



FAIR WORK  
AUSTRALIA

31 December 2009

Mr. E. Romer  
Chief Financial Officer  
The Association of Professional Engineers, Scientists and Managers, Australia  
GPO Box 1272  
MELBOURNE VIC 8060

email: info@apesma.asn.au

Dear Mr Romer,

**Re: Financial report for year ended 30 June 2009 - FR2009/10130**

Thank you for forwarding further information in relation to the financial report of The Association of Professional Engineers, Scientists and Managers, Australia for the year ended 30 June 2009: this has been placed with the documents previously lodged.

The financial report has now been filed.

Yours sincerely

Larry Powell

Tribunal Services and Organisations  
Fair Work Australia



*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>

21 December 2009

Mr. L. Powell  
Fair Work Australia  
Tribunal Services & Organisations  
GPO Box 1994  
Melbourne Vic 3001

Dear Mr. Powell,

**Re: Financial Report for the Branch for year ended 30 June 2009 – FR2009/10130**

I make reference to your letter dated 4<sup>th</sup> December 2009, and note the following key points;

1. Designated Officer's Certificate

Attached is the Designated Officer's Certificate, as requested.

2. Committee of Management Statement

a) Date of Resolution

Committee of Management (National Board) resolution was made on 29 September 2009. A copy of the extract of the National Board minute is attached.

b) Signatory

Committee of Management statement is now signed by only the National Board President.

c) Dating and signing of documents

Committee of Management statement is now duly signed and dated.

If you have any further queries please contact me directly on 9695-8859.

Yours sincerely

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

Evan Romer  
Chief Financial Officer





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9<sup>th</sup> December 2009

Mr L Powell  
Fair Work Australia  
GPO Box 1994  
Melbourne Vic 3001

Dear Mr Powell

**National Secretary's Certificate in Pursuant to Section 268 of Schedule 1 Workplace Relations Act 1996 [now Fair Work (Registered Organisations) Act 2009]**

I, Ms Robyn Porter, 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 section 268 of the RAO Schedule, and
2. that the members have been notified in the October/November 2009 edition of Professional Network that the full report has been published and is available at a specific internet address, and
3. that the full report was presented to a meeting of the National Assembly on 24 October 2009 in accordance with section 266 of the RAO schedule.

A handwritten signature in black ink, appearing to read 'R Porter'.

R Porter  
National Secretary



**MINUTES OF NATIONAL BOARD TELEPHONE CONFERENCE**  
HELD 29 SEPTEMBER 2009, 6.00PM

**1. ATTENDANCE**

Members present were: D Tomat (National President), C Jones (National Treasurer), R Porter (National Secretary), B Jackson (Senior Vice President), A Marquardt (Vice President), K Bader (Vice President), C Greenway (Vice President)

Also present were: C Walton (Chief Executive) and E Romer (Chief Financial Officer)

**Apologies:** Nil

**2. 2009 ACCOUNTS**

The National Board reviewed the financial statement for the year ended 30 June 2009 as presented by the CFO, Evan Romer.

The CEO and CFO outlined the work that was done to ensure that the accounts provided an accurate picture of the financial situation of the Association, subject to an interim audit in December 2009 and the work done to ensure compliance with Australian Accounting Standards and the Industrial Registrar's reporting guidelines.

The Board thanked the CEO and CFO for the thoroughness with which they undertook this task.

The National Board resolved to receive and adopt the financial statements, which comprise the Operating Report, Income Statement, Balance Sheet, Statement of Changes in Organisation Funds & Reserves and the Cashflow Statement for the year ended 30 June 2009.

The National Board declared in relation to the general purpose 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.

The National Board authorises the National President and the National Treasurer to sign, on its behalf, the Operating Report and the National Board Statement for the year ended 30 June 2009.

The National Board resolved there will be no printing of the annual accounts this year. Instead a notice will be prominently placed in the Professional Network to direct members to the APESMA website for accessing to the full financial reports of the Association's audited annual accounts for the year ended 30 June 2009 and the auditor's report thereon. In accordance with the advice from the Australian Industry Registrar, the publication of the notice in the Professional Network will meet the requirement of section 265 (2) of the RAO Schedule

**National Board Statement**

On 2009 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, 2009:—

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 the Fair Work (Registered Organisations) Act 2009; 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 and section 272 of the Fair Work (Registered Organisations) Act 2009 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 and section 273 of the Fair Work (Registered Organisations) Act 2009 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

Dated: 19/10 2009

South Melbourne, Victoria



FAIR WORK  
AUSTRALIA

4 December 2009

Ms. R. Esbitt  
National Secretary  
The Association of Professional Engineers, Scientists and Managers, Australia  
email: info@apesma.asn.au

Dear Ms. Esbitt,

**Re: Financial Report for the Branch for year ended 30 June 2009 – FR2009/10130**

Receipt is acknowledged of the financial report of The Association of Professional Engineers, Scientists and Managers, Australia for year ended 30 June 2009. The financial report was lodged with Fair Work Australia on 4 November 2009.

I direct your attention to the following comments concerning the above report and the financial reporting obligations under Schedule 1 of the Workplace Relations Act 1996 [now Fair Work (Registered Organisations) Act 2009]. Please note that the financial report will not be filed until the requested information has been lodged in this office.

**1. Designated Officer's Certificate**

Section 268 of Schedule 1 requires a certificate by a prescribed designated officer that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266. I note that no such certificate has been lodged.

Would you please forward the designated officer's certificate addressing the above information.

**2. Committee of Management Statement**

**(a) Date of resolution**

Item 26 of the Reporting Guidelines (the Guidelines) requires that the Committee of Management's statement must be made in accordance with such resolution as is passed by the Committee of Management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not provided.

**(b) 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.

**(c) Dating and signing of documents**

It is noted that the Committee of Management Statement is undated.

All documents should be dated as a matter of course.

Would you please arrange lodgement of an amended committee of management statement addressing the above matters.

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@fwa.gov.au](mailto:larry.powell@fwa.gov.au).

Yours sincerely,

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

Larry Powell

Tribunal Services and Organisations



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

**FINANCIAL STATEMENTS AND REPORTS  
FOR THE PERIOD ENDED 30 JUNE 2009**

## **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 of or during the year ended 30 June, 2009.

### **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 loss of \$3,035,505 (2008: net profit of \$245,010).

### **REVIEW OF OPERATION**

#### **Group**

For the 2009 year, the Group continued to provide individual services, and to advance employment, social and economic interest of members. It is currently restructuring its operations, such that its membership base is maintained, and the level and quality of services offered to members enhanced. Overall, the Group's revenue fell by \$1.97 million, whilst expenditure (before impairment of assets) was reduced by \$0.03 million, resulting in the loss recorded this year. The Group has net assets of \$5.48 million, primarily land, plant and cash reserves. An overview of each operation is set out below.

#### **Chief Entity**

The group financial performance during the year which again encompassed member and industrial services was underpinned by a fall in revenue of \$1.85 million from \$12.93 million to \$11.08 million this year. Total subscription revenues fell to \$7.97 million as compared with previous year of \$9.20 million. Overall expenditure (excluding asset impairments) was curbed during the year by some \$0.54 million, despite maintaining the activity levels in the areas of Membership, Building APESMA Future and Legal Support.

#### **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 company reported a net loss of \$0.07 million (2008: \$nil). Total income fell by \$0.22 million from \$7.69 million to \$7.46 million, whilst total expenditure was reduced this year by \$0.16 million.

#### **Career Development**

During the year, ETM Placements generated a net loss of \$0.37 million (2008: profit of \$0.24 million). Total revenues fell by \$0.32 million from the previous year whilst total expenditure increased by \$0.29 million.

#### **Member Advantage**

During its first full year of operation, this business unit generated a net profit of \$0.05 million. Revenue amounted to \$1.84 million for the year.

### **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.

**Operating Report (Cont'd)**

**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.

**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	2008/09
Bill Jackson	Senior Vice President	2008/09
Robyn Porter	National Secretary	2008/09
Colin Jones	National Treasurer	2008/09
Andreas Marquardt	National Vice President	2008/09
Chris Greenway	National Vice President	2008/09
Karina Bader	National Vice President	2008/09

**NUMBER OF MEMBERS**

As at 30 June, 2009, the number of members is 18,806.

**NUMBER OF EMPLOYEES**

As at 30 June, 2009, the number of employees is 140.

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

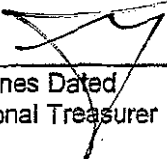
There are no members or officers of the organisation who are:--

- (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

  
C Jones Dated  
National Treasurer

2009, 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, 2009 there have been:-

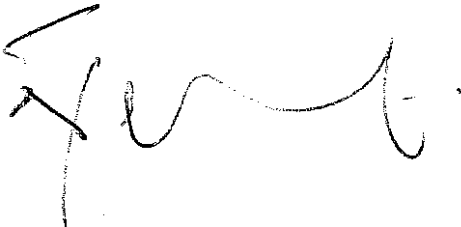
- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*Stannards Accountants*

Stannards, Accountants & Advisors



Michael Shulman  
Partner  
Holder of Current Public Practice Certificate



Nello Traficante  
Partner  
Holder of Current Public Practice Certificate

Dated *16/10/09*

**Income Statement**  
**For the Period Ended 30 June 2009**

	Note	Group		Chief Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
Subscription Income		7,967,890	9,204,659	7,967,890	9,204,659
Other Income from Ordinary Activities	3	12,637,709	13,375,311	3,114,212	3,724,471
Salary Costs Expense		20,605,599	22,579,970	11,082,102	12,929,130
Borrowing Costs Expense		(12,264,356)	(11,160,446)	(7,171,386)	(6,900,946)
Professional Network Costs		(333,112)	(414,660)	(296,467)	(380,557)
Impairment of Assets		(321,644)	(362,369)	(321,644)	(362,369)
Other Expenses from Ordinary Activities		(1,337,358)	-	(1,337,358)	-
Profit before Income Tax	3	(9,384,634)	(10,397,485)	(4,596,191)	(5,279,678)
Income Tax Expense related to Profit	1(l),4	(3,035,505)	245,010	(2,640,944)	5,580
Profit after Income Tax		-	-	-	-
Profit after Income Tax		(3,035,505)	245,010	(2,640,944)	5,580

**Balance Sheet  
as at 30 June 2009**

	Note	Group 2009 \$	2008 \$	Chief Entity 2009 \$	2008 \$
<b>Current Assets</b>					
Cash and Cash Equivalents	5	1,388,657	2,384,383	903,405	931,194
Trade and Other Receivables	6	2,832,072	5,190,903	591,913	2,493,218
Other Assets	7	192,454	302,897	142,677	239,601
<b>Total Current Assets</b>		<b>4,413,183</b>	<b>7,878,183</b>	<b>1,637,995</b>	<b>3,664,013</b>
<b>Non Current Assets</b>					
Trade and Other Receivables	6	-	-	2,359,852	3,716,793
Financial Assets	8	-	-	16	16
Property, Equipment & Vehicles	9	12,190,131	11,934,990	12,092,122	11,890,845
Intangibles	10	-	-	-	-
<b>Total Non Current Assets</b>		<b>12,190,131</b>	<b>11,934,990</b>	<b>14,451,990</b>	<b>15,607,654</b>
<b>Total Assets</b>		<b>16,603,314</b>	<b>19,813,173</b>	<b>16,089,985</b>	<b>19,271,667</b>
<b>Current Liabilities</b>					
Trade and Other Payables	11	6,165,501	6,597,839	3,898,948	4,674,993
Borrowings	12	2,698,064	2,157,338	2,698,064	2,157,338
Provisions	13	2,177,963	2,322,550	1,425,045	1,592,309
<b>Total Current Liabilities</b>		<b>11,041,528</b>	<b>11,077,727</b>	<b>8,022,057</b>	<b>8,424,640</b>
<b>Non Current Liabilities</b>					
Trade and Other Payables	11	-	-	-	-
Borrowings	12	235,012	373,167	235,012	373,167
<b>Total Non Current Liabilities</b>		<b>235,012</b>	<b>373,167</b>	<b>235,012</b>	<b>373,167</b>
<b>Total Liabilities</b>		<b>11,276,540</b>	<b>11,450,894</b>	<b>8,257,069</b>	<b>8,797,807</b>
<b>Net Assets</b>		<b>5,326,774</b>	<b>8,362,279</b>	<b>7,832,916</b>	<b>10,473,860</b>
<b>Funds &amp; Reserves</b>					
Organisation Funds		(1,420,767)	1,614,738	1,085,375	3,726,319
Reserves	14	6,747,541	6,747,541	6,747,541	6,747,541
<b>Total Funds &amp; Reserves</b>		<b>5,326,774</b>	<b>8,362,279</b>	<b>7,832,916</b>	<b>10,473,860</b>
<b>Contingent Liabilities and Commitments</b>					
	15	433,076	527,503	433,076	527,503

**Statement of Changes in Organisation Funds & Reserves  
For the Period Ended 30 June 2009**

	Organisation Funds \$	Reserves \$	Total \$
<b>Group</b>			
Balance – 1 July 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
(Loss) for Year	(3,035,505)	-	(3,035,505)
Balance – 30 June 2009	(1,420,767)	6,747,541	5,326,774
<b>Chief Entity</b>			
Balance – 1 July 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
(Loss) for Year	(2,640,944)	-	(2,640,944)
Balance – 30 June 2009	1,085,375	6,747,541	7,832,916

**Cashflow Statement**  
**For the Period Ended 30 June 2009**

	Note	Group		Chief Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
<b>Cash from Operating Activities</b>					
Cash receipts from customers		22,830,736	20,699,785	12,849,713	11,438,411
Cash payments to suppliers and employees		(21,528,524)	(19,861,420)	(12,056,919)	(10,877,210)
Net Cash Provided by Operating Activities	19(ii)	1,302,212	838,365	792,794	561,201
<b>Cash from Investing Activities</b>					
Lease Repayments – net		(224,427)	(190,050)	(224,427)	(190,050)
Proceeds – Bank Bills		500,000	500,000	500,000	500,000
Interest and Bank Charges		(333,112)	(414,660)	(296,467)	(380,557)
Interest Income		33,694	31,943	33,694	31,943
(Payments)/Receipts (To)/From Controlled Entities		-	-	1,356,941	(362,034)
Payments for Fixed Assets		(2,271,091)	(592,486)	(2,187,322)	(584,323)
Debentures		(3,002)	-	(3,002)	-
Net Cash Provided by Investing Activities		(2,297,938)	(665,253)	(820,583)	(985,021)
Net Increase/(Decrease) in Cash		(995,726)	173,112	(27,789)	(423,820)
Cash at the Beginning of the Period		2,384,383	2,211,271	931,194	1,355,014
Cash at the End of the Period	19(i)	1,388,657	2,384,383	903,405	931,194



**Notes to the Consolidated Annual Accounts  
For the Period Ended 30 June 2009**

**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 2009 (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 2009 (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 2009 (Cont'd)**

**1. ACCOUNTING METHODS & POLICIES (CONT'D)**

**a. 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.

**(m) Subscription Income**

Prepaid subscription income represents subscriptions received in advance from "full account paying" members. Subscriptions in arrears represents expected receipts from "full account paying" members, not received at balance date. In prior years, such arrears were calculated by reference to budgeted membership levels, whereas this year, they have been based on actual membership levels. This approach is considered appropriate, given that membership levels have been falling in recent times, in that it more accurately reflects revenue in the period it is derived.

**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 2009 (Cont'd)**

	Group		Chief Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>3. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:-</b>				
<b>a) Crediting as Revenue</b>				
Subscriptions	7,967,890	9,204,659	7,967,890	9,204,659
Education	7,464,300	7,687,696	-	-
Employment	2,236,663	2,554,888	-	-
Management fees	-	-	2,019,458	1,321,535
Member Services	1,841,992	1,440,692	-	1,440,692
Rental Income	552,987	431,444	552,987	431,444
Interest	33,694	31,943	33,694	31,943
Other Income	508,073	1,228,648	508,073	498,857
	<b>20,605,599</b>	<b>22,579,970</b>	<b>11,082,102</b>	<b>12,929,130</b>
<b>b) Charging as Expenses</b>				
Affiliation Fees	148,717	163,914	148,717	163,914
Salaries & Allowances – Officers	-	-	-	-
Salaries & Allowances – Other	12,224,356	11,160,446	7,131,386	6,900,946
Meeting Expenses	208,000	190,455	205,630	190,455
Audit & Accounting Fees	28,000	28,000	28,000	28,000
Legal Fees	23,244	59,685	22,683	59,244
Members' Services & Support	8,132,553	8,600,021	3,399,623	3,959,183
Long Service Leave	514,448	(23,563)	227,809	(44,721)
Annual Leave	(659,035)	498,654	(395,073)	43,284
Interest and Bank Charges	333,112	414,660	296,467	380,557
Impairment of Fixed Assets	1,337,358	-	1,337,358	-
Depreciation	808,592	708,151	778,687	708,151
Other Industrial Expenses	199,848	153,403	199,848	153,403
"Professional Network" Costs	321,644	362,369	321,644	362,369
Industrial Library	20,267	18,765	20,267	18,765
<b>4. INCOME TAX EXPENSE</b>				
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:	976,692	891,310	-	-
<b>5. CASH AND CASH EQUIVALENTS</b>				
Cash at Bank	1,246,173	2,333,699	760,921	880,510
Cash on Hand	7,176	3,403	7,176	3,403
Cash on Deposit	135,308	47,281	135,308	47,281
	<b>1,388,657</b>	<b>2,384,383</b>	<b>903,405</b>	<b>931,194</b>

**Notes to the Consolidated Annual Accounts  
For the Period Ended 30 June 2009 (Cont'd)**

	Group		Chief Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>6. TRADE AND OTHER RECEIVABLES</b>				
<b>Current</b>				
Subscriptions in Arrears	307,108	1,607,108	307,108	1,607,108
Provision for Non-Collectability	(49,001)	(49,001)	(49,001)	(49,001)
Net Subscriptions	258,107	1,558,107	258,107	1,558,107
Sundry Debtors	2,573,965	3,632,796	333,806	935,111
	2,832,072	5,190,903	591,913	2,493,218
<b>Non Current</b>				
Amounts Owed by Controlled Entities	-	-	2,359,852	3,716,793

**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	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>7. OTHER ASSETS</b>				
Prepayments	192,454	302,897	142,677	239,601
<b>8. FINANCIAL ASSETS</b>				
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 2009 (Cont'd)**

	Group		Chief Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>9. PROPERTY, EQUIPMENT &amp; VEHICLES</b>				
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	470,370	94,370	470,370	94,370
Total Land & Buildings	11,124,370	10,748,370	11,124,370	10,748,370
Accumulated Depreciation	(463,421)	(268,710)	(463,421)	(268,710)
	10,660,949	10,479,660	10,660,949	10,479,660
Office Equipment at Cost	1,784,415	5,588,974	1,606,232	5,174,760
Accumulated Depreciation	(864,173)	(4,200,521)	(783,999)	(3,830,452)
	920,242	1,388,453	822,233	1,344,308
Motor Vehicles at Cost	966,598	1,078,450	966,598	1,078,450
Accumulated Depreciation	(357,658)	(1,011,573)	(357,658)	(1,011,573)
	608,940	66,877	608,940	66,877
Total Property, Equipment & Vehicles	12,190,131	11,934,990	12,092,122	11,890,845

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. In the current year, given the age of assets and performance of the Group, an asset impairment write down of \$1.34 million was deemed necessary.

	Group		Chief Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Fixed Assets – start of year	11,934,990	11,590,677	11,890,845	11,554,695
Revaluation – Land and Buildings		-		-
Additions/(Transfers) - net	2,401,091	1,052,464	2,317,322	1,044,301
Impairment o Assets	(1,337,358)	-	(1,337,358)	-
Depreciation	(808,592)	(708,151)	(778,687)	(708,151)
Fixed Assets – end of year	12,190,131	11,934,990	12,092,122	11,890,845

	Group		Chief Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>10. INTANGIBLES</b>				
Goodwill	104,050	104,050	-	-
Accumulated Amortisation/Impairment	(104,050)	(104,050)	-	-
	-	-	-	-

**Notes to the Consolidated Annual Accounts  
For the Period Ended 30 June 2009 (Cont'd)**

	Group		Chief Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>11. TRADE AND OTHER PAYABLES</b>				
<b>Current</b>				
Sundry Creditors	2,090,225	2,504,016	666,228	1,543,761
Prepaid Subscriptions & Fees	3,595,276	3,636,816	2,752,720	2,674,225
Building APESMA Future	480,000	457,007	480,000	457,007
	<b>6,165,501</b>	<b>6,597,839</b>	<b>3,898,948</b>	<b>4,674,993</b>
<b>Non Current</b>				
Amounts Owed to Controlled Entities	-	-	-	-
<b>12. BORROWINGS</b>				
<b>Current</b>				
Bank Overdraft	-	-	-	-
Bank Bills	2,500,000	2,000,000	2,500,000	2,000,000
Lease Liabilities	198,064	157,338	198,064	157,338
	<b>2,698,064</b>	<b>2,157,338</b>	<b>2,698,064</b>	<b>2,157,338</b>
<b>Non Current</b>				
Lease Liabilities	235,012	370,165	235,012	370,165
Debentures	-	3,002	-	3,002
	<b>235,012</b>	<b>373,167</b>	<b>235,012</b>	<b>373,167</b>

**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 2009 (Cont'd)**

	Group		Chief Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>13. PROVISIONS</b>				
<b>Current</b>				
Long Service Leave	1,086,993	572,545	760,364	532,555
Annual Leave	1,090,970	1,750,005	664,681	1,059,754
	<b>2,177,963</b>	<b>2,322,550</b>	<b>1,425,045</b>	<b>1,592,309</b>

**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	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>14. RESERVES</b>				
<b>Capital Profits Reserve</b>				
Balance as at start and end of year	144,184	144,184	144,184	144,184
<b>Property Revaluation Reserve</b>				
Balance as at start and end of year (refer note 9)	6,057,562	6,057,562	6,057,562	6,057,562
<b>Asset Realisation Reserve</b>				
Balance as at start and end of year	451,777	451,777	451,777	451,777
<b>General Reserve</b>				
Balance as at start and end of year	94,018	94,018	94,018	94,018
<b>Total Reserves</b>	<b>6,747,541</b>	<b>6,747,541</b>	<b>6,747,541</b>	<b>6,747,541</b>
<b>15. CONTINGENT LIABILITIES AND COMMITMENTS</b>				
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	178,257	187,900	178,257	187,900
1-5 years	297,909	392,353	297,909	392,353
Gross Lease Payments	476,166	580,253	476,166	580,253
Less Future Finance Charges	43,090	52,750	43,090	52,750
Lease Liabilities	433,076	527,503	433,076	527,503
Current	198,064	157,338	198,064	157,338
Non Current	235,012	370,165	235,012	370,165
Lease Liabilities	433,076	527,503	433,076	527,503

Notes To the Consolidated Annual Accounts  
For the Period Ended 30 June 2009 (Cont'd)

	Chief Entity Investment		Equity Holding		Contributions to Group Profit & Loss	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
<b>16. CONTROLLED ENTITIES</b>						
<b>Chief Entity</b>						
Association of Professional Engineers, Scientists & Managers, Australia					(2,640,944)	5,580
<b>Controlled Entities</b>						
Member Advantage Pty Ltd	2	2	100	100	46,548	-
ETM Placements Pty Ltd	10	10	100	100	(374,700)	237,117
Education and Training for Professionals Pty Ltd	2	2	100	100	-	2,313
APESMA Insurance Services Pty Ltd	2	2	100	100	-	-
Engineering Placements Pty Ltd	-	-	100	100	-	-
Chifley Business School Pty Ltd	-	-	100	100	(66,409)	-
	16	16	n/a	n/a	(3,035,505)	245,010

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	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>17. EMPLOYEE BENEFITS</b>				
Aggregate employee benefits including on-costs: Annual Leave and Long Service Leave	2,177,963	2,322,550	1,425,045	1,592,309
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	4	3	4
Discount rate	8	9	8	9
Settlement term (years)	10	10	10	10

**Notes to the Consolidated Annual Accounts  
For the Period Ended 30 June 2009 (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	Carrying Amount (\$)	Fixed Rate (\$)	Interest Rate (\$)	Variable Rate (\$)	Net Interest Sensitivity	Total
<b>30 June 2009</b>							
<b>Assets:</b>							
Cash	2.9	1,388,657	-	-	-	-	1,388,657
Subscriptions and Sundry Debtors		-	-	-	-	2,832,072	2,832,072
<b>Total financial assets</b>		<b>1,388,657</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,832,072</b>	<b>4,220,729</b>

Notes to the Consolidated Annual Accounts  
For the Period Ended 30 June 2009 (Cont'd)

18. ADDITIONAL FINANCIAL DISCLOSURES (CONT'D)

	Average Effective Interest Rate	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Liabilities:</b>					
Leases	5.0	198,064	235,012	-	-
Sundry Creditors and Prepaid Subscriptions and Fees	-	-	-	-	6,165,501
Bank bills and Overdraft	-	2,500,000	-	-	-
Employee entitlements & Debentures	-	-	-	-	2,177,963
<b>Total financial liabilities</b>		<b>2,698,064</b>	<b>235,012</b>	<b>-</b>	<b>8,343,464</b>
<b>Net financial (liabilities)</b>		<b>1,388,657</b>	<b>(235,012)</b>	<b>(5,511,392)</b>	<b>(7,055,811)</b>
<b>30 June 2008</b>					
<b>Total financial assets</b>	<b>3.6</b>	<b>2,384,383</b>	<b>-</b>	<b>-</b>	<b>5,190,903</b>
<b>Total financial liabilities</b>	<b>5.6</b>	<b>-</b>	<b>2,157,338</b>	<b>370,265</b>	<b>-</b>
<b>Net financial (liabilities)</b>		<b>2,384,383</b>	<b>(2,157,338)</b>	<b>(370,265)</b>	<b>(3,729,436)</b>

A 2% change in interest rates would change profit before tax by \$30,890.

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 2009 \$	Fair Value 2009 \$
<b>Financial assets</b>		
Cash	1,388,657	1,388,657
Receivables	2,832,072	2,832,072
<b>Financial liabilities</b>		
Payables	6,165,501	6,165,501
Borrowings	2,933,076	2,933,076

	Carrying Amount 2008 \$	Fair Value 2008 \$
<b>Financial assets</b>		
Cash	2,384,383	2,384,383
Receivables	5,190,903	5,190,903
<b>Financial liabilities</b>		
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 2009 (Cont'd)**

		Group		Chief Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>19.</b>	<b>NOTES TO THE CASH FLOW STATEMENTS</b>				
i)	Cash comprises cash on hand and at bank, net of outstanding bank overdrafts, as follows:-				
	Cash	1,388,657	2,384,383	903,405	931,194
	Bank Overdraft	-	-	-	-
		<u>1,388,657</u>	<u>2,384,383</u>	<u>903,405</u>	<u>931,194</u>
ii)	Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities				
	Operating Profit/(Loss) after Income Tax	(3,035,505)	245,010	(2,640,944)	5,580
	Add/Less Non cash and investing items				
	Asset Impairment	1,337,358	-	1,337,358	-
	Depreciation	808,592	708,151	778,687	708,151
	Interest and Bank Charges	333,112	414,660	296,467	380,557
	Employee Entitlements	(144,587)	475,091	(167,264)	(1,437)
	Interest income	(33,694)	(31,943)	(33,694)	(31,943)
		<u>(734,724)</u>	<u>1,810,969</u>	<u>(429,390)</u>	<u>1,060,908</u>
	(Increase)/Decrease in Operating Assets, net of assets acquired through amalgamation				
	Subscriptions	1,188,271	(261,729)	1,188,271	(261,729)
	Sundry Debtors	1,170,560	(902,167)	713,034	(426,701)
	Prepayments	110,443	230,501	96,924	167,127
		<u>1,734,550</u>	<u>877,574</u>	<u>1,568,839</u>	<u>539,605</u>
	Increase/(Decrease) in Operating Liabilities, net of liabilities assumed through amalgamation				
	Creditors and Other Payables	(432,338)	(39,209)	(776,045)	21,596
		<u>1,302,212</u>	<u>838,365</u>	<u>792,794</u>	<u>561,201</u>

iii) The Group has bank bills and bank overdraft facilities of \$3.60 million as at 30 June 2009 which were utilized to the extent of \$2.50 million. These facilities are subject to annual review (the next review date being November 2009).

**Notes to the Consolidated Annual Accounts  
For the Period Ended 30 June 2009 (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 \$2,019,458 (on normal commercial terms and conditions) for services rendered to controlled entities. Loans to and from controlled entity are disclosed in the notes to the financial report.

No member of the National Board recovered remuneration for services rendered. Remuneration paid/payable to independent directors of the Business Unit/Controlled Entity amount to \$77,000.

**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**

A compulsory levy is payable at a rate of \$167.52 (ex GST) per full time member of the Collieries' Staff Division in respect of a legal defence fund. For the year, such levies totaled approximately \$0.436 million. At 30 June, 2009, the legal defence fund which is administered by independent trustees has a balance of approximately \$4.73 million.

**National Board Statement**

On 2009 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, 2009:—

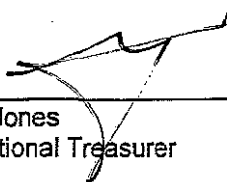
The National Board declares in relation to the financial report that in its opinion:

- (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 the Fair Work (Registered Organisations) Act 2009; 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 and section 272 of the Fair Work (Registered Organisations) Act 2009 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 and section 273 of the Fair Work (Registered Organisations) Act 2009 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: 2009

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 2009.

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, 2009. 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, 2009 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, 2009;
  - 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 .

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

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

Dated: 14/10/09

South Melbourne, Victoria