



Australian Government
Australian Industrial Registry

Level 5
11 Exhibition Street, Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9655 0410

Mr. B. Jackson
Acting National Secretary
The Association of Professional Engineers, Scientists and Managers, Australia
GPO Box 1272L
MELBOURNE VIC 3001

Dear Mr. Jackson,

**Re: Schedule 1 of the Workplace Relations Act 1996 (Schedule 1)
Financial Report for year ended 30 June 2007 - FR 2007/293**

Thank you for forwarding further information in relation to the financial reports of The Association of Professional Engineers, Scientists and Managers, Australia for the year ended 30 June 2007: this has been placed with the documents previously lodged.

The financial reports have now been filed.

Yours sincerely,

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

Larry Powell
Statutory Services Branch

17 July 2008

3 July 2008



*The Association of
Professional
Engineers, Scientists and
Managers, Australia*
GPO Box 1272L
Melbourne Vic 3001
Phone: (03) 9695 8800
Facsimile: (03) 9696 9312
163 Eastern Road
South Melbourne Vic 3205

The Industrial Registrar
Attention: Larry Powell
Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir,

**SCHEDULE 1 OF THE WORKPLACE RELATIONS ACT 1996 (SCHEDULE 1)
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007 FR 2007/293**

I refer to your letter dated 13 June 2008 and wish to make the following comment in response to the request made in the letter:

1. Other Income

The matter of the disclosure of "Other Income from Ordinary Activities" in the Income Statement was discussed with the Auditor, Mr Michael Shulman from the firm of Accountants, Stannards. It is his view that the amount in question comprised of various sundry items which are not material to the Group on an overall basis. Nevertheless it is the intention that further breakdown of the amount will be made in the 2008 financial report.

I am attaching a copy of Mr Shulman's email dated 7 February 2008, confirming the above comment.

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

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Bill Jackson', written over a horizontal line. The signature is stylized and extends to the right of the line.

Bill Jackson
ACTING NATIONAL SECRETARY



Australian Government
Australian Industrial Registry

Level 5
11 Exhibition Street, Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9655 0410

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

Dear Ms. Esbitt,

**Re: Schedule 1 of the Workplace Relations Act 1996 (Schedule 1)
Financial Report for year ended 30 June 2007 - FR 2007/293**

Reference is made to my letter of 4 January 2008 requesting further information in relation to the disclosures contained in the financial documents of The Association of Professional Engineers, Scientists and Managers, Australia for the year ended 30 June 2007.

No response has been received in this office in relation to the above financial reports.

Would you please contact me by Monday, 23 June 2008 as to when a response can be expected.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, 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'.

Larry Powell
Statutory Services Branch

13 June 2008



Australian Government
Australian Industrial Registry

Level 5
11 Exhibition Street, Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9655 0410

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

Dear Ms. Esbitt,

**Re: Schedule 1 of the Workplace Relations Act 1996 (Schedule 1)
Financial Report for year ended 30 June 2007 - FR 2007/293**

Receipt is acknowledged of the financial report of The Association of Professional Engineers, Scientists and Managers, Australia for year ended 30 June 2007. The documents were lodged in the Industrial Registry on 7 December 2007.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under Schedule 1. 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 1, no further action is required in respect of the subject documents.

1. Other Income

I note the disclosure "Other Income from Ordinary Activities" in the Income Statement. Also Note 3(a) to the Notes to the Accounts provides a further breakdown of the other income and provides the disclosure "Other Income" of \$3,599,624. Both disclosures comprise a significant amount of the total revenue. Various parts of the AASB Framework require separate disclosure when an item is material. There would seem little doubt that the aforementioned item is material. Accordingly, I believe the reporting unit should break this figure down in a way that complies with the requirements of the AASB Framework. I would be pleased to receive your views on this matter.

2. Committee of Management Statement

Signatory

Please note that under Reporting Guideline 26(c) for the purposes of section 253 of Schedule 1 this Statement need only be signed by a designated officer.

Electronic Lodgment

I encourage you to take advantage of the electronic lodgment service provided by the Registry for future lodgments. You may register as a user and then lodge your documents via the Electronic Lodgment 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'.

Larry Powell
Statutory Services Branch

4 January 2008

FL2007/293



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>

5 December 2007

Mr Larry Powell
The Industrial Registrar
Australian Industrial Commission
11 Exhibition Street
Melbourne
Victoria

Dear Sir

**Lodgement of Financial Documents in Pursuant to the Workplace Relations
Act 1996 – 30 June 2007**

I am attaching the Designated Officer certificate and a copy of the annual
accounts as required in pursuant to Section 268 of Schedule 1 of the Workplace
Relations Act for lodgment of financial statements.

Yours Faithfully

A handwritten signature in black ink, appearing to be "Roger Lee".

ROGER LEE
DIRECTOR FINANCE





*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>

1 December 2007

The Industrial Registrar
Australian Industrial Registry
GPO Box 1994
Melbourne
Victoria 3000

Dear Sir,

**National Secretary's Certificate in Pursuant to Section 268 of Schedule 1B Workplace
Relations Act 1996**

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

1. That the documents lodged herewith are copies of the annual report referred to in s268 of
the RAO Schedule; and
2. That the members have been notified in the December 2007 /January 2008 of Professional
Network that the full report has been published and is available at a specified internet
address, and
3. That the full report was presented to a meeting of the National Board on 30 November 2007
in accordance with section 266 of the RAO Schedule ..

A handwritten signature in black ink, appearing to read 'R Esbitt', with a long horizontal stroke extending to the right.

R Esbitt
NATIONAL SECRETARY



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

**FINANCIAL STATEMENTS AND REPORTS
FOR THE PERIOD ENDED 30 JUNE 2007**

Operating Report

The National Board present the report of the Group (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, 2007.

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 result for the year was a net profit of \$46,005 (2006: net profit of \$65,865).

REVIEW OF OPERATION

Group

The group financial performance during the year was underpinned by revenue growth of 15.1%, from \$18.55 million in 2005/06 to \$21.31 million this year. Total subscription revenues increased to \$8.933 million as compared with previous year of \$8.116 million. Expenditure growth was in line with the increased staffing and activity levels in the areas of Membership, Building APESMA Future and Legal Support.

During the year, the Association amalgamated with the Professional Officers Association Victoria (POAV) which subsequently has been renamed the "Australian Government Division". Based on a sworn valuation of the Association's property located in Eastern Road, South Melbourne, the National Board resolved to revalue the South Melbourne property to \$7.5 million and the Sydney property to \$1.6 million. The remaining properties in Perth, Canberra, Newcastle and Brisbane remained at their existing valuation in the Association's accounts.

To further support the members, APESMA Lawyers Pty Ltd has been established to provide legal support and services. Partial sale of the insurance business also took place during the year.

Education

Chifley Business School Pty Ltd is currently operating as a subsidiary company of Education & Training For Professionals Pty Ltd with an independent Board of Directors. The consolidated accounts of the parent company Education & Training For Professionals Pty Ltd reported a net loss of \$13,230. Total income of the Group was \$7.166 million compared with previous the year of \$5.994 million. Chifley Business School 's revenue during the year increased by 16% . In May this year, authorities reaccredited through Chifley to deliver the APESMA MBA. Chifley has registered the business names of "Chifley Human Capital Strategy" and "Chifley People Metrics" in anticipation of increasing demand for consulting and analytical services related to its corporate learning and development offerings.

Career Development

During the year, ETM Placements incurred a net loss of \$173,542. Total revenues have increased to \$1.58 million from the previous year amount of \$1.412 million. The full year result was disappointing overall. The year end result showed the returns for permanent work to be proportionally weaker than budget and contractor management to provide a proportionally greater contribution.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the year, other than amalgamation with POAV in October.

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. Rule 9 in the Association's Rules provides details of the right of member to resign.

Operating Report (Cont'd)

NATIONAL BOARD MEMBER'S PROFILES

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

Name	Position	Period
Dario Tomat	National President	2006/07
Jane Waldock	Senior Vice President	2006/07
Roberta Esbitt	National Secretary	2006/07
Colin Jones	National Treasurer	2006/07
Joe McKay	National Vice President	2006/07
Bill Jackson	National Vice President	2006/07
Phil Bambrick	National Vice President	2006/07

Tim Griffin	National President	Resigned March 2007
Andreas Marquardt	National Vice President	Resigned March 2007

NUMBER OF MEMBERS

As at 30 June, 2007, the number of members is 22,037

NUMBER OF EMPLOYEES

As at 30 June, 2007, the number of employees is 131

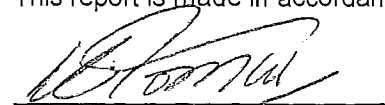
NO MEMBERS OR OFFICERS ARE TRUSTEES OF A SUPERANNUATION ENTITY OR AN EXEMPT PUBLIC SECTOR SUPERANNUATION SCHEME

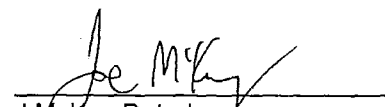
There are no members or officers of the organisation who are:-

- (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.


D Tomat
National President

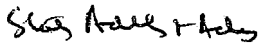

J McKay Dated
Acting National Treasurer

24 August 2007, South Melbourne, Victoria

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

We declare that, to the best of our knowledge and beliefs, during the year ended 30 June, 2007 there have been:-

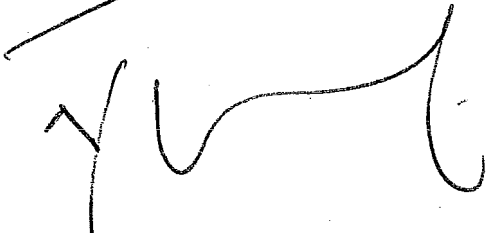
- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Stannards, Accountants & Advisors



Michael Shulman
Partner
Holder of Current Public Practice Certificate



Nello Traficante
Partner
Holder of Current Public Practice Certificate

Dated 21/6/07

Income Statement
For the Period Ended 30 June 2007

	Note	Group		Chief Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
Subscription Income		8,933,529	8,116,595	8,933,529	8,116,595
Other Income from Ordinary Activities		12,379,003	10,433,823	3,631,848	3,027,554
		21,312,532	18,550,418	12,565,377	11,144,149
Salary Costs Expense		(10,484,103)	(9,449,677)	(7,222,417)	(6,623,646)
Borrowing Costs Expense		(353,269)	(299,436)	(319,706)	(269,189)
Professional Network Costs		(329,217)	(298,441)	(329,217)	(298,441)
Other Expenses from Ordinary Activities		(10,099,938)	(8,436,999)	(4,461,233)	(3,903,218)
Profit before Income Tax	3	46,005	65,865	232,804	49,655
Income Tax Expense related to Profit	1(l),4	-	-	-	-
Profit after Income Tax		46,005	65,865	232,804	49,655

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA

Balance Sheet
as at 30 June 2007

	Note	Group 2007 \$	2006 \$	Chief Entity 2007 \$	2006 \$
Current Assets					
Cash and Cash Equivalents	5	2,211,271	1,678,465	1,355,014	1,241,098
Trade and Other Receivables	6	4,027,007	2,603,154	1,804,788	1,093,763
Other	7	533,398	269,279	406,728	237,698
Total Current Assets		6,771,676	4,550,898	3,566,530	2,572,559
Non Current Assets					
Trade and Other Receivables	6	-	-	3,354,759	3,167,738
Financial Assets	8	-	95,000	16	26
Property, Equipment & Vehicles	9	11,590,677	9,005,465	11,554,695	8,971,392
Intangibles	10	-	-	-	-
Total Non Current Assets		11,590,677	9,100,465	14,909,470	12,139,156
Total Assets		18,362,353	13,651,363	18,476,000	14,711,715
Current Liabilities					
Trade and Other Payables	11	6,637,048	5,136,562	4,653,397	4,032,702
Borrowings	12	1,621,017	2,118,597	1,621,017	2,118,597
Provisions	13	1,847,459	1,558,495	1,593,746	1,558,495
Total Current Liabilities		10,105,524	8,813,654	7,868,160	7,709,794
Non Current Liabilities					
Trade and Other Payables	11	-	-	-	-
Borrowings	12	139,560	260,577	139,560	260,577
Total Non Current Liabilities		139,560	260,577	139,560	260,577
Total Liabilities		10,245,084	9,074,231	8,007,720	7,970,371
Net Assets		8,117,269	4,577,132	10,468,280	6,741,344
Funds & Reserves					
Organisation Funds		1,369,728	1,092,089	3,720,739	3,256,301
Reserves	14	6,747,541	3,485,043	6,747,541	3,485,043
Total Funds & Reserves		8,117,269	4,577,132	10,468,280	6,741,344
Contingent Liabilities and Commitments	15				

**Statement of Changes in Organisation Funds & Reserves
For the Period Ended 30 June 2007**

	Organisation Funds \$	Reserves \$	Total \$
Group			
Balance – 1 July 2005	1,026,224	3,485,043	4,511,267
Profit attributable to members of chief entity	65,865	-	65,865
Balance – 30 June 2006	1,092,089	3,485,043	4,577,132
Profit Attributable to members of the chief entity	46,005	-	46,005
Amalgamation with POAV	231,634	-	231,634
Revaluation – land and buildings	-	3,262,498	3,262,498
Balance – 30 June 2007	1,369,728	6,747,541	8,117,269
Chief Entity			
Balance – 1 July 2005	3,206,646	3,485,043	6,691,689
Profit for year	49,655	-	49,655
Balance – 30 June 2006	3,256,301	3,485,043	6,741,344
Profit for Year	232,804	-	232,804
Amalgamation with POAV	231,634	-	231,634
Revaluation – land & buildings	-	3,262,498	3,262,498
Balance – 30 June 2007	3,720,739	6,747,541	10,468,280

**Cashflow Statement
For the Period Ended 30 June 2007**

	Note	Group 2007 \$	2006 \$	Chief Entity 2007 \$	2006 \$
Cash from Operating Activities					
Cash receipts from customers		19,856,455	18,770,505	11,822,578	11,425,624
Cash payments to suppliers and employees		(18,478,749)	(17,253,910)	(10,617,213)	(9,780,823)
Net Cash Provided by Operating Activities	19(ii)	1,377,706	1,516,595	1,205,365	1,644,801
Cash from Investing Activities					
Lease Repayments - net		(118,597)	(89,000)	(118,597)	(89,000)
Proceeds - Bank Bills		(500,000)	-	(500,000)	-
Interest and Bank Charges		(353,269)	(299,436)	(319,706)	(269,189)
Interest Income		32,224	9,236	32,224	9,236
(Payments)/Receipts (To)/From Controlled Entities		-	-	(187,021)	(595,095)
Payments for Fixed Assets		(231,892)	(1,253,385)	(229,983)	(1,253,385)
Reduction in Investments and Deferred Costs		95,000	725	-	-
Net Cash Provided by Investing Activities		(1,076,534)	(1,631,860)	(1,323,083)	(2,197,433)
Net Increase/(Decrease) in Cash		301,172	(115,265)	(117,718)	(552,632)
Cash at the Beginning of the Period		1,678,465	1,793,730	1,241,098	1,793,730
Amalgamation with POAV (cash acquired for consolidation)		231,634	-	231,634	-
Cash at the End of the Period	19(i)	2,211,271	1,678,465	1,355,014	1,241,098

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007**

1. ACCOUNTING METHODS & POLICIES

Basis of Preparation

The accounts which are a general purpose financial report have been prepared in accordance with applicable Australian Accounting Standards, Urgent Issues Group Interpretations 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 Group'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 Group 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) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations, exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

Loans and Receivables

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

Held to maturity Investments

These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Any held to maturity investments held by the Group are stated at amortised cost using the effective interest rate method.

Available for sale financial assets

Available for sale financial assets include any financial asset not included in the above categories. Available for sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

e) Impairment of Assets

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

g) Revenue

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

Revenue from the rendering of a service or delivery of goods is recognised upon the delivery of the service or goods to the customers.

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

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

i) Comparative Figures

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

j) Other Financial Assets

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

k) Employee Benefits

The provision for employee benefits in the form of wages, salaries and annual leave represents the amounts the Group 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 Group 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.

l) Income Tax

No provision for income tax has been raised as the chief entity being a trade union is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

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

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

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

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

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

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 272 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 to be made available to the person making the application.
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the organisation.
- 3) An organisation must comply with an application made under subsection(1) .

Note : This subsection is a civil penalty provision.

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)**

	Group		Chief Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
3. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:-				
a) Crediting as Revenue				
Subscriptions	8,933,529	8,116,595	8,933,529	8,116,595
Education and Employment	8,747,155	7,406,269	-	-
Interest	32,224	9,236	32,224	9,236
Other Income	3,599,624	3,018,318	3,599,624	3,018,318
	21,312,532	18,550,418	12,565,377	11,144,149
b) Charging as Expenses				
Affiliation Fees	115,049	145,268	115,044	145,268
Salaries & Allowances – Officers	-	-	-	-
Salaries & Allowances – Other	10,484,103	9,449,677	7,222,417	6,623,695
Meeting Expenses	197,470	138,467	197,470	138,467
Audit & Accounting Fees	26,387	25,427	26,250	20,791
Legal Fees	77,261	120,198	77,261	110,896
Members' Services & Support	8,287,020	6,599,400	3,002,160	2,175,966
Long Service Leave	334,108	43,735	315,276	43,735
Annual Leave	(45,144)	287,275	(250,025)	287,275
Interest and Bank Charges	353,269	299,436	319,706	269,189
Depreciation	909,178	841,331	909,178	761,642
Other Industrial Expenses	149,649	95,933	149,649	95,933
"Professional Network" Costs	329,217	298,441	329,217	298,441
Industrial Library	28,960	23,196	28,960	23,196
Impairment/ Amortisation of Goodwill	-	16,769	-	-
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:	949,147	849,852	-	-
5. CASH AND CASH EQUIVALENTS				
Cash at Bank	1,957,982	1,550,614	1,101,726	1,113,247
Cash on Hand	3,904	20,177	3,903	20,177
Cash on Deposit	249,385	107,674	249,385	107,674
	2,211,271	1,678,465	1,355,014	1,241,098

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)**

	Group		Chief Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
6. TRADE AND OTHER RECEIVABLES				
Current				
Subscriptions in Arrears	1,345,379	1,022,001	1,345,379	1,022,001
Provision for Non-Collectability	(49,001)	(49,001)	(49,001)	(49,001)
Net Subscriptions	1,296,378	973,000	1,296,378	973,000
Sundry Debtors	2,730,629	1,630,154	508,410	120,763
	4,027,007	2,603,154	1,804,788	1,093,763
Non Current				
Amounts Owed by Controlled Entities	-	-	3,354,759	3,167,738

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

	Group		Chief Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
7. OTHER ASSETS				
Prepayments	533,398	269,279	406,728	237,698
8. FINANCIAL ASSETS				
Shares in Controlled Entities	-	-	16	26
Other Unlisted Shares	-	95,000	-	-
	-	95,000	16	26

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 2007 (Cont'd)**

	Group		Chief Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
9. PROPERTY, EQUIPMENT & VEHICLES				
Land and Buildings at National Board Valuation 30/06/07	10,654,000	7,213,011	10,654,000	7,213,011
Buildings at Cost	-	584,255	-	584,255
Total Land & Buildings	10,654,000	7,797,266	10,654,000	7,797,266
Accumulated Depreciation	-	(315,840)	-	(315,840)
	10,654,000	7,481,426	10,654,000	7,481,426
Office Equipment at Cost	5,606,282	4,293,706	5,192,068	4,249,611
Accumulated Depreciation	(4,803,025)	(3,437,841)	(4,424,793)	(3,427,819)
	803,257	855,865	767,275	821,792
Motor Vehicles at Cost	428,518	219,447	259,813	219,447
Accumulated Depreciation	(428,518)	(141,821)	(259,813)	(141,821)
	-	77,626	-	77,626
Motor Vehicles – Leased	869,721	869,721	869,721	869,721
Accumulated Amortisation	(736,301)	(279,173)	(736,301)	(279,173)
	133,420	590,548	133,420	590,548
Total Property, Equipment & Vehicles	11,590,677	9,005,465	11,554,695	8,971,392

The revaluation of freehold land and buildings in 2007 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.

	Group		Chief Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
Fixed Assets – start of year	9,005,465	8,593,411	8,971,392	8,479,649
Revaluation – Land and Buildings	3,262,498	-	3,262,498	-
Additions – net	231,892	1,253,385	229,983	1,253,385
Depreciation	(909,178)	(841,331)	(909,178)	(761,642)
Fixed Assets – end of year	11,590,677	9,005,465	11,554,695	8,971,392

	Group		Chief Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
10. INTANGIBLES				
Goodwill	104,056	104,056	-	-
Accumulated Amortisation/Impairment	(104,056)	(104,056)	-	-
	-	-	-	-

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)**

	Group		Chief Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
11. TRADE AND OTHER PAYABLES				
Current				
Sundry Creditors	2,360,099	894,675	1,290,358	609,178
Prepaid Subscriptions & Fees	3,913,180	4,135,862	2,999,270	3,317,499
Building APESMA Future	363,769	106,025	363,769	106,025
	6,637,048	5,136,562	4,653,397	4,032,702
Non Current				
Amounts Owed to Controlled Entities	-	-	-	-
12. BORROWINGS				
Current				
Bank Overdraft	-	-	-	-
Bank Bills	1,500,000	2,000,000	1,500,000	2,000,000
Lease Liabilities	121,017	118,597	121,017	118,597
	1,621,017	2,118,597	1,621,017	2,118,597
Non Current				
Lease Liabilities	136,558	257,575	136,558	257,575
Debentures	3,002	3,002	3,002	3,002
	139,560	260,577	139,560	260,577

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 Group'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 2007 (Cont'd)**

	Group		Chief Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
13. PROVISIONS				
Current				
Long Service Leave	596,108	262,000	577,276	262,000
Annual Leave	1,251,351	1,296,495	1,016,470	1,296,495
	1,847,459	1,558,495	1,593,746	1,558,495

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.

	Group		Chief Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
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 (refer note 9)	6,057,562	2,795,064	6,057,562	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	6,747,541	3,485,043	6,747,541	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	130,050	137,000	130,050	137,000
1-5 years	147,550	269,172	147,550	269,172
Gross Lease Payments	277,600	406,172	277,600	406,172
Less Future Finance Charges	20,025	30,000	20,025	30,000
Lease Liabilities	257,575	376,172	257,575	376,172
Current	121,017	118,597	121,017	118,597
Non Current	136,558	257,575	136,558	257,575
Lease Liabilities	257,575	376,172	257,575	376,172

Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)

	Chief Entity Investment		Equity Holding		Contributions to Group Profit & Loss	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
16. CONTROLLED ENTITIES						
Chief Entity						
Association of Professional Engineers, Scientists & Managers, Australia					232,804	49,655
Controlled Entities						
Member Advantage Pty Ltd	2	2	100	100	-	-
ETM Placements Pty Ltd	10	10	100	100	(173,542)	(116,478)
Education and Training for Professionals Pty Ltd	2	2	100	100	(38,662)	118,590
APESMA Insurance Services Pty Ltd	2	2	100	100	-	-
Engineering Placements Pty Ltd	-	-	100	100	-	-
Chifley Business School Pty Ltd	-	10	100	100	25,405	14,098
	16	26	n/a	n/a	46,005	65,865

No dividends were received or are receivable from controlled entities this year. All investments are in ordinary shares and all controlled entities were incorporated and are domiciled in Australia.

	Group		Chief Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
17. EMPLOYEE BENEFITS				
Aggregate employee benefits including on-costs:				
Annual Leave and Long Service Leave	1,847,459	1,558,495	1,593,746	1,558,495
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	7	6	7	6
Settlement term (years)	10	10	10	10

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)**

18. ADDITIONAL FINANCIAL DISCLOSURES

a) Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, loans to and from controlled entities and trade payables.

The main purpose of non derivative financial instruments is to raise finance for operations.

i. Treasury Risk Management

The board analyses currency and interest rate exposure and evaluates treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risks

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:—

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturities 1 year or less	1 to 5 years	Maturities over 5 years	Non- Interest Bearing	Total
	%	\$	\$	\$	\$	\$	\$
30 June 2007							
Assets:							
Cash	4.75	2,211,271	-	-	-	-	2,211,271
Subscriptions and Sundry Debtors		-	-	-	-	4,027,007	4,027,007
Shares and other equity securities		-	-	-	-	-	-
		2,211,271	-	-	-	4,027,007	6,238,278

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)**

18. ADDITIONAL FINANCIAL DISCLOSURES (CONT'D)

Liabilities:							
Leases	6.80	-	121,017	136,558	-	-	257,575
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	6,637,048	6,637,048
Bank bills and Overdraft	5.70	-	1,500,000	-	-	-	1,500,000
Employee entitlements & Debentures		-	-	-	-	1,850,461	1,850,461
		-	1,621,017	136,558	-	8,487,509	10,245,084
Net financial (liabilities)		2,211,271	(1,621,017)	(136,558)		(4,460,502)	(4,006,806)
30 June 2006							
Total financial assets		1,678,465	-	-	-	2,698,154	4,376,619
Total financial liabilities		-	2,118,597	257,575	-	6,698,059	9,074,231
Net financial (liabilities)		1,678,465	(2,118,597)	(257,575)	-	(3,999,905)	(4,697,612)

b) Net Fair Values of Financial Assets and Liabilities

The net fair values of:-

- Term receivables, government and fixed interest securities and bonds are determined by discounting the cash flows, at the market interest rates of similar securities, to their present values
- Other asset and liabilities approximate their carrying values

	Carrying Amount 2006 \$	Fair Value 2006 \$
Financial assets		
Cash	1,678,465	1,678,465
Receivables	2,603,154	2,603,154
Financial liabilities		
Payables	5,136,562	5,136,562
Borrowings	2,379,174	2,379,174

	Carrying Amount 2007 \$	Fair Value 2007 \$
Financial assets		
Cash	2,211,271	2,211,271
Receivables	4,027,007	4,027,007
Financial liabilities		
Payables	6,637,048	6,637,048
Borrowings	1,760,577	1,760,577

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)**

	Group		Chief Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
19. NOTES TO THE CASH FLOW STATEMENTS				
i) Cash comprises cash on hand and at bank, net of outstanding bank overdrafts, as follows:-				
Cash	2,211,271	1,678,465	1,355,014	1,241,098
Bank Overdraft	-	-	-	-
	2,211,271	1,678,465	1,355,014	1,241,098
ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities				
Operating Profit/(Loss) after Income Tax	46,005	65,865	232,804	49,655
Add/Less Non cash and investing items				
Depreciation	909,178	841,331	909,178	761,642
Interest and Bank Charges	353,269	299,436	319,706	269,189
Employee Entitlements	288,964	356,010	35,251	356,010
Amortisation of Goodwill/Deferred Costs	-	16,769	-	-
Interest Income	(32,224)	(9,236)	(32,224)	(9,236)
	1,565,192	1,570,175	1,464,715	1,427,260
(Increase)/Decrease in Operating Assets, net of assets acquired through amalgamation				
Subscriptions	(323,378)	254,000	(323,378)	254,000
Sundry Debtors	(1,100,475)	(24,677)	(387,647)	36,711
Prepayments	(264,119)	(160,332)	(169,030)	(136,427)
	(122,780)	1,639,166	584,660	1,581,544
Increase/(Decrease) in Operating Liabilities, net of liabilities assumed through amalgamation				
Creditors and Other Payables	1,500,486	(122,571)	620,705	63,257
	1,377,706	1,516,595	1,205,365	1,644,801

iii) The Group has bill and bank overdraft facilities of \$5.075 million as at 30 June 2007 which were utilized to the extent of \$1.50 million. These facilities are subject to annual review (the next review date being May 2008).

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2007 (Cont'd)**

20. RELATED PARTIES

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

The chief entity received management fees this year of \$0.980 million (on normal commercial terms and conditions) for services rendered to controlled entities.

21. SEGMENT REPORTING

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

22. LEVIES

Subscription income as disclosed in note 3 includes a compulsory levy payable at a rate of \$380 per full time member of the Collieries' Staff Division in respect of a legal defence fund. For the year, such levies totaled approximately \$0.451million. At 30 June, 2007, the legal defence fund which is administered by independent trustees has a balance of \$3.628 million.

National Board Statement

On 24 August 2007 the National Board of the Association of Professional Engineers, Scientists & Managers, Australia passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June, 2007:–

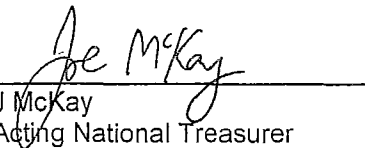
The National Board declares in relation to the financial report that in its opinion:

- (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 general purpose financial report relates and since the end of that year:
 - (i) meetings of the National Board 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) No orders have been made by the Commission under section 273 of the RAO Schedule during the period.
- (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



D Tomat
National President



J McKay
Acting National Treasurer

Dated: 24 August 2007

South Melbourne, Victoria

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

SCOPE

The Financial report and National Board's responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, and accompanying notes to the financial statements for the year ended 30 June 2007.

The National Board is responsible for the preparation and true and fair presentation of the financial report in accordance with the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have audited the financial statements of the Association of Professional Engineers, Scientists and Managers, Australia ("the Association") for the financial year ended 30 June, 2007. The financial statements include the consolidated accounts of the Group comprising the Association of Professional Engineers, Scientists and Managers, Australia, and the entities it controlled at 30 June, 2007 or from time to time during the financial year. 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 Group'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 Group 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 Group and the Association;
- ii) the general purpose financial report is prepared under the historical cost convention and is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996. The financial report is properly drawn up so as to give a true and fair view of:
 - a) the financial affairs of the Group and the Association as at 30 June, 2007;
 - b) the income and expenditure and net result of the Group and the Association for the period ended on that date; and
- iii) in relation to recovery of wages activity, there has been no recovery of wages activity during the year .



M Shulman
Partner (CA)
Holder of Current Public Practice Certificate



N Traficante
Partner (CPA)
Holder of Current Public Practice Certificate

Dated: 24/8/07

South Melbourne, Victoria