits including on-costs:				
Annual Leave and Long Service Leave	1,027,268	1,146,890	1,027,268	1,146,890
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 2003 (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	Carrying Amount R\$	Fixed Interest Rate	Fixed Interest Rate R\$	Weighted Average Effective Interest Rate	Carrying Amount R\$	Total
30 June 2003							
Assets:							
Cash	4.55	1,557,079	-	-	-	-	1,557,079
Subscriptions and Sundry Debtors		-	-	-	-	2,480,028	2,480,028
Shares and other equity securities		-	-	-	-	569,944	569,944
		1,557,079	-	-	-	3,049,972	4,607,051
Liabilities:							
Leases	6.80	-	252,582	369,575	-	-	622,157
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	4,591,624	4,591,624
Bank bills	5.70	-	3,300,000	-	-	-	3,300,000
Employee entitlements & Debentures		-	-	-	-	1,030,270	1,030,270
		-	3,552,582	369,575	-	5,621,894	9,544,051
Net financial (liabilities)		1,557,079	(3,552,582)	(369,575)		(2,571,922)	(4,937,000)
30 June 2002							
Total financial assets		703,494	-	-	-	2,862,587	3,566,081
Total financial liabilities		-	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)

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 2003 (Cont'd)**

	Economic Entity		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
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	1,557,079	703,494	1,557,079	431,436
Bank Overdraft	-	-	-	-
	1,557,079	703,494	1,557,079	431,436
ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities				
Operating Profit/(Loss) after Income Tax	(291,223)	79,168	111,170	86,449
Add/Less Non cash and investing items				
Depreciation	545,308	487,500	537,558	402,400
Interest and Bank Charges	452,411	338,210	421,077	288,181
Employee Entitlements	(119,622)	(7,154)	(119,622)	(7,154)
Amortisation of Goodwill/Deferred Costs	55,225	5,225	-	-
Doubtful Debts (Subscriptions)	(10,999)	-	(10,999)	-
Interest Income	(10,981)	(10,335)	(10,981)	(10,335)
Loss/(Profit) on Disposal of Assets	(52,964)	(88,975)	(52,964)	(88,975)
	567,155	803,639	875,239	670,566
(Increase)/Decrease in Operating Assets, net of assets acquired through amalgamation				
Subscriptions	34,694	(135,423)	34,694	(135,423)
Sundry Debtors	(61,069)	(451,575)	276,450	105,227
Prepayments	(57,536)	(56,262)	74,915	(54,086)
	483,244	160,379	1,261,298	586,284
Increase/(Decrease) in Operating Liabilities, net of liabilities assumed through amalgamation				
Creditors and Other Payables	(481,666)	638,711	(545,140)	255,825
	1,578	799,090	716,158	842,109

iii) The economic entity has bill and bank overdraft facilities of \$5.575 million as at 30 June, 2003 which were utilised to the extent of \$3.3 million. These facilities are subject to annual review (the next review date being May 2004)

iv) During the period, the economic entity acquired \$0.33 million of assets by way of finance lease.

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2003 (Cont'd)**

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

(v) In the prior 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

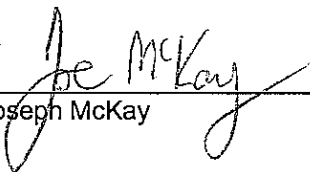
20. ORGANISATION FUNDS

	Economic Entity		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
Organisation Funds brought forward	1,118,359	546,989	2,687,543	2,108,892
Profit/(Loss) for year	(291,223)	79,168	111,170	86,449
Amalgamation with ACSA	-	492,202	-	492,202
Organisation Funds closing down	827,136	1,118,359	2,798,713	2,687,543

National Board's Certificate

We, Joseph McKay and 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, 2003;
2. In the opinion of the National Board, meetings of the National Board were held during the period ended 30 June, 2003 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, 2002 and the auditors' report thereon.



Joseph McKay



Barry Tonkin

Dated: 30 June 2003

Melbourne, Victoria

Accounting Officer's Certificate

I, 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, 2003. 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, 2003;
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:

30 June 2003

Melbourne, Victoria



STANNARDS
Accountants and Advisors

Member of Australian
Accounting Group

Partners

Marino Angelini, CA
David Stannard, CA
Michael Shulman, CA
Philip Shulman, CPA
Neilo 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, 2003. 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, 2003 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, 2003;
 - 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

N Trafficante
Chartered Accountant
Registered Company Auditor

Dated: 30 June 2003

Melbourne, Victoria

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

SUMMARISED FINANCIAL STATEMENTS

30 JUNE 2003

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

**Statement of Financial Position
as at 30 June 2003**

	Economic Entity		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
Current Assets	4,236,514	3,288,019	2,492,108	1,741,525
Non Current Assets	8,219,716	8,195,237	10,137,266	9,575,956
Total Assets	12,456,230	11,483,256	12,629,374	11,317,481
Current Liabilities	9,171,474	7,896,116	7,373,041	6,161,157
Non Current Liabilities	372,577	383,738	372,577	383,738
Total Liabilities	9,544,051	8,279,854	7,745,618	6,544,895
Net Assets	2,912,179	3,203,402	4,883,756	4,772,586
Funds & Reserves				
Organisation Funds	827,136	1,118,359	2,798,713	2,687,543
Reserves	2,085,043	2,085,043	2,085,043	2,085,043
Total Funds & Reserves	2,912,179	3,203,402	4,883,756	4,772,586

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA

**Statement of Financial Performance
For the Period Ended 30 June 2003**

	Economic Entity		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
Member Subscriptions	7,037,464	6,739,093	7,037,464	6,739,093
Other Income	8,128,885	9,857,730	3,022,259	2,808,677
Total Income	15,166,349	16,596,823	10,059,723	9,547,770
Less Expenditure	(15,457,572)	(16,517,655)	(9,948,553)	(9,461,321)
Profit from Ordinary Activities before income tax	(291,223)	79,168	111,170	86,449
Income Tax	-	-	-	-
Profit from Ordinary Activities after income tax	(291,223)	79,168	111,170	86,449
Amalgamation with ACSA	-	492,202	-	492,202
Total changes in equity other than those arising from transaction with owners as owners	(291,223)	571,370	111,170	578,651

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

**Statement of Cashflows
For the Period Ended 30 June 2003**

	Economic Entity		Chief Entity	
	2003	2002	2003	2002
	\$	\$	\$	\$
Cash receipts in the ordinary course of operations	15,117,994	15,910,515	10,348,887	9,418,264
Cash payments in the ordinary course of operations	(15,116,416)	(15,111,425)	(9,632,729)	(8,576,155)
Net Cash Provided by Operating Activities	1,578	799,090	716,158	842,109
Net Cash (Used In) Investing Activities	852,007	(232,504)	409,485	(547,581)
Net Increase/(Decrease) in Cash	853,585	566,586	1,125,643	294,528
Cash at the Beginning of the Period	703,494	136,908	431,436	136,908
Cash at the End of the Period	1,557,079	703,494	1,557,079	431,436

**Notes to the Summarised Financial Statements
For the Period Ended 30 June 2003**

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, 2002 to 30 June, 2003.



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, 2003 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, 2003. Our audit report on the full financial report was signed on 30 August, 2003 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


N Traficante
Chartered Accountant – Registered Company Auditor

Dated: 30 August 2003

Melbourne, Victoria