



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 2008 – FR2008/370**

Receipt is acknowledged of the financial report of The Association of Professional Engineers, Scientists and Managers, Australia for year ended 30 June 2008. The documents were lodged in the Industrial Registry on 30 October 2008.

The financial report has been filed.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under Schedule 1 of the Workplace Relations Act 1996. Please note that these matters are generally advised for assistance in the preparation of future financial reports; no further action is required in respect of the subject documents.

1. Operating Report

Results of principal activities

I refer to the Operating Report, in particular to the “results of operation”. I note that section 254(2)(a) of Schedule 1 requires the operating report to include a review of the principal activities of the reporting entity, 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.

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". The signature is written in a cursive style with a large initial "L" and a trailing flourish.

Larry Powell
Statutory Services Branch

12 November 2008



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

GPO Box 1272
Melbourne, Vic 8060
Phone: (03) 9695 8800
Facsimile: (03) 9695 8902
163 Eastern Road
South Melbourne 3205
info@apesma.asn.au
<http://www.apesma.asn.au>

28 October 2008

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 2008**

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 read 'Roger Lee', written over a faint circular stamp.

ROGER LEE
DIRECTOR FINANCE





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

GPO Box 1272
Melbourne, Vic 8060
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<http://www.apesma.asn.au>

22 October 2008

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 October/November 2008 edition 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 Assembly on 18 October 2008 in accordance with section 266 of the RAO Schedule ..

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

R Esbitt
NATIONAL SECRETARY



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

**FINANCIAL STATEMENTS AND REPORTS
FOR THE PERIOD ENDED 30 JUNE 2008**

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, 2008.

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 \$245,010 (2007: net profit of \$46,005).

REVIEW OF OPERATION

Group

Total subscription revenue increased by 3.3% to \$9.20 million this year compared with previous of \$8.93 million. The group financial performance during the year was underpinned by revenue growth of \$1.27 million, from \$21.31 million in 2006/07 to \$22.58 million this year. Overall financial performance for the year was a challenge due to various issues relating to membership recruitment. Overall expenditure was in line with budgeted forecast. Total group salaries increased from previous year of \$10.48 million to \$11.16 million, an increase of 6.5% largely due to additional staff recruited in the commercial businesses. Whilst the Chief entity's total salary cost decreased from \$7.22 million in previous year to \$6.90 million this year, a decrease of 4.5% or \$0.32 million.

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 reported a net result of \$0.002 million. Total income of the Group was \$7.69 million compared with previous the year of \$7.17million.

Career Development

During the year, ETM Placements Pty Ltd commenced trading under the business name of ETM Search and Selection with its own independent Board of Directors.

ETM Placements generated a net profit of \$0.24 million. Total revenues have increased to \$2.55 million from the previous year amount of \$1.58 million.

Member Services

Member Advantage Pty Ltd finances formed part of the Group financial performance results this year, albeit, from January 2008 it commenced operating as a separate entity with its own independent Board of Directors.

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. 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	2007/08
Jane Waldock	Senior Vice President	2007/08
Roberta Esbitt	National Secretary	2007/08
Colin Jones	National Treasurer	2007/08
Karina Bader	National Vice President	2007/08
Bill Jackson	National Vice President	2007/08
Chris Greenway	National Vice President	2007/08
Joe McKay	National Vice President	Resigned March 2008
Phil Bambrick	National Vice President	Resigned March 2008

NUMBER OF MEMBERS

As at 30 June, 2008, the number of members is 20,552

NUMBER OF EMPLOYEES

As at 30 June, 2008, the number of employees is 145

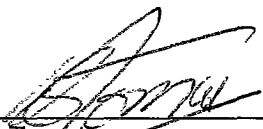
NO MEMBERS OR OFFICERS ARE TRUSTEES OF A SUPERANNUATION ENTITY OR AN EXEMPT PUBLIC SECTOR SUPERANNUATION SCHEME

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

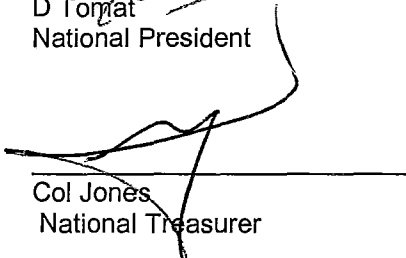
- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of superannuation entity or an exempt public sector superannuation scheme; and

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



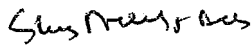
Col Jones
National Treasurer

15 August 2008, 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 belief, during the year ended 30 June, 2008 there have been:-

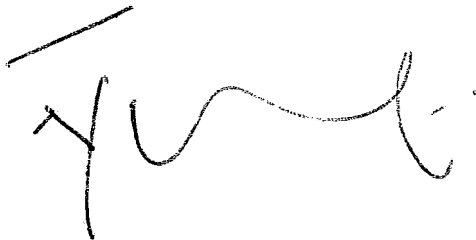
- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Stannards, Accountants & Advisors



Michael Shulman
Partner
Holder of Current Public Practice Certificate



Nello Traficante
Partner
Holder of Current Public Practice Certificate

Dated

22August2008

Income Statement
For the Period Ended 30 June 2008

	Note	Group		Chief Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Subscription Income		9,204,659	8,933,529	9,204,659	8,933,529
Other Income from Ordinary Activities	3	13,375,311	12,379,003	3,724,471	3,631,848
		22,579,970	21,312,532	12,929,130	12,565,377
Salary Costs Expense		(11,160,446)	(10,484,103)	(6,900,946)	(7,222,417)
Borrowing Costs Expense		(414,660)	(353,269)	(380,557)	(319,706)
Professional Network Costs		(362,369)	(329,217)	(362,369)	(329,217)
Other Expenses from Ordinary Activities		(10,397,485)	(10,099,938)	(5,279,678)	(4,461,233)
Profit before Income Tax	3	245,010	46,005	5,580	232,804
Income Tax Expense related to Profit	1(i),4	-	-	-	-
Profit after Income Tax		245,010	46,005	5,580	232,804

**Balance Sheet
as at 30 June 2008**

	Note	Group 2008 \$	2007 \$	Chief Entity 2008 \$	2007 \$
Current Assets					
Cash and Cash Equivalents	5	2,384,383	2,211,271	931,194	1,355,014
Trade and Other Receivables	6	5,190,903	4,027,007	2,493,218	1,804,788
Other	7	302,897	533,398	239,601	406,728
Total Current Assets		7,878,183	6,771,676	3,664,013	3,566,530
Non Current Assets					
Trade and Other Receivables	6	-	-	3,716,793	3,354,759
Financial Assets	8	-	-	16	16
Property, Equipment & Vehicles	9	11,934,990	11,590,677	11,890,845	11,554,695
Intangibles	10	-	-	-	-
Total Non Current Assets		11,934,990	11,590,677	15,607,654	14,909,470
Total Assets		19,813,173	18,362,353	19,271,667	18,476,000
Current Liabilities					
Trade and Other Payables	11	6,597,839	6,637,048	4,674,993	4,653,397
Borrowings	12	2,157,338	1,621,017	2,157,338	1,621,017
Provisions	13	2,322,550	1,847,459	1,592,309	1,593,746
Total Current Liabilities		11,077,727	10,105,524	8,424,640	7,868,160
Non Current Liabilities					
Trade and Other Payables	11	-	-	-	-
Borrowings	12	373,167	139,560	373,167	139,560
Total Non Current Liabilities		373,167	139,560	373,167	139,560
Total Liabilities		11,450,894	10,245,084	8,797,807	8,007,720
Net Assets		8,362,279	8,117,269	10,473,860	10,468,280
Funds & Reserves					
Organisation Funds		1,614,738	1,369,728	3,726,319	3,720,739
Reserves	14	6,747,541	6,747,541	6,747,541	6,747,541
Total Funds & Reserves		8,362,279	8,117,269	10,473,860	10,468,280
Contingent Liabilities and Commitments	15				

**Statement of Changes in Organisation Funds & Reserves
For the Period Ended 30 June 2008**

	Organisation Funds \$	Reserves \$	Total \$
Group			
Balance – 1 July 2006	1,092,089	3,485,043	4,577,132
Amalgamation with POAV	231,634	-	231,634
Revaluation – land and buildings	-	3,262,498	3,262,498
Profit attributable to members of chief entity	46,005	-	46,005
Balance – 30 June 2007	1,369,728	6,747,541	8,117,269
Profit attributable to members of the chief entity	245,010	-	245,010
Balance – 30 June 2008	1,614,738	6,747,541	8,362,279
Chief Entity			
Balance – 1 July 2006	3,256,301	3,485,043	6,741,344
Amalgamation with POAV	231,634	-	231,634
Revaluation – land and buildings	-	3,262,498	3,262,498
Profit for year	232,804	-	232,804
Balance – 30 June 2007	3,720,739	6,747,541	10,468,280
Profit for Year	5,580	-	5,580
Balance – 30 June 2008	3,726,319	6,747,541	10,473,860

**Cashflow Statement
For the Period Ended 30 June 2008**

	Note	Group 2008 \$	2007 \$	Chief Entity 2008 \$	2007 \$
Cash from Operating Activities					
Cash receipts from customers		20,699,785	19,856,455	11,438,411	11,822,578
Cash payments to suppliers and employees		(19,861,420)	(18,478,749)	(10,877,210)	(10,617,213)
Net Cash Provided by Operating Activities	19(ii)	838,365	1,377,706	561,201	1,205,365
Cash from Investing Activities					
Lease Repayments - net		(190,050)	(118,597)	(190,050)	(118,597)
Proceeds – Bank Bills		500,000	(500,000)	500,000	(500,000)
Interest and Bank Charges		(414,660)	(353,269)	(380,557)	(319,706)
Interest Income		31,943	32,224	31,943	32,224
(Payments)/Receipts (To)/From Controlled Entities		-	-	(362,034)	(187,021)
Payments for Fixed Assets		(592,486)	(231,892)	(584,323)	(229,983)
Reduction in Investments and Deferred Costs		-	95,000	-	-
Net Cash Provided by Investing Activities		(665,253)	(1,076,534)	(985,021)	(1,323,083)
Net Increase/(Decrease) in Cash		173,112	301,172	(423,820)	(117,718)
Cash at the Beginning of the Period		2,211,271	1,678,465	1,355,014	1,241,098
Amalgamation with POAV (cash acquired on consolidation)		-	231,634	-	231,634
Cash at the End of the Period	19(i)	2,384,383	2,211,271	931,194	1,355,014

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2008**

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, Accounting 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 2008 (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 2008 (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 2008 (Cont'd)**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

l) Income Tax (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 2008 (Cont'd)**

	Group		Chief Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
3. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:--				
a) Crediting as Revenue				
Subscriptions	9,204,659	8,933,529	9,204,659	8,933,529
Education	7,687,696	7,166,864	-	-
Employment	2,554,888	1,580,291	-	-
Interest	31,943	32,224	31,943	32,224
Management Fees	-	-	1,321,535	980,000
Member Services	1,440,692	1,355,327	1,440,692	1,355,327
Rental Income	431,444	472,486	431,444	472,486
Other Income	1,228,648	1,771,811	498,857	791,811
	22,579,970	21,312,532	12,929,130	12,565,377
b) Charging as Expenses				
Affiliation Fees	163,914	115,044	163,914	115,044
Salaries & Allowances – Officers	-	-	-	-
Salaries & Allowances – Other	11,160,446	10,484,103	6,900,946	7,222,417
Meeting Expenses	190,455	197,470	190,455	197,470
Audit & Accounting Fees	28,000	26,387	28,000	26,250
Legal Fees	59,685	77,261	59,244	77,261
Members' Services & Support	8,600,021	8,307,025	3,959,183	2,922,170
Long Service Leave	(23,563)	334,108	(44,721)	315,276
Annual Leave	498,654	(45,144)	43,284	(280,025)
Interest and Bank Charges	414,660	353,269	380,557	319,706
Depreciation	708,151	909,178	708,151	909,178
Other Industrial Expenses	153,403	149,649	153,403	149,649
"Professional Network" Costs	362,369	329,217	362,369	329,217
Industrial Library	18,765	28,960	18,765	28,960
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:	891,310	949,147	-	-
5. CASH AND CASH EQUIVALENTS				
Cash at Bank	2,333,699	1,957,982	880,510	1,101,726
Cash on Hand	3,403	3,904	3,403	3,903
Cash on Deposit	47,281	249,385	47,281	249,385
	2,384,383	2,211,271	931,194	1,355,014

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2008 (Cont'd)**

	Group		Chief Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
6. TRADE AND OTHER RECEIVABLES				
Current				
Subscriptions in Arrears	1,607,108	1,345,379	1,607,108	1,345,379
Provision for Non-Collectability	(49,001)	(49,001)	(49,001)	(49,001)
Net Subscriptions	1,558,107	1,296,378	1,558,107	1,296,378
Sundry Debtors	3,632,796	2,730,629	935,111	508,410
	5,190,903	4,027,007	2,493,218	1,804,788
Non Current				
Amounts Owed by Controlled Entities	-	-	3,716,793	3,354,759

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	
	2008 \$	2007 \$	2008 \$	2007 \$
7. OTHER ASSETS				
Prepayments	302,897	533,398	239,601	406,728
8. FINANCIAL ASSETS				
Shares in Controlled Entities	-	-	16	16
Other Unlisted Shares	-	-	-	-
	-	-	16	16

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 2008 (Cont'd)**

	Group		Chief Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
9. PROPERTY, EQUIPMENT & VEHICLES				
Land and Buildings at National Board Valuation 30/06/07	10,654,000	10,654,000	10,654,000	10,654,000
Buildings at Cost	94,370	-	94,370	-
Total Land & Buildings	10,748,370	10,654,000	10,748,370	10,654,000
Accumulated Depreciation	(268,710)	-	(268,710)	-
	10,479,660	10,654,000	10,479,660	10,654,000
Office Equipment at Cost	5,588,974	5,606,282	5,174,760	5,192,068
Accumulated Depreciation	(4,200,521)	(4,803,025)	(3,830,452)	(4,424,793)
	1,388,453	803,257	1,344,308	767,275
Motor Vehicles at Cost	444,655	428,518	275,950	259,813
Accumulated Depreciation	(444,655)	(428,518)	(275,950)	(259,813)
	-	-	-	-
Motor Vehicles – Leased	802,500	869,721	802,500	869,721
Accumulated Amortisation	(735,623)	(736,301)	(735,623)	(736,301)
	66,877	133,420	66,877	133,420
Total Property, Equipment & Vehicles	11,934,990	11,590,677	11,890,845	11,554,695

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	
	2008 \$	2007 \$	2008 \$	2007 \$
Fixed Assets – start of year	11,590,677	9,005,465	11,554,695	8,971,392
Revaluation – Land and Buildings	-	3,262,498	-	3,262,498
Additions – net	1,052,464	231,892	1,044,301	229,983
Depreciation	(708,151)	(909,178)	(708,151)	(909,178)
Fixed Assets – end of year	11,934,990	11,590,677	11,890,845	11,554,695

	Group		Chief Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
10. INTANGIBLES				
Goodwill	104,050	104,056	-	-
Accumulated Amortisation/Impairment	(104,050)	(104,056)	-	-
	-	-	-	-

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2008 (Cont'd)**

	Group		Chief Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
11. TRADE AND OTHER PAYABLES				
Current				
Sundry Creditors	2,504,016	2,360,099	1,543,761	1,290,358
Prepaid Subscriptions & Fees	3,636,816	3,913,180	2,674,225	2,999,270
Building APESMA Future	457,007	363,769	457,007	363,769
	6,597,839	6,637,048	4,674,993	4,653,397
Non Current				
Amounts Owed to Controlled Entities		-		-
		-		-
12. BORROWINGS				
Current				
Bank Overdraft	-	-	-	-
Bank Bills	2,000,000	1,500,000	2,000,000	1,500,000
Lease Liabilities	157,338	121,017	157,338	121,017
	2,157,338	1,621,017	2,157,338	1,621,017
Non Current				
Lease Liabilities	370,165	136,558	370,165	136,558
Debentures	3,002	3,002	3,002	3,002
	373,167	139,560	373,167	139,560

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 2008 (Cont'd)**

	Group		Chief Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
13. PROVISIONS				
Current				
Long Service Leave	572,545	596,108	532,555	577,276
Annual Leave	1,750,005	1,251,351	1,059,754	1,016,470
	2,322,550	1,847,459	1,592,309	1,593,746

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	
	2008 \$	2007 \$	2008 \$	2007 \$
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	6,057,562	6,057,562	6,057,562
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	6,747,541	6,747,541	6,747,541
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	187,900	130,050	187,900	130,050
1-5 years	392,353	147,550	392,353	147,550
Gross Lease Payments	580,253	277,600	580,253	277,600
Less Future Finance Charges	52,750	20,025	52,750	20,025
Lease Liabilities	527,503	257,575	527,503	257,575
Current	157,338	121,017	157,338	121,017
Non Current	370,165	136,558	370,165	136,558
Lease Liabilities	527,503	257,575	527,503	257,575

**Notes To the Consolidated Annual Accounts
For the Period Ended 30 June 2008 (Cont'd)**

	Chief Entity Investment		Equity Holding		Contributions to Group Profit & Loss	
	2008 \$	2007 \$	2008 %	2007 %	2008 \$	2007 \$
16. CONTROLLED ENTITIES						
Chief Entity						
Association of Professional Engineers, Scientists & Managers, Australia					5,580	232,804
Controlled Entities						
Member Advantage Pty Ltd	2	2	100	100	-	-
ETM Placements Pty Ltd	10	10	100	100	237,117	(173,542)
Education and Training for Professionals Pty Ltd	2	2	100	100	2,313	(38,662)
APESMA Insurance Services Pty Ltd	2	2	100	100	-	-
Engineering Placements Pty Ltd	-	-	100	100	-	-
Chifley Business School Pty Ltd	-	-	100	100	-	25,405
	16	16	n/a	n/a	245,010	46,005

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	
	2008 \$	2007 \$	2008 \$	2007 \$
17. EMPLOYEE BENEFITS				
Aggregate employee benefits including on-costs:				
Annual Leave and Long Service Leave	2,322,550	1,847,459	1,592,309	1,593,746
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	4	3	4	3
Discount rate	9	7	9	7
Settlement term (years)	10	10	10	10

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2008 (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 1 year or less	Fixed Interest Rate 1 to 5 years	Maturities over 5 years	Non- Interest Bearing	Total
	%	\$	\$	\$	\$	\$	\$
30 June 2008							
Assets:							
Cash		2,384,383	-	-	-	-	2,384,383
Subscriptions and Sundry Debtors		-	-	-	-	5,190,903	5,190,903
		<u>2,384,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,190,903</u>	<u>7,575,286</u>

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2008 (Cont'd)**

18. ADDITIONAL FINANCIAL DISCLOSURES (CONT'D)

	Weights of Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturities			Non- Interest Bearing	Total
			1 year or less	1 to 5 years	over 5 years		
	\$	\$	\$	\$	\$	\$	
Liabilities:							
Leases			157,338	370,165	-	-	527,503
Sundry Creditors and Prepaid Subscriptions and Fees	-	-	-	-	-	6,597,839	6,597,839
Bank bills and Overdraft	-	2,000,000	-	-	-	-	2,000,000
Employee entitlements & Debentures	-	-	-	-	-	2,325,552	2,325,552
	-	-	2,157,338	370,165	-	8,923,391	11,450,894
Net financial (liabilities)	2,384,383	(2,157,338)	(370,165)	-	(3,732,488)	(3,875,608)	
30 June 2007							
Total financial assets		2,211,271	-	-	-	4,027,007	6,238,278
Total financial liabilities		-	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)	

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 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

	Carrying Amount 2008 \$	Fair Value 2008 \$
Financial assets		
Cash	2,384,383	2,384,383
Receivables	5,190,903	5,190,903
Financial liabilities		
Payables	6,597,839	6,597,839
Borrowings	2,530,505	2,530,505

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2008 (Cont'd)**

	Group		Chief Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
19. NOTES TO THE CASH FLOW STATEMENTS				
i) Cash comprises cash on hand and at bank, net of outstanding bank overdrafts, as follows:-				
Cash	2,384,383	2,211,271	931,194	1,355,014
Bank Overdraft	-	-	-	-
	2,384,383	2,211,271	931,194	1,355,014
ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities				
Operating Profit/(Loss) after Income Tax	245,010	46,005	5,580	232,804
Add/Less Non cash and investing items				
Depreciation	708,151	909,178	708,151	909,178
Interest and Bank Charges	414,660	353,269	380,557	319,706
Employee Entitlements	475,091	288,964	(1,437)	35,251
Interest Income	(31,943)	(32,224)	(31,943)	(32,224)
	1,810,969	1,565,192	1,060,908	1,464,715
(Increase)/Decrease in Operating Assets, net of assets acquired through amalgamation				
Subscriptions	(261,729)	(323,378)	(261,729)	(323,378)
Sundry Debtors	(902,167)	(1,100,475)	(426,701)	(387,647)
Prepayments	230,501	(264,119)	167,127	(169,030)
	877,574	(122,780)	539,605	584,660
Increase/(Decrease) in Operating Liabilities, net of liabilities assumed through amalgamation				
Creditors and Other Payables	(39,209)	1,500,486	21,596	620,705
	838,365	1,377,706	561,201	1,205,365
iii) The Group has bill and bank overdraft facilities of \$2.50 million as at 30 June 2008 which were utilized to the extent of \$2.00 million. These facilities are subject to annual review (the next review date being May 2009).				

**Notes to the Consolidated Annual Accounts
For the Period Ended 30 June 2008 (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 \$1,321,535 (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 \$360 per full time member of the Collieries' Staff Division in respect of a legal defence fund. For the year, such levies totaled approximately \$0.48 million. At 30 June, 2008, the legal defence fund which is administered by independent trustees has a balance of \$4.29 million.

National Board Statement

On 15 August 2008 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, 2008:–

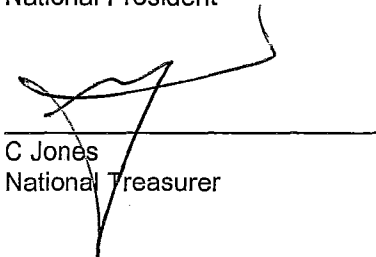
The National Board declares in relation to the financial report that in its opinion:

- (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



C Jones
National Treasurer

Dated: 15 August 2008

South Melbourne, Victoria



STANNARDS

Accountants and Advisors

Partners

Marino Angelini, CA
Michael Shulman, CA
Nello Traficante, CPA
Jason Wall, CA

Associate

Nicole Postan, CA

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 2008.

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, 2008. 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, 2008 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)**

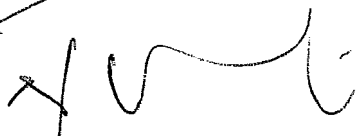
AUDIT OPINION

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, 2008;
 - 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 Trafficante
Partner (CPA)
Holder of Current Public Practice Certificate

Dated: 22 August 2008

South Melbourne, Victoria