



Australian Government

Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9654 6672

Mr J Vines
Chief Executive
The Association of Professional Engineers, Scientists and Managers, Australia
GPO Box 1272L
MELBOURNE VIC 3001

Dear Mr Vines

Re: Financial Reports for year ended 30 June 2005 – The Association of Professional Engineers, Scientists and Managers, Australia - FR 2005/325

Thank you for forwarding additional information in relation to the financial reports of The Association of Professional Engineers, Scientists and Managers, Australia for the year ended 30 June 2005. This has been placed with the documents previously filed.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L Powell'.

Larry Powell
Statutory Services Branch

21 December 2005



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

GPO Box 1272L
Melbourne, Vic 3001
Phone: (03) 9695 8800
Facsimile: (03) 9696 9312
163 Eastern Road
South Melbourne 3205
info@apesma.asn.au
<http://www.apesma.asn.au>

13 December 2005

Mr Larry Powell
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Dear Mr Powell,

RE: FINANCIAL REPORTS FOR YEAR ENDED 30 JUNE 2005 - FR2005/325

I refer to your letter of 12 December 2005 in relation to the above matter.

Your letter only requires the Association to advise whether the committee of management has passed a resolution as required under subsection 265 (2).

I can advise that the Association's National Board at its meeting on 12 August 2005 resolved to provide the concise report to members instead of a full report as per section 265 (2) of the ROA schedule.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'John Vines', written over a horizontal line.

**John Vines
Chief Executive.**





Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9654 6672

Ms Roberta Esbitt
National Secretary
The Association of Professional Engineers, Scientists and Managers, Australia
GPO Box 1272L
MELBOURNE VIC 3001

Dear Ms Esbitt,

Re: Financial Reports for year ended 30 June 2005 – The Association of Professional Engineers, Scientists and Managers, Australia - FR 2005/325

Receipt is acknowledged of the financial reports and concise report of The Association of Professional Engineers, Scientists and Managers, Australia for year ended 30 June 2005. The documents were lodged in the Industrial Registry on 18 October 2005.

The documents have been filed.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under the RAO Schedule. Please note that these matters are generally advised for assistance in the future preparation of financial reports. With the exception of the comments concerning item "5. Concise Report" no further action is required in respect of the subject documents.

The following comments are in relation to both the full set of accounts and also the concise report.

1. Operating Report

(a) Results of principal activities

I refer to the Operating Report, in particular to the "results of operation". I note that s254(2)(a) of Schedule 1B requires the operating report to include a review of the reporting entities' principal activities, the results of those activities and any significant changes in the nature of those activities.

The "results of operation" requirement contemplates reference in the operating report to results directly related to the principal activities as opposed to the reporting entities financial result, particularly as measured in dollar 'surplus' or 'loss' terms. Although this may not be stated explicitly in the text of the subsection, I think it is reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and secondly, the actual financial outcome is elaborated elsewhere in the financial documents, such as the Balance Sheet and/or the Profit and Loss statement.

(b) Right of members to resign

Subsection 254(2)(c) requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 9 of the organisation's Rules is applicable.

2. Notice to members

I note that the notice to members provides the provisions of section 274 of the Workplace Relations Act 1996. The accounts should set out the provisions of subsections 272(1), (2) and (3) of the RAO Schedule. Would you please ensure those subsections are copied into the GPFR in the next financial report.

3. References to Act

There are a number of references in the financial documents to previous sections of the Workplace Relations Act 1996 e.g. Note 2 of the concise report to section 279(2) and in both financial documents to section 274, also, in the auditor's report of the full set of accounts to section 273. Financial documents lodged in the Industrial Registry should be prepared, audited, supplied to members, presented to a meeting of members or of the committee of management in accordance with Schedule 1B of the Workplace Relations Act 1996 (Commonwealth).

The following comment is made in relation to the full set of accounts.

4. Auditor's Report

Auditor's Opinion

The opinion of the auditor made under the auditor's report is expressed in terms previously required under the Act. Subsection 257(5) of the RAO Schedule now sets out the matters upon which an auditor is required to make an opinion. The following wording would satisfy the requirements of the Schedule:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996."

The following comment is made in relation to the concise report.

5. Concise Report

The concise report attached to your financial report is noted. As you know, the reporting unit can discharge its obligation to supply a full copy of its financial documents to its members with a concise report of the financial statements for the relevant financial year.

A concise report for the financial year may only be provided to members instead of the full report if under the rules of the reporting unit the committee of management resolves to do so. The concise report consists of (refer s265(3)):

- (a) a concise financial report including:
 - (i) the 3 financial statements as in the full report except that the notes may be omitted; and
 - (ii) disclosures of information for the preceding financial year; and
 - (iii) discussion and analysis of the principal factors affecting the financial performance, financial position and financial and investing activities of the reporting unit to assist the understanding of members; and
 - (iv) the committee of management statement required by the reporting guidelines; and

- (v) a statement that the concise financial report has been derived from the full report and cannot be expected to provide as full as understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report; and
 - (vi) the notice drawing attention to the additional information that must be made available to a member or a Registrar on behalf of a member on application; and
 - (vii) any other information consistent with the full report; and
- (b) the operating report for the year;
- (c) a statement by the auditor that the concise financial report has been audited and whether in the auditor's opinion it complies with the relevant Australian Accounting Standards;
- (d) in relation to the auditor's report on the full report, the following:
- (i) whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with Australian Accounting Standards, the reporting guidelines, or any other requirements of Chapter 8, Part 3 of the RAO Schedule; and
 - (ii) description of the effect (quantified if practicable) of any non-compliance; and
 - (iii) description of any defect or irregularity in the general purpose financial report; and
 - (iv) description of any deficiency, failure or shortcoming in respect of:
 - (v) the auditor's entitlement to full and free access to the financial records and information and explanations sought for purposes of the audit (s257(2)); and
 - (vi) the obligations of the reporting unit for keeping proper financial records (s252); and
 - (vii) a statement that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them.

There is no indication as to whether the committee of management has passed a resolution to provide the members with such summary - refer subsection 265(2).

Would you please advise this office in writing whether the committee of management has passed the required resolution.

While the branch has complied with most of the requirements mentioned above, it should review the information it includes in such future reports in order to fully comply with s265(3).

Electronic Lodgement

I encourage you to take advantage of the electronic lodgement service provided by the Registry for future lodgements. You may register as a user and then lodge your documents via the Electronic Lodgement page of the AIRC website at www.airc.gov.au. Alternatively, you may send an email with the documents attached to riateam3@air.gov.au

Should you wish to discuss any of the matters raised in this letter, I may be contacted on (03) 8661 7993 or by email at larry.powell@air.gov.au.

Yours sincerely


A handwritten signature in black ink, appearing to read "L. Powell". The signature is written in a cursive style with a large, looping initial "L".

Larry Powell
Statutory Services Branch

12 December 2005

19 October 2005

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


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

GPO Box 1272L
Melbourne Vic 3001
Phone: (03) 9695 8800
Facsimile: (03) 9696 9312
163 Eastern Road
Sth Melbourne 3205
info@apesma.asn.au
http://www.apesma.asn.au

Dear Sir,

National Secretary's Declaration in Pursuant to Section 268 (1) of the Workplace Relations Act 1996

I, Ms Roberta Esbitt, being the National Secretary of the Association of Professional Engineers, Scientists & Managers, Australia, hereby certify:

1. That the attachments contain 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 2005. 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
- Managers & Professionals Division

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

3. That the date of the meeting was 15th October 2005.



R Esbitt
NATIONAL SECRETARY





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

GPO Box 1272L

Melbourne Vic 3001

Phone: (03) 9695 8800

Facsimile: (03) 9696 9312

163 Eastern Road

Sth Melbourne 3205

info@apesma.asn.au

<http://www.apesma.asn.au>

19 October 2005

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

Dear Sir

**Lodgement of Financial Documents for the year ended 30 June 2005
Schedule 1B- Workplace Relations Act 1996 (RAO Schedule)**

I am enclosing the Annual Accounts of the Association for the year ended 30 June 2005. The Association has prepared two sets of Annual Accounts. One set is prepared on a concise basis, which has been published on a printed media namely the 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 concise version of the Annual Accounts and the National Secretary Declaration. I look forward to receive your acknowledgement of the lodgement of the financial documents in due course.

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

Yours Faithfully

ROGER LEE
DIRECTOR FINANCE



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

CONCISE FINANCIAL STATEMENTS

30 JUNE 2005

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA

OPERATING REPORT

The National Board present the report of the economic entity (APESMA Group) consisting of the Association of Professional Engineers, Scientists & Managers, Australia and the entities it controlled at the end or during the year ended 30 June 2005.

PRINCIPAL ACTIVITY

The principal activity during the financial year was to provide industrial services and advance the employment, social and economic interests of members. There has been no significant change in the nature of these activities during the year.

RESULTS OF OPERATION

The Group net result for the year was a net surplus of \$154,901 (2004: Net Deficit of \$124,813).

REVIEW OF OPERATION

The net result of the year was an improvement vis-à-vis 2004. Overall group revenues increased during the year. Income from other activities also increased, whilst expenditure levels were contained.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the year.

Since balance date, the National Board is not aware of any events which would impact the operating results reported by the Group, and/or its future operations or state of affairs.

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.

NATIONAL BOARD MEMBER'S PROFILES

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

Name	Position	Period
Tim Griffin	National President	2004/05
Dario Tomat	Senior Vice President	2004/05
Andreas Marquardt	National Vice President	2004/05
Colin Jones	National Treasurer	2004/05
Joe McKay	National Vice President	2004/05
Roberta Esbitt	National Secretary	2004/05
Nicole Campbell	National Vice President	2004/05

NUMBER OF MEMBERS

As at 30 June, 2005, the number of members is 23,884.

NUMBER OF EMPLOYEES

As at 30 June, 2005, the number of employees is 112.

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

Operating Report (Cont'd)

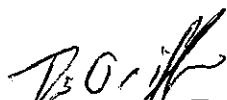
**NO MEMBERS OR OFFICERS ARE TRUSTEES OF A SUPERANNUATION ENTITY OR AN
EXEMPT PUBLIC SECTOR SUPERANNUATION SCHEME**

There are no members or officers of the organisation who are:-

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme;
or
- (ii) a director of a company that is a trustee of superannuation entity or an exempt public
sector superannuation scheme; and

where a criterion for the officer or member being a trustee or director is that the officer or member is
an officer or member of a registered organisation.

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



T Griffin
National President



C Jones
National Treasurer

Dated 12 August 2005
South Melbourne, Victoria.

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

**Statement of Financial Position
as at 30 June 2005**

	Economic Entity		Chief Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
Current Assets	4,735,154	3,286,532	3,279,475	2,150,852
Non Current Assets	8,705,905	9,354,084	11,052,318	11,377,510
Total Assets	13,441,059	12,640,616	14,331,793	13,528,362
Current Liabilities	8,609,200	7,983,673	7,319,512	6,683,239
Non Current Liabilities	320,592	300,577	320,592	300,577
Total Liabilities	8,929,792	8,284,250	7,640,104	6,983,816
Net Assets	4,511,267	4,356,366	6,691,689	6,544,546
Funds & Reserves				
Organisation Funds	1,026,224	871,323	3,206,646	3,059,503
Reserves	3,485,043	3,485,043	3,485,043	3,485,043
Total Funds & Reserves	4,511,267	4,356,366	6,691,689	6,544,546

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA

**Statement of Financial Performance
For the Period Ended 30 June 2005**

	Economic Entity		Chief Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
Member Subscriptions	7,181,584	7,083,052	7,181,584	7,083,052
Other Income	9,683,770	8,159,752	3,008,727	3,269,269
Total Income	16,865,354	15,242,804	10,190,311	10,352,321
Less Expenditure	(16,710,403)	(15,367,617)	(10,043,110)	(10,260,531)
Profit from Ordinary Activities before income tax	154,951	(124,813)	147,143	91,790
Income Tax	-	-	-	-
Profit from Ordinary Activities after income tax	154,951	(124,813)	147,143	91,790
Asset Revaluation	-	1,400,000	-	1,400,000
Amalgamation with MPA	-	169,000	-	169,000
Total changes in equity other than those arising from transaction with owners as owners	154,951	1,444,187	147,143	1,660,790

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA

**Statement of Cashflows
For the Period Ended 30 June 2005**

	Economic Entity		Chief Entity	
		2004 \$	2005 \$	2004 \$
Cash receipts in the ordinary course of operations	16,024,447	15,696,784	9,696,459	10,299,589
Cash payments in the ordinary course of operations	(15,001,320)	(14,285,318)	(8,466,432)	(8,985,276)
Net Cash Provided by Operating Activities	1,023,127	1,411,466	1,230,027	1,314,313
Net Cash (Used In) Investing Activities	(288,790)	(1,909,152)	(495,690)	(1,811,999)
Net Increase/(Decrease) in Cash	734,337	(497,686)	734,337	(497,686)
Cash at the Beginning of the Period	1,059,393	1,557,079	1,059,393	1,557,079
Cash at the End of the Period	1,793,730	1,059,393	1,793,730	1,059,393

**Notes to the Summarized Financial Statements
For the Period Ended 30 June 2005**

1. BASIS OF PREPARATION

The accounting policies adopted by the Association are detailed in its Full Financial Report. This report has been derived from the full financial report and cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Association, as could the full financial report.

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. The National Board has approved the Auditor's Report, Accounts and Statements and a resolution has been 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 by contacting the Member Services division. The report can also be accessed on the internet at www.apesma.asn.au.

Certificates required to be given under the Act by the National Board have been completed in accordance with the provisions of the Act and they 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.
- (4) Part 9 of the Rules and Constitution of APESMA provide details of resignation from membership.

3. OPERATING REVENUE

The group result of the Association is a surplus of \$154,901 (2004: deficit of \$124,813). Total revenues increased slightly during the year as compared with previous year. Business contributions to the Group have also increased during the year.

National Board Statement

On 12 August 2005 the National Board of the Association of Professional Engineers, Scientists & Managers, Australia passed the following resolution in relation to the financial report of the reporting unit for the financial year ended 30 June, 2005:-

The National Board 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 Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the financial report relates and since the end of that year:
 - (i) meetings of the reporting unit were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wage activity, there has been no recovery of wages activity during the year.

On behalf of the National Board


T Griffin
National President


C Jones
National Treasurer

Dated: 12 August 2005

South Melbourne, Victoria


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

NATIONAL BOARD DECLARATION

The National Board of the Association of Professional Engineers, Scientists & Managers, Australia declare that concise financial report set out on pages 1 to 7:

- a) has been derived from and is consistent with the full financial report of the Association of Professional Engineers, Scientists & Managers, Australia, and
- b) complies with Accounting Standard AASB 1039 "Concise Financial Reports".

Signed on behalf of the National Board



T Griffin
National President



C Jones
National Treasurer

Dated: 12 August 2005

South 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
Jason Wall, CA

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

SCOPE

We have audited the concise financial statements of the Association for the year ended 30 June, 2005 as set out on pages 3 to 8 in order to express an opinion on it to the members of the Association. The Association's National Board are responsible for the concise financial statements.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise 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, 2005. Our audit report on the full financial report was signed on 12 August, 2005 and was not subject to any qualification.

Our procedures in respect of the audit of the concise 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 concise 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.

INDEPENDENCE DECLARATION

In accordance with ASIC Class Order O5/83, we declare that to the best of our knowledge and belief, the auditor's independence declaration contained in the full financial report, has not been changed as at the date of providing this opinion.

AUDIT OPINION

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


M B Shulman (CA)
Partner


N Traficante (CPA)
Partner

Dated: 12 August 2005

Melbourne, Victoria

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

**FINANCIAL STATEMENTS AND REPORTS
FOR THE PERIOD ENDED 30 JUNE 2005**

Operating Report

The National Board present the report of the economic entity (APESMA Group) consisting of the Association of Professional Engineers, Scientists & Managers, Australia and the entities it controlled at the end or during the year ended 30 June, 2005.

PRINCIPAL ACTIVITY

The principal activity during the financial year was to provide industrial services and advance the employment, social and economic interests of members. There has been no significant change in the nature of these activities during the year.

RESULTS OF OPERATION

The Group net result for the year was a net surplus of \$154,901 (2004: Net Deficit of \$124,813).

REVIEW OF OPERATION

The net result of the year was an improvement vis-à-vis 2004. Overall group revenues increase during the year. Income from other activities also increased, whilst expenditure levels were relatively contained.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the year.

Since balance date, the National Board is not aware of any events which would impact the operating results reported by the Group, and/or its future operations or state of affairs.

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.

NATIONAL BOARD MEMBER'S PROFILES

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

Name	Position	Period
Tim Griffin	National President	2004/05
Dario Tomat	Senior Vice President	2004/05
Andreas Marquardt	National Vice President	2004/05
Colin Jones	National Treasurer	2004/05
Joe McKay	National Vice President	2004/05
Roberta Esbitt	National Secretary	2004/05
Nicole Campbell	National Vice President	2004/05

NUMBER OF MEMBERS

As at 30 June, 2005, the number of members is 23,884

NUMBER OF EMPLOYEES

As at 30 June, 2005, the number of employees is 112

Operating Report (Cont'd)


NO MEMBERS OR OFFICERS ARE TRUSTEES OF A SUPERANNUATION ENTITY OR AN EXEMPT PUBLIC SECTOR SUPERANNUATION SCHEME

There are no members or officers of the organisation who are:-

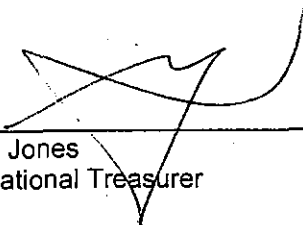
- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme;
or
- (ii) a director of a company that is a trustee of superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being a trustee or director is that the officer or member is an officer or member of a registered organisation.

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



T Griffin
National President



C Jones
National Treasurer

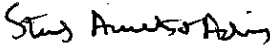
Dated 12 August 2005


South Melbourne, Victoria


**AUDITOR'S INDEPENDENCE DECLARATION
TO THE NATIONAL BOARD OF THE
ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA**

I declare that, to the best of my knowledge and belief, during the year ended 30 June, 2005 there have been:-

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


Stannards, Accountants & Advisors


Michael Shulman
Partner


Nello Traficante
Partner

Dated 12/8/05



**Consolidated Statement of Financial Performance
For the Period Ended 30 June 2005**

	Note	Economic Entity		Chief Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Subscription Income		7,181,534	7,083,052	7,181,534	7,083,052
Other Income from Ordinary Activities		9,683,770	8,159,752	3,008,727	3,269,269
Salary Costs Expense		16,865,304	15,242,804	10,190,261	10,352,321
Borrowing Costs Expense		(8,620,215)	(8,682,865)	(6,149,794)	(6,510,090)
Professional Update Costs Expense		(360,724)	(359,670)	(329,005)	(317,154)
Other Expenses from Ordinary Activities		(284,691)	(240,928)	(284,691)	(240,928)
Profit from Ordinary Activities before Income Tax	3	(7,444,773)	(6,084,154)	(3,279,628)	(3,192,359)
Income Tax Expense related to Profit from Ordinary Activities	1(f),4	154,901	(124,813)	147,143	91,790
Profit from Ordinary Activities after Income Tax	20	-	-	-	-
Amalgamation of Chief Entity and Managers & Professionals Association (MPA)	20	154,901	(124,813)	147,143	91,790
Revaluation of Land & Buildings	9	-	169,000	-	169,000
Total changes in equity other than those resulting from transactions with owners as owners		154,901	1,400,000	147,143	1,400,000
		154,901	1,444,187	147,143	1,660,790

**Consolidated Statement of Financial Position
as at 30 June 2005**

	Note	Economic Entity		Chief Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Current Assets					
Cash Assets	5	1,793,730	1,059,393	1,793,730	1,059,393
Receivables	6	2,832,477	2,009,999	1,384,474	909,051
Other	7	108,947	217,140	101,271	182,408
Total Current Assets		4,735,154	3,286,532	3,279,475	2,150,852
Non Current Assets					
Receivables	6	-	-	2,572,643	2,484,305
Investments	8	95,725	519,932	26	200,723
Property, Equipment & Vehicles	9	8,593,411	8,812,158	8,479,649	8,692,482
Intangibles	10	16,769	21,994	-	-
Total Non Current Assets		8,705,905	9,354,084	11,052,318	11,377,510
Total Assets		13,441,059	12,640,616	14,331,793	13,528,362
Current Liabilities					
Payables	11	5,259,133	4,633,667	3,969,445	3,333,233
Interest-Bearing Liabilities	12	2,147,582	2,187,582	2,147,582	2,187,582
Provisions	13	1,202,485	1,162,424	1,202,485	1,162,424
Total Current Liabilities		8,609,200	7,983,673	7,319,512	6,683,239
Non Current Liabilities					
Payables	11	-	-	-	-
Interest-Bearing Liabilities	12	320,592	300,577	320,592	300,577
Total Non Current Liabilities		320,592	300,577	320,592	300,577
Total Liabilities		8,929,792	8,284,250	7,640,104	6,983,816
Net Assets		4,511,267	4,356,366	6,691,689	6,544,546
Funds & Reserves					
Organisation Funds	20	1,026,224	871,323	3,206,646	3,059,503
Reserves	14	3,485,043	3,485,043	3,485,043	3,485,043
Total Funds & Reserves		4,511,267	4,356,366	6,691,689	6,544,546
Contingent Liabilities and Commitments	15				

**Consolidated Statements of Cashflow
For the Period Ended 30 June 2005**

	Note	Economic Entity		Chief Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Cash from Operating Activities					
Cash receipts in the ordinary course of operations		16,024,447	15,696,784	9,696,459	10,299,589
Cash payments in the ordinary course of operations		(15,001,320)	(14,285,318)	(8,466,432)	(8,985,276)
Net Cash Provided by Operating Activities	19(ii)	1,023,127	1,411,466	1,230,027	1,314,313
Cash from Investing Activities					
Lease Repayments - net		(119,985)	(257,031)	(119,985)	(257,031)
Proceeds – Bank Bills		-	(1,300,000)	-	(1,300,000)
Interest and Bank Charges		(360,724)	(359,670)	(329,005)	(317,154)
Interest Income		18,379	16,049	18,379	16,049
(Payments)/Receipts (To)/From Controlled Entities		-	-	(88,338)	52,017
Payments for Fixed Assets		(177,438)	(177,500)	(177,438)	(174,880)
Proceeds – Sale of Fixed Assets		-	-	-	-
Reduction in Investments and Deferred Costs		350,978	-	200,697	-
Cash from MPA Amalgamation		-	169,000	-	169,000
Net Cash Provided by Investing Activities		(288,790)	(1,909,152)	(495,690)	(1,811,999)
Net Increase/(Decrease) in Cash		734,337	(497,686)	734,337	(497,686)
Cash at the Beginning of the Period		1,059,393	1,557,079	1,059,393	1,557,079
Cash at the End of the Period	19(i)	1,793,730	1,059,393	1,793,730	1,059,393

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2005**

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 2005 (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 statement of financial performance 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 2005 (Cont'd)**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

i) 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.

j) Comparative Information

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

k) Adoption of Australian Equivalents to International Financial Reporting Standards

The economic entity is currently preparing for the introduction of International Financial Reporting Standards effective next financial year. The entity's management have assessed the significance of these changes, but at present believe they will not have any major impact on the entity's financial performance or financial position, as reported in these financial 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.
- 4) Part 9 of the Rules and Constitution of APESMA provides details of resignation from membership.

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2005 (Cont'd)**

	Economic Entity		Chief Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
3. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:-				
a) Crediting as Revenue				
Subscriptions	7,181,534	7,083,052	7,181,534	7,083,052
Interest	18,379	16,049	18,379	16,049
Other Income	9,665,391	8,143,703	2,990,348	3,253,220
	16,865,304	15,242,804	10,190,261	10,352,321
b) Charging as Expenses				
Affiliation Fees	200,973	137,995	200,973	137,995
Salaries & Allowances – Officers		-		-
Salaries & Allowances – Other	8,620,215	8,682,865	6,149,794	6,510,090
Meeting Expenses	217,248	173,033	127,356	124,450
Audit & Accounting Fees	27,500	27,000	15,000	15,000
Legal Fees	122,817	60,387	99,205	58,845
Members' Services & Support	6,261,169	4,963,123	2,233,167	2,243,954
Long Service Leave	497	28,141	497	28,141
Annual Leave	39,564	107,015	39,564	107,015
Interest and Bank Charges	360,724	359,670	329,005	317,154
Depreciation	496,185	507,895	490,271	402,619
Other Industrial Expenses	36,395	35,000	36,395	35,000
"Professional Update" Costs	284,691	240,928	284,691	240,928
Industrial Library	37,200	39,340	37,200	39,340
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:	854,715	857,042		-
5. CASH				
Cash at Bank	126,987	977,711	126,987	977,711
Cash on Hand	18,059	15,359	18,059	15,359
Cash on Deposit	1,648,684	66,323	1,648,684	66,323
	1,793,730	1,059,393	1,793,730	1,059,393

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2005 (Cont'd)**

	Economic Entity		Chief Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
6. RECEIVABLES				
Current				
Subscriptions in Arrears	1,276,001	892,001	1,276,001	892,001
Provision for Non-Collectability	(49,001)	(49,001)	(49,001)	(49,001)
Net Subscriptions	1,227,000	843,000	1,227,000	843,000
Sundry Debtors	1,605,477	1,166,999	157,474	66,051
	2,832,477	2,009,999	1,384,474	909,051
Non Current				
Amounts Owed by Controlled Entities	-	-	2,572,643	2,484,305

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 generally 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	
	2005	2004	2005	2004
	\$	\$	\$	\$
7. OTHER ASSETS				
Prepayments	108,947	217,140	101,271	182,408
8. INVESTMENTS				
Shares in Controlled Entities		-		26
Other Unlisted Shares & Expenditure Carried Forward	95,725	519,932	26	200,697
	95,725	519,932	26	200,723

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 2005 (Cont'd)**

	Economic Entity		Chief Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
9. PROPERTY, EQUIPMENT & VEHICLES				
Land and Buildings at National Board Valuation 30/06/04	7,213,011	7,213,011	7,213,011	7,213,011
Buildings at Cost	55,452	-	55,452	-
Total Land & Buildings	7,268,463	7,213,011	7,268,463	7,213,011
Accumulated Depreciation	(256,047)	-	(256,047)	-
	7,012,416	7,213,011	7,012,416	7,213,011
Office Equipment at Cost	4,071,500	4,310,956	3,911,594	4,151,050
Accumulated Depreciation	(3,100,204)	(3,357,253)	(3,029,291)	(3,297,254)
	971,296	953,703	882,303	853,796
Motor Vehicles at Cost	167,514	167,514	112,745	112,745
Accumulated Depreciation	(142,745)	(120,042)	(112,745)	(85,042)
	24,769	47,472	-	27,703
Motor Vehicles – Leased	906,848	793,605	906,848	793,605
Accumulated Amortisation	(321,918)	(195,633)	(321,918)	(195,633)
	584,930	597,972	584,930	597,972
Total Property, Equipment & Vehicles	8,593,411	8,812,158	8,479,649	8,692,482

The revaluation of freehold land and buildings last year by \$1.4 million 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	
	2005 \$	2004 \$	2005 \$	2004 \$
Fixed Assets – start of year	8,812,158	7,622,553	8,692,482	7,397,602
Revaluation – Land and Buildings		1,400,000		1,400,000
Additions – net	277,438	297,500	277,438	294,880
Depreciation	(496,185)	(507,895)	(490,271)	(400,000)
Fixed Assets – end of year	8,593,411	8,812,158	8,479,649	8,692,482

	Economic Entity		Chief Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
10. INTANGIBLES				
Goodwill	104,056	104,056	-	-
Accumulated Amortisation	(87,287)	(82,062)	-	-
	16,769	21,994	-	-

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2005 (Cont'd)**

	Economic Entity		Chief Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
11. PAYABLES				
Current				
Sundry Creditors	1,051,892	953,841	776,563	731,760
Prepaid Subscriptions & Fees	4,207,241	3,679,826	3,192,882	2,601,473
	5,259,133	4,633,667	3,969,445	3,333,233
Non Current				
Amounts Owed to Controlled Entities	-	-	-	-
	-	-	-	-
12. INTEREST-BEARING LIABILITIES				
Current				
Bank Bills	2,000,000	2,000,000	2,000,000	2,000,000
Lease Liabilities	147,582	187,582	147,582	187,582
	2,147,582	2,187,582	2,147,582	2,187,582
Non Current				
Lease Liabilities	317,590	297,575	317,590	297,575
Debentures	3,002	3,002	3,002	3,002
	320,592	300,577	320,592	300,577

Sundry Creditors and Prepaid Subscriptions & Fees

Sundry creditors and prepaid 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 2005 (Cont'd)**

	Economic Entity		Chief Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
13. PROVISIONS				
Current				
Long Service Leave	193,265	192,768	193,265	192,768
Annual Leave	1,009,220	969,656	1,009,220	969,656
	1,202,485	1,162,424	1,202,485	1,162,424

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	
	2005 \$	2004 \$	2005 \$	2004 \$
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	2,795,064	2,795,064	2,795,064	2,795,064
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	3,485,043	3,485,043	3,485,043	3,485,043
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	77,000	173,000	77,000	173,000
1-5 years	428,172	365,157	428,172	365,157
Gross Lease Payments	505,172	538,157	505,172	538,157
Less Future Finance Charges	40,000	53,000	40,000	53,000
Lease Liabilities	465,172	485,157	465,172	485,157
Current	147,582	187,582	147,582	187,582
Non Current	317,590	297,575	317,590	297,575
Lease Liabilities	465,172	485,157	465,172	485,157

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2005 (Cont'd)**

	Chief Entity Investment		Equity Holding		Contributions to Economic Entity Profit & Loss	
	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
16. CONTROLLED ENTITIES						
Chief Entity						
Association of Professional Engineers, Scientists & Managers, Australia					147,143	91,790
Controlled Entities						
Member Advantage Pty Ltd	2	2	100	100	-	(850)
ETM Placements Pty Ltd	10	10	100	100	4,503	27,110
Education and Training for Professionals Pty Ltd	2	2	100	100	3,126	(241,620)
APESMA Insurance Services Pty Ltd	2	2	100	100	-	170
Engineering Placements Pty Ltd	-	-	100	100	-	(5,913)
Chifley Business School Pty Ltd	10	10	100	100	129	4,500
	26	26	n/a	n/a	154,901	(124,813)

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	
	2005 \$	2004 \$	2005 \$	2004 \$
17. EMPLOYEE BENEFITS				
Aggregate employee benefits including on-costs:				
Annual Leave and Long Service Leave	1,202,485	1,162,424	1,202,485	1,162,424
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 2005 (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:-

30 June 2005							
Assets:							
Cash	4.55	1,793,730	-	-	-	-	1,793,730
Subscriptions and Sundry Debtors		-	-	-	-	2,832,477	2,832,477
Shares and other equity securities		-	-	-	-	95,725	95,725
		1,793,730	-	-	-	2,928,202	4,721,932
Liabilities:							
Leases	6.80	-	147,582	317,590	-	-	465,172
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	5,259,133	5,259,133
Bank bills	5.70	-	2,000,000	-	-	-	2,000,000
Employee entitlements & Debentures		-	-	-	-	1,205,487	1,205,487
		-	2,147,582	317,590	-	6,464,620	8,929,792
Net financial (liabilities)		1,793,730	(2,147,582)	(317,590)	-	(3,536,418)	(4,207,860)
30 June 2004							
Total financial assets		1,059,393	-	-	-	2,529,931	3,589,324
Total financial liabilities		-	2,187,582	297,575	-	5,799,093	8,284,250
Net financial (liabilities)		1,059,393	(2,187,582)	(297,575)	-	(3,269,162)	(4,694,926)

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 2005 (Cont'd)**

	Economic Entity		Chief Entity	
	2005 \$	2004 \$	2005 \$	2004 \$
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	1,793,730	1,059,393	1,793,730	1,059,393
Bank Overdraft	-	-	-	-
	1,793,730	1,059,393	1,793,730	1,059,393
ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities				
Operating Profit/(Loss) after Income Tax	154,901	(124,813)	147,143	91,790
Add/Less Non cash and investing items				
Depreciation	496,184	507,895	490,271	402,619
Interest and Bank Charges	360,724	359,670	329,005	317,154
Employee Entitlements	40,061	135,186	40,061	135,186
Amortisation of Goodwill/Deferred Costs	78,455	55,237	-	-
Doubtful Debts (Subscriptions)	-	-	-	-
Interest Income	(18,379)	(16,049)	(18,379)	(16,049)
Loss/(Profit) on Disposal of Assets	-	-	-	-
	1,111,946	917,126	988,101	930,700
(Increase)/Decrease in Operating Assets, net of assets acquired through amalgamation				
Subscriptions	(384,000)	(21,271)	(384,000)	(21,271)
Sundry Debtors	(438,478)	491,301	(91,423)	(15,411)
Prepayments	108,193	(17,733)	81,137	(119,747)
	397,661	1,369,423	593,815	774,271
Increase/(Decrease) in Operating Liabilities, net of liabilities assumed through amalgamation				
Creditors and Other Payables	625,466	42,043	636,212	540,042
	1,023,127	1,411,466	1,230,027	1,314,313

iii) The economic entity has bill and bank overdraft facilities of \$5.075 million as at 30 June 2005 which were utilized to the extent of \$2.0 million. These facilities are subject to annual review (the next review date being May 2006).

iv) During the period, the economic entity acquired \$0.10 million of assets by way of finance lease.

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2005 (Cont'd)**

20. ORGANISATION FUNDS

	Economic Entity		Chief Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
Organisation Funds brought forward	871,323	827,136	3,059,503	2,798,713
Profit/(Loss) for year	154,901	(124,813)	147,143	91,790
Amalgamation - MPA		169,000		169,000
Organisation Funds closing down	1,026,224	871,323	3,206,646	3,059,503

During the prior year, APESMA amalgamated with MPA. Cash reserves acquired on amalgamation amounted to \$0.169 million.

21. RELATED PARTIES

The Operating Report contains the names of all National Board members.

The chief entity received management fees this year of \$1.116 million (on normal commercial terms and conditions) for services rendered to controlled entities.

D Tomat has interests in an entity, Whetstone Pty Ltd which has received fees this year on normal commercial terms and conditions, for services rendered to ETM Placements Pty Ltd, a controlled entity.

22. SEGMENT REPORTING

The Group predominantly operates in Australia providing industrial services to its members.

23. LEVIES

Subscription income as disclosed in note 3 includes a compulsory levy payable at a rate of \$470 per full time member of the Collieries' Staff Division in respect of a legal defence fund. For the year, such levies totalled approximately \$0.6 million. At 30 June, 2005, the legal defence fund which is administered by independent trustees has a balance of \$1.611 million.

National Board Statement

On 12 August 2005 the National Board of the Association of Professional Engineers, Scientists & Managers, Australia passed the following resolution in relation to the financial report of the reporting unit for the financial year ended 30 June, 2005:—

The National Board 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 Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the financial report relates and since the end of that year:
 - (i) meetings of the reporting unit were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wage activity, there has been no recovery of wages activity during the year.

On behalf of the National Board


T Griffin
National President


C Jones
National Treasurer

Dated: 12 August 2005

South 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
Jason Wall, CA

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, 2005. 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, 2005 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.

INDEPENDENCE

In accordance with ASIC Class Order 05/83, we declare that to the best of our knowledge and belief, that the auditor's independence declaration set out in this the financial report, has not been changed as at the date of providing our audit opinion.




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

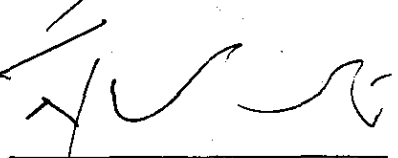
AUDIT OPINION

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, Australian Accounting Standards, other mandatory professional reporting requirements and the reporting guidelines and any other requirements of Chapter 8, Part 3 of the RAO Schedule, 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, 2005;
 - 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
Partner (CA)



N Traficante
Partner (CPA)

Dated: 12/6/05

South Melbourne, Victoria