



FAIR WORK
AUSTRALIA

3 May 2011

Ms Robyn Porter
National Secretary
The Association of Professional Engineers, Scientists and Managers, Australia

email: info@apesma.asn.au

Dear Ms Porter

Re: Financial Report for The Association of Professional Engineers, Scientists and Managers, Australia Branch for year ended 30 June 2010 – FR2010/2755

I acknowledge receipt of correspondence dated 5 April 2011 from The Association of Professional Engineers, Scientists and Managers, Australia (the Association) in response to correspondence of Fair Work Australia (FWA) dated 18 February 2011. The correspondence was received on 18 April 2011.

The financial report has now been filed.

I make the following comments in relation to the full and the concise reports to assist you when you next prepare a financial report. You are not required to take any further action in respect of the reports lodged.

Timing of Financial Documents - Lodgement of documents with Fair Work Australia

[Section 268](#) of the *Fair Work (Registered Organisations) Act 2009* requires the Association to lodge its financial documents with FWA within 14 days of the date of the meeting of the Committee of Management at which they were presented (that is, 13 December 2010). The documents were not lodged with FWA until 27 January 2011. In future years please ensure that financial reports are lodged with FWA within 14 days of the meeting of the Committee of Management.

Fair Work (Registered Organisations) Act 2009

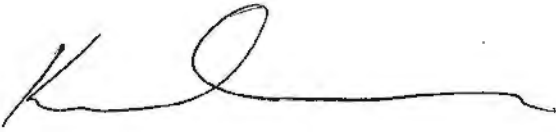
Reference to the 'RAO Schedule' in the designated officer's certificate of the *Workplace Relations Act 1996*, should properly refer to *Fair Work (Registered Organisations) Act 2009*. Also reference to 'Registrar' appearing in note 1(n) of the full report and note 3 of the concise report should be 'General Manager'.

Membership of Committee of Management

The operating report contained a list of members of the Committee of Management of the Association as at the date of this report. The Operating Report is required to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position - refer regulation 159(c) of the *Fair Work (Registered Organisations) Regulations 2009*.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to be 'K Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan
Tribunal Services and Organisations
Fair Work Australia
Email: kevin.donnellan@fwa.gov.au

5 April 2011

Mr K. Donnellan
Tribunal Services and Organisations
Fair work Australia
GPO Box 1994
Melbourne Vic 3001

Dear Mr Donnellan,

Re: Association of Professional Engineers, Scientists & Managers, Australia for year ended 30 June 2010 – FR2010/2755

I refer to your letter dated 18 February 2011 and advise the following;

Designated Officer's Certificate


- Members were provided with a full copy of the report
- Members were advised to access the accounts online on 30 November 2010

Concise Report

- As stated above, members were advised that a full set of the report was available online

If you have any queries or wish to discuss further, please do not hesitate to contact me on 02 6207 5370.

Yours sincerely,


Robyn Porter
Secretary
APESMA



FAIR WORK
AUSTRALIA

18 February 2011

Ms Robyn Porter
National Secretary
The Association of Professional Engineers, Scientists and Managers, Australia

email: info@apesma.asn.au

Dear Ms Porter

Re: Financial Report for The Association of Professional Engineers, Scientists and Managers, Australia Branch for year ended 30 June 2010 – FR2010/2755

I acknowledge receipt of the financial report for The Association of Professional Engineers, Scientists and Managers, Australia (the Association) for the year ended 30 June 2010. The report was lodged with Fair Work Australia on 22 February 2011.

The financial report has not been filed.

The following matters require your attention before any action can be taken to file the above report.

Designated Officer's certificate

The designated officer's certificate indicates at point 2. that members were notified that the full report has been published and is available at a specific internet address. Also, the Association has included with the full report, a copy of a concise report. Could the Association indicate if the members were provided with a copy of the concise report and what was date it was distributed to members. Or, if the full report was made available on a specific internet site, what was the date that members were notified that it was available on the internet site.

Concise Report

Section 265(2) of the Fair Work (Registered Organisations) Act 2009 (the Act) states that a concise report may only be provided if, under the rules of the reporting unit, the committee of management of the reporting unit resolves that a concise report is to be provided. Could the Association provide a copy of the resolution of the Committee of Management to satisfy section 265(2) of the Act.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

Kevin Donnellan
Tribunal Services and Organisations
Fair Work Australia
Email: kevin.donnellan@fwa.gov.au



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

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27th January 2011

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 2010 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 29th November 2010 in accordance with section 266 of the RAO schedule.

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

R Porter
National Secretary

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

**FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 30 JUNE 2010**

Operating Report

The National Board presents 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, 2010.

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 \$1,432,931 (2009: net loss of \$2,399,318).

REVIEW OF OPERATION

Group

For the 2010 year, the Group continued to provide individual services, and to advance employment, social and economic interests of members. The current year included a staff restructure to ensure its membership base is maintained, and the level and quality of services offered to members enhanced. Overall, the Group's revenue fell by \$1.709million, whilst expenditure (before impairment of assets in 2009) was reduced by \$2.675 million, resulting in the loss recorded this year. The Group has net assets of \$8.692 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 \$0.068 million from \$11.897 million to \$11.829 million. Total subscription revenues rose from \$8.496 million to \$9.569 million this year. Overall expenditure (excluding asset impairments 2009) has increased by \$0.004 million during the year, due to restructure costs and provision for doubtful debts relating to Inter-Company loans.

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 \$0.717 million (2009: \$0.066 million). Total income fell by \$0.910 million from \$7.46 million to \$6.55 million, whilst total expenditure was reduced this year by \$0.258 million.

Career Development

During the year, ETM Placements generated a net loss of \$0.734 million (2009: loss of \$0.374 million). Total revenues fell by \$1.299 million from the previous year whilst total expenditure also decreased by \$0.939 million.

Member Advantage

Member Advantage generated a net loss of \$0.061 million. Total revenues fell by \$0.140 million whilst expenditure also decreased by \$0.033 million.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during or since the end of the year other than:-

- a) Subsequent to balance date, ETM Placements Pty Ltd entered into an alliance agreement with national recruitment firm Bayside Group who will take over responsibility for the provision of employment placement services previously undertaken by this company and for which the company will receive commissions in accordance with agreed terms.

Operating Report (Cont'd)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

- b) Subsequent to balance date, Chifley Business School Pty Ltd resolved to issue 750,000 \$1 redeemable preference shares to APESMA. The shares are to be redeemed together with dividends at the rate of 8% pa in future periods.

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 members 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	2009/10
Bill Jackson	Senior Vice President	2009/10
Robyn Porter	National Secretary	2009/10
Karina Bader	National Treasurer	2009/10
Andreas Marquardt	National Vice President	2009/10
Chris Greenway	National Vice President	2009/10
Colin Jones	National Vice President	2009/10

NUMBER OF MEMBERS

As at 30 June, 2010, the number of members is 20,420.

NUMBER OF EMPLOYEES

As at 30 June, 2010, the number of employees is 130.

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


K Bader
National Treasurer

Dated 4th November

2010, South Melbourne, Victoria

Auditor's Independence Declaration

To the Members of the Association of Professional Engineers, Scientists and Managers, Australia:

As engagement partner for the audit of the Association of Professional Engineers, Scientists and Managers, Australia for the year ended 30 June 2010 I declare that, to the best of my knowledge and belief, there have been:

- i. No contraventions of the independence requirements of Australian professional ethical pronouncements in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.



R. H. Hutton
Partner



UHY Haines Norton
Chartered Accountants

Melbourne

Dated this 4th day of November 2010

**Statement of Comprehensive Income
for the Year Ended 30 June 2010**

	Note	Group		Chief Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
Subscription Income	3	9,568,503	8,495,768	9,568,503	8,495,768
Other Income from Ordinary Activities	3	10,143,842	12,925,220	2,260,298	3,401,723
	3	19,712,345	21,420,988	11,828,801	11,897,491
Employment Costs		(12,726,032)	(12,280,047)	(8,352,347)	(7,187,077)
Borrowing Costs		(338,305)	(333,188)	(300,845)	(296,543)
Professional Network Costs		(272,451)	(321,644)	(272,451)	(321,644)
Impairment of Assets		-	(1,337,358)	-	(1,337,358)
Other Expenses		(7,808,488)	(9,548,069)	(5,017,891)	(4,759,626)
Profit before Income Tax		(1,432,931)	(2,399,318)	(2,114,733)	(2,004,757)
Income Tax Expense	1(l),4	-	-	-	-
Profit after Income Tax		(1,432,931)	(2,399,318)	(2,114,733)	(2,004,757)
Other Comprehensive Income/(Expenses)		-	-	-	-
Total Comprehensive income/(loss) attributable to members of the entity		(1,432,931)	(2,399,318)	(2,114,733)	(2,004,757)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes on pages 9 to 32.

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS AUSTRALIA

**Statement of Financial Position
as at 30 June 2010**

	Note	Group			Chief Entity		
		2010	2009	1 July 2008	2010	2009	1 July 2008
		\$	\$	\$	\$	\$	\$
Current Assets							
Cash and Cash Equivalents	5	1,504,050	1,934,959	2,852,561	2,518,720	1,449,707	1,399,372
Trade and Other Receivables	6	2,321,585	2,832,072	5,190,903	892,930	591,913	2,493,218
Other Assets	7	298,085	192,454	302,897	192,831	142,677	239,601
Financial Assets	8	4,105,067	3,712,463	3,221,839	4,105,067	3,712,463	3,221,839
Total Current Assets		8,228,787	8,671,948	11,568,200	7,709,548	5,896,760	7,354,030
Non Current Assets							
Trade and Other Receivables	6	-	-	-	276,305	2,359,845	3,716,793
Financial Assets	8	-	-	-	23	23	23
Property, Equipment & Vehicles	9	11,759,117	12,190,131	11,934,990	11,681,726	12,092,122	11,890,845
Intangibles	10	-	-	-	-	-	-
Total Non Current Assets		11,759,117	12,190,131	11,934,990	11,958,054	14,451,990	15,607,661
Total Assets		19,987,904	20,862,079	23,503,190	19,667,602	20,348,750	22,961,691
Current Liabilities							
Trade and Other Payables	11	6,479,164	5,625,757	6,125,534	4,301,315	3,358,416	4,201,907
Borrowings	12	2,639,157	2,698,064	2,157,338	2,639,157	2,698,064	2,157,338
Provisions	13	1,850,270	2,177,963	2,322,550	1,850,270	1,425,045	1,592,309
Total Current Liabilities		10,968,591	10,501,784	10,605,422	8,790,742	7,481,525	7,951,554
Non Current Liabilities							
Provisions	13	184,183	-	-	184,183	-	-
Borrowings	12	142,778	235,012	373,167	175,197	235,012	373,167
Total Non Current Liabilities		326,961	235,012	373,167	359,380	235,012	373,167
Total Liabilities		11,295,552	10,736,796	10,978,589	9,150,122	7,716,537	8,324,721
Net Assets		8,692,352	10,125,283	12,524,601	10,517,480	12,632,213	14,636,970
Funds & Reserves							
Organisation Funds		(4,633,402)	(2,475,339)	560,166	(2,808,274)	31,591	2,672,535
Reserves	14	13,325,754	12,600,622	11,964,435	13,325,754	12,600,622	11,964,435
Total Funds & Reserves		8,692,352	10,125,283	12,524,601	10,517,480	12,632,213	14,636,970
Commitments	15						
Contingent Assets & Liabilities	22						

In accordance with AASB101.39 a third Statement of Financial Position has been included to reflect the correction of errors as at 1 July 2008 as detailed in Note 24.

The above Statement of Financial Position should be read in conjunction
with the accompanying notes on pages 9 to 32.

**Statement of Changes in Equity
for the Year Ended 30 June 2010**

	Note	Organisation Funds \$	Reserves \$	Total \$
Group				
Balance – 1 July 2008		1,614,738	6,747,541	8,362,279
Prior Period Correction	24	(1,054,572)	5,216,894	4,162,322
Restated Balance 1 July 2008		560,166	11,964,435	12,524,601
(Loss) for Year		(2,399,318)	-	(2,399,318)
Transfer to Legal Defence Funds - APESMA	14	(73,654)	73,654	-
Transfer to Legal Defence Funds - CSD		(562,533)	562,533	-
Balance – 30 June 2009		(2,475,339)	12,600,622	10,125,283
(Loss) for Year		(1,432,931)	-	(1,432,931)
Transfer to Legal Defence Funds - CSD		(725,132)	725,132	-
Balance – 30 June 2010		(4,633,402)	13,325,754	8,692,352
Chief Entity				
Balance – 1 July 2008		3,726,319	6,747,541	10,473,860
Prior Period Correction	23	(1,053,784)	5,216,894	4,163,110
Restated Balance 1 July 2008		2,672,535	11,964,435	14,636,970
(Loss) for Year		(2,004,757)	-	(2,004,757)
Transfer to Legal Defence Funds - APESMA	14	(73,654)	73,654	-
Transfer to Legal Defence Funds - CSD		(562,533)	562,533	-
Balance – 30 June 2009		31,591	12,600,622	12,632,213
(Loss) for Year		(2,114,733)	-	(2,114,733)
Transfer to Legal Defence Funds - CSD		(725,132)	725,132	-
Balance – 30 June 2010		(2,808,274)	13,325,754	10,517,480

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes on pages 9 to 32.

**Statement of Cash Flows
for the Year Ended 30 June 2010**

	Note	Group		Chief Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
Cash Flows from Operating Activities					
Cash receipts from customers		20,824,616	22,732,393	11,983,274	12,751,366
Cash payments to suppliers and employees		(20,864,933)	(21,701,515)	(10,292,000)	(12,229,906)
Interest and Bank Charges		(338,305)	(333,112)	(300,845)	(296,467)
Interest Income		270,235	206,475	270,235	206,475
Net Cash Provided by Operating Activities	19(ii)	(108,387)	904,241	1,660,664	431,468
Cash Flows from Investing Activities					
Rental Income		513,592	667,301	513,592	667,301
Purchase of Fixed Assets		(359,878)	(2,271,091)	(311,992)	(2,187,322)
Proceeds from Sale of Assets		114,432	-	114,432	-
Purchase of Investments		(392,604)	(490,624)	(392,604)	(490,624)
Net Cash used in Investing Activities		(124,458)	(2,094,414)	(76,572)	(2,010,645)
Cash Flows from Financing Activities					
Lease Payments		(198,064)	(224,427)	(198,062)	(224,427)
Proceeds from Borrowings		-	500,000	-	500,000
Loan Repayments Controlled Entities		-	-	(317,015)	1,356,941
Repayment Debentures		-	(3,002)	-	(3,002)
Net Cash Provided by Financing Activities		(198,064)	272,571	(515,077)	1,629,512
Net Increase/(Decrease) in Cash and Cash Equivalents at the Beginning of the Year		(430,909)	(917,602)	1,069,013	50,335
Cash and Cash Equivalents at the End of the Year	19(i)	1,934,959	2,852,561	1,449,707	1,399,372

The above Statement of Cash Flows should be read in conjunction with the accompanying notes on pages 9 to 32.

**Statement of Receipts and Payments
for Recovery of Wages Activity – Cash Basis
for the Year Ended 30 June 2010**

	2010 \$	2009 \$
Cash Assets in respect of recovered money at beginning of the year	-	-
Receipts		
Membership Subscriptions	-	-
Interest Received	-	-
Total Receipts	<u>-</u>	<u>-</u>
Payments		
Deductions of amounts due in respect of membership	-	-
Deductions of donations or other contributions to accounts or funds	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total Payments	<u>-</u>	<u>-</u>
Cash assets in respect of recovered money at the end of the year	<u>-</u>	<u>-</u>

The above Statement should be read in conjunction
with the accompanying notes on pages 9 to 32.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

1. ACCOUNTING METHODS & POLICIES

Basis of Preparation

The accounts which are a general purpose financial report have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Reporting Guidelines of the General Manager of Fair Work Australia and any other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. 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. Compliance with Australian Accounting Standards means that the Financial Statements and notes also comply with International Financial Reporting Standards. 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 and 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, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining their recoverable amounts.

Depreciation

The depreciable amounts of all fixed assets including buildings, are depreciated over their estimated economic lives on a straight line 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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

1. ACCOUNTING METHODS & POLICIES CONT'D

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.

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 assesses 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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

1. ACCOUNTING METHODS & POLICIES CONT'D

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 statement of financial position.

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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows 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.

**Notes to the Consolidated Annual Accounts
For the Year Ended 30 June 2010**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

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.

Entitlements of employees of the Group are the legal responsibility of APESMA. Amounts due in respect to these entitlements had in prior years been included in the financial reports of controlled entities as employee entitlements. For the year ended 30 June 2010 controlled entities have correctly recorded amounts due in respect to these entitlements in amounts payable/receivable from the Chief Entity on the basis that the controlled entities will be required to reimburse the Chief Entity as leave is taken by employees.

The Chief Entity has disclosed these amounts in amounts receivable from controlled entities and employee entitlements as at 30 June 2010. The amounts adjusted as at 30 June 2010 in the statement of financial position was \$648,973.

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. There was no impact from this change on the profit after income tax.

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.

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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

n) Information to be Provided to Members or Registrar

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which reads as follows:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit 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 reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

o) Adoption of New and Revised Accounting Standards

During the current year, the Group has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to the operations which become mandatory.

The impact of these Accounting Standards are assessed as having no material impact on the financial reports.

p) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt.

The expected impact of these Accounting Standards issued but not yet operative at 30 June 2010 are assessed as having no material impact on this financial report.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
3. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:-				
a) Crediting as Revenue				
Subscriptions	9,568,503	8,495,768	9,568,503	8,495,768
Education (Chifley Business School Pty Ltd)	6,554,166	7,464,300	-	-
Employment (ETM Placements Pty Ltd)	937,945	2,236,663	-	-
Licence Fees	-	-	1,310,190	2,019,458
Member Services (Member Advantage Pty Ltd)	1,701,623	1,841,992	-	-
Rental Income	513,592	667,301	513,592	667,301
Interest	270,235	206,475	270,235	206,475
Other Income	166,281	508,489	166,281	508,489
	19,712,345	21,420,988	11,828,801	11,897,491
b) Charging as Expenses				
Affiliation Fees	152,107	148,717	152,107	148,717
Salaries & Allowances – Officers	-	-	-	-
Salaries & Allowances – Other	12,095,377	12,240,047	7,886,127	7,147,077
Meeting Expenses	160,433	231,467	159,591	229,097
Audit & Accounting Fees	77,172	28,000	47,808	28,000
Legal Fees	34,827	52,814	29,352	52,253
Members' Services & Support	6,675,188	8,242,951	1,814,219	3,510,021
Long Service Leave	269,976	514,448	125,958	227,809
Annual Leave	360,679	(659,035)	340,262	(395,073)
Interest and Bank Charges	338,305	333,188	300,845	296,543
Impairment of Fixed Assets	-	1,337,358	-	1,337,358
Depreciation	546,029	808,592	511,120	778,687
Other Industrial Expenses	86,234	199,848	86,234	199,848
Professional Network Costs	272,450	321,644	272,450	321,644
Industrial Library	23,930	20,267	23,930	20,267
Provision for Doubtful Debts	-	-	2,193,531	-
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:				
	1,375,680	882,631	-	-

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
5. CASH AND CASH EQUIVALENTS				
Cash at Bank	842,343	1,602,788	1,857,011	1,117,536
Cash on Hand	1,436	7,176	1,436	7,176
Cash on Deposit	192,871	135,308	192,873	135,308
Cash Management Account	467,400	189,687	467,400	189,687
	1,504,050	1,934,959	2,518,720	1,449,707

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
6. TRADE AND OTHER RECEIVABLES				
Current				
Subscriptions in Arrears	307,108	307,108	307,108	307,108
Provision for Doubtful Debts	(49,001)	(49,001)	(49,001)	(49,001)
Net Subscriptions	258,107	258,107	258,107	258,107
Sundry Debtors	2,063,478	2,573,965	395,380	333,806
Amounts Owed by Controlled Entities	-	-	239,443	-
	2,321,585	2,832,072	892,930	591,913
Non Current				
Amounts Owed by Controlled Entities	-	-	2,469,836	2,359,845
Less Provision for Doubtful Debts	-	-	(2,193,531)	-
	-	-	276,305	2,359,845

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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
7. OTHER ASSETS				
Prepayments	298,085	192,454	192,831	142,677
8. FINANCIAL ASSETS				
Current				
Commonwealth Bank Term Deposits	1,553,877	1,434,344	1,553,877	1,434,344
Vanguard Index Funds-Unit Trust	141,480	-	141,480	-
Chifley Financial Services Structured Bond	2,409,710	2,278,119	2,409,710	2,278,119
	4,105,067	3,712,463	4,105,067	3,712,463
Non-Current				
Shares in Controlled Entities	-	-	23	23
Other Unlisted Shares	-	-	-	-
	-	-	23	23

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 Year Ended 30 June 2010**

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
9. PROPERTY, PLANT & EQUIPMENT				
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	477,870	470,370	477,870	470,370
Total Land & Buildings	11,131,870	11,124,370	11,131,870	11,124,370
Accumulated Depreciation	(749,218)	(463,421)	(749,218)	(463,421)
	10,382,652	10,660,949	10,382,652	10,660,949
Office Equipment at Cost	1,554,184	1,784,415	1,407,002	1,606,232
Accumulated Depreciation	(599,731)	(864,173)	(529,941)	(783,999)
	954,453	920,242	877,061	822,233
Motor Vehicles at Cost	807,749	966,598	807,749	966,598
Accumulated Depreciation	(385,737)	(357,658)	(385,737)	(357,658)
	422,012	608,940	422,012	608,940
Total Property, Plant & Equipment	11,759,117	12,190,131	11,681,726	12,092,122

Movements in Carrying Amounts

Movements in carrying amounts for the asset class of property, plant and equipment between the beginning and the end of the current financial year;

CHIEF ENTITY	Land & Buildings	Office Equipment	Motor Vehicles	Total
Balance 1 July 2008	10,479,660	716,751	694,434	11,890,845
Additions	376,000	1,883,055	194,121	2,453,176
Disposals/Adjustments	-	-	(135,854)	(135,854)
Impairment	-	(1,337,358)	-	(1,337,358)
Depreciation Expense	(194,711)	(440,215)	(143,761)	(778,687)
Balance 30 June 2009	10,660,949	822,233	608,940	12,092,122
Balance 1 July 2009	10,660,949	822,233	608,940	12,092,122
Additions	7,500	200,552	103,940	311,992
Disposals/Adjustments	(7,500)	(74,567)	(129,202)	(211,269)
Depreciation Expense	(278,297)	(71,157)	(161,666)	(511,120)
Balance 30 June 2010	10,382,652	877,061	422,012	11,681,726

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

9. PROPERTY, PLANT & EQUIPMENT CONT'D

GROUP	Land & Buildings	Office Equipment	Motor Vehicles	Total
Balance 1 July 2008	10,479,660	760,897	694,434	11,934,991
Additions	376,000	1,966,823	194,121	2,536,944
Disposals/Adjustments	-	-	(135,854)	(135,854)
Impairment	-	(1,337,358)	-	(1,337,358)
Depreciation Expense	(194,711)	(470,120)	(143,761)	(808,592)
Balance 30 June 2009	10,660,949	920,242	608,940	12,190,131
Balance 1 July 2009	10,660,949	920,242	608,940	12,190,131
Additions	7,500	248,438	103,940	359,878
Disposals/Adjustments	(7,500)	(108,161)	(129,202)	(244,863)
Depreciation Expense	(278,297)	(106,066)	(161,666)	(546,029)
Balance 30 June 2010	10,382,652	954,453	422,012	11,759,117

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$

10. INTANGIBLES

Goodwill	69,019	69,019	-	-
Accumulated Amortisation/Impairment	(69,019)	(69,019)	-	-
	-	-	-	-

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$

11. TRADE AND OTHER PAYABLES

Current

Trade and Sundry Creditors	1,498,277	2,030,481	548,721	605,696
Prepaid Subscriptions & Fees	4,980,887	3,595,276	3,752,594	2,752,720
	6,479,164	5,625,757	4,301,315	3,358,416

Non Current

Amounts Owed to Controlled Entities	-	-	-	-
	-	-	-	-

Trade and Sundry Creditors and Prepaid Subscriptions & Fees and Amounts owed to Controlled Entities

Trade and sundry creditors and prepaid fees are generally settled within 30 days. The National Board considers the carrying amounts of these items approximate their net fair values.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
12. BORROWINGS				
Current				
Bank Overdraft	-	-	-	-
Bank Bills	2,500,000	2,500,000	2,500,000	2,500,000
Lease Liabilities	139,157	198,064	139,157	198,064
	<u>2,639,157</u>	<u>2,698,064</u>	<u>2,639,157</u>	<u>2,698,064</u>
Non Current				
Lease Liabilities	142,778	235,012	142,778	235,012
Long Term Loans	-	-	32,419	-
	<u>142,778</u>	<u>235,012</u>	<u>175,197</u>	<u>235,012</u>

Bank Bills, Debentures and Lease Liabilities

The bank bills are secured by first mortgage over the Group's property in Melbourne and Sydney.

The National Board considers that the carrying amounts of bank bills, debentures and lease liabilities approximate their net fair values.

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
13. PROVISIONS				
Current				
Long Service Leave	929,356	1,086,993	929,356	760,364
Annual Leave	920,915	1,090,970	920,915	664,681
	<u>1,850,271</u>	<u>2,177,963</u>	<u>1,850,271</u>	<u>1,425,045</u>
Non Current				
Long Service Leave	184,183	-	184,183	-
	<u>184,183</u>	<u>-</u>	<u>184,183</u>	<u>-</u>

Net Fair Values

The National Board considers that the carrying amounts of provisions for employee entitlements approximate their net fair values (annual leave) and present value (long service leave). Such provisions are payable when such leave legally falls due.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
14. RESERVES				
Capital Profits Reserve				
Balance as at start and end of year	323,591	323,591	323,591	323,591
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 Revaluation Reserve				
Balance as at start and end of year	246,800	246,800	246,800	246,800
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	139,878	139,878	139,878	139,878
APESMA Legal Defence Fund				
Balance at Start of Year	528,464	-	528,464	-
Prior Period Correction	-	454,810	-	454,810
Transfer to Reserves	-	73,654	-	73,654
	528,464	528,464	528,464	528,464
CSD Legal Defence Fund				
a) CSD New South Wales				
Balance at Start of Year	3,573,944	-	3,573,944	-
Prior Period Correction	-	3,209,001	-	3,209,001
Transfer to Reserve	481,630	364,943	481,630	364,943
	4,055,574	3,573,944	4,055,574	3,573,944
b) CSD Western Australia				
Balance at Start of Year	87,164	-	87,164	-
Prior Period Correction	-	80,894	-	80,894
Transfer to Reserve	7,284	6,270	7,284	6,270
	94,448	87,164	94,448	87,164
c) CSD Queensland				
Balance at Start of Year	1,191,442	-	1,191,442	-
Prior Period Correction	-	1,000,122	-	1,000,122
Transfer to Reserve	236,218	191,320	236,218	191,320
	1,427,660	1,191,442	1,427,660	1,191,442
Total CSD Legal Defence Fund				
Balance at Start of Year	4,852,550	-	4,852,550	-
Prior Period Correction	-	4,290,017	-	4,290,017
Transfer to Reserve	725,132	562,533	725,132	562,533
	5,577,682	4,852,550	5,577,682	4,852,550
Total Reserves	13,325,754	12,600,622	13,325,754	12,600,622

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

15. 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	158,658	178,257	158,658	178,257
1-5 years	151,689	297,909	151,689	297,909
Gross Lease Payments	310,347	476,166	310,347	476,166
Less Future Finance Charges	28,412	43,090	28,412	43,090
Lease Liabilities	281,935	433,076	281,935	433,076
Current	139,157	198,064	139,157	198,064
Non Current	142,778	235,012	142,778	235,012
Lease Liabilities	281,935	433,076	281,935	433,076

Chief Entity Investment		Equity Holding		Contributions to Group Profit & Loss	
2010	2009	2010	2009	2010	2009
\$	\$	%	%	\$	\$

16. CONTROLLED ENTITIES

Chief Entity

Association of Professional Engineers, Scientists & Managers, Australia

(2,839,865) (2,567,290)

Controlled Entities

Member Advantage Pty Ltd	1	1	100	100	(61,161)	45,798
ETM Placements Pty Ltd	10	10	100	100	(734,510)	(374,700)
Education and Training for Professionals Pty Ltd	2	2	100	100	(34,232)	-
APESMA Insurance Services Pty Ltd	10	10	100	100	24,019	-
Engineering Placements Pty Ltd	-	-	100	100	11,780	-
Chifley Business School Pty Ltd	-	-	100	100	(717,625)	(66,379)
	23	23				

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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
17. EMPLOYEE BENEFITS				
Aggregate employee benefits including on-costs:				
Annual Leave and Long Service Leave	2,034,454	2,177,963	2,034,454	1,425,045

18. FINANCIAL RISK MANAGEMENT

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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

18. FINANCIAL RISK MANAGEMENT CONT'D

18 (a) Interest Rate Risk

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

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturities			Non Interest Bearing \$	Total \$
			1 year or less \$	1 to 5 years \$	> 5 years \$		
GROUP							
30-Jun-10							
Assets:							
Cash and Cash Equivalents		1,504,050	-	-	-	-	1,504,050
Financial Assets		-	4,105,067	-	-	-	4,105,067
Subscriptions and Sundry Debtors		-	-	-	-	2,321,585	2,321,585
Total financial assets		1,504,050	4,105,067	-	-	2,321,585	7,930,702
Liabilities:							
Leases		-	139,157	142,778	-	-	281,935
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	6,048,432	6,048,432
Bank bills and Overdraft		-	2,500,000	-	-	-	2,500,000
Total financial liabilities		-	2,639,157	142,778	-	6,048,432	8,830,367
Net financial assets (liabilities)		1,504,050	1,465,910	(142,778)	-	(3,726,847)	(899,665)
The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)							
30-Jun-09							
Assets:							
Cash and Cash Equivalents		1,934,959	-	-	-	-	1,934,959
Financial Assets		-	3,712,466	-	-	-	3,712,466
Subscriptions and Sundry Debtors		-	-	-	-	2,832,072	2,832,072
Total financial assets		1,934,959	3,712,466	-	-	2,832,072	8,479,497
Liabilities:							
Leases		-	198,064	235,012	-	-	433,076
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	5,045,242	5,045,242
Bank bills and Overdraft		-	2,500,000	-	-	-	2,500,000
Total financial liabilities		-	2,698,064	235,012	-	5,045,242	7,978,318
Net financial assets (liabilities)		1,934,959	1,014,402	(235,012)	-	(2,213,170)	501,179
The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)							

The Group bank balances are subject to a group limit facility arrangement providing full set-off of debt and interest based on the net balance of group bank accounts excluding the CSD Legal Defence Fund balances of \$878,831 2010 (\$546,302 2009) which cannot be encumbered or used for set-off without authority of the management committee of the CSD Legal Defence Fund

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

18. FINANCIAL RISK MANAGEMENT CONT'D

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturities			Non Interest Bearing \$	Total \$
			1 year or less \$	1 to 5 years \$	> 5 years \$		
CHIEF ENTITY							
30-Jun-10							
Assets:							
Cash and Cash Equivalents		2,518,720	-	-	-	-	2,518,720
Financial Assets		-	4,105,067	-	-	-	4,105,067
Subscriptions and Sundry Debtors		-	-	-	-	892,930	892,930
Total financial assets		2,518,720	4,105,067	-	-	892,930	7,516,717
Liabilities:							
Leases		-	139,157	142,778	-	-	281,935
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	3,870,583	3,870,583
Bank bills and Overdraft		-	2,500,000	-	-	-	2,500,000
Long Term Loan		-	-	-	-	32,419	32,419
Total financial liabilities		-	2,639,157	142,778	-	3,903,002	6,684,937
Net financial assets (liabilities)		2,518,720	1,465,910	(142,778)	-	(3,010,072)	831,780
The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)							

30-Jun-09							
Assets:							
Cash and Cash Equivalents		1,449,707	-	-	-	-	1,449,707
Financial Assets		-	3,712,463	-	-	-	3,712,463
Subscriptions and Sundry Debtors		-	-	-	-	591,913	591,913
Total financial assets		1,449,707	3,712,463	-	-	591,913	5,754,083
Liabilities:							
Leases		-	198,064	235,012	-	-	433,076
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	2,993,812	2,993,812
Bank bills and Overdraft		-	2,500,000	-	-	-	2,500,000
Total financial liabilities		-	2,500,000	235,012	-	2,993,812	5,926,888
Net financial assets (liabilities)		1,449,707	1,014,409	(235,012)	-	(2,401,899)	(172,805)
The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)							

18 (b) Credit Risk

The association does not obtain collateral or other security when dealing with related entities.

The carrying amounts of financial assets included in the statement of financial position represent the association's maximum exposure to credit risk in relation to these assets. Where entities have a right of set-off and intend to settle on a net basis, this set-off has been reflected in the financial statements in accordance with accounting standards.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

18. FINANCIAL RISK MANAGEMENT CONT'D

18 (c) Net Fair Values

The net fair values of the association's financial assets and financial liabilities are not expected to be significantly different from each class of asset and liability as disclosed above and recognized in the statement of financial position as at 30 June 2010.

18 (d) Market Risk

The association is not exposed to material market risk. Therefore no sensitivity analysis has been disclosed showing how the profit or loss would have been affected by changes in the relevant risk variable.

18 (e) Liquidity Risk

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained within the group and by the parent entity.

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 assets and liabilities approximate their carrying values

GROUP	Carrying Amount	Fair Value
	2010	2010
	\$	\$
Financial assets		
Cash & Cash Equivalents	1,504,050	1,504,050
Receivables	2,321,585	2,321,585
Investments	4,105,067	4,105,067
Financial liabilities		
Payables	6,479,164	6,479,164
Borrowings	2,781,935	2,781,935
	Carrying Amount	Fair Value
	2009	2009
	\$	\$
Financial assets		
Cash & Cash Equivalents	1,934,959	1,934,959
Receivables	2,832,072	2,832,072
Investments	3,712,468	3,712,468
Financial liabilities		
Payables	5,625,760	5,625,760
Borrowings	2,933,076	2,933,076

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

18. FINANCIAL RISK MANAGEMENT CONT'D

CHIEF ENTITY	Carrying	Fair
	Amount	Value
	2010	2010
	\$	\$
Financial assets		
Cash & Cash Equivalents	2,518,720	2,518,720
Receivables	892,930	892,930
Investments	4,105,067	4,105,067
Financial liabilities		
Payables	4,301,315	4,301,315
Borrowings	2,814,354	2,814,354
	Carrying	Fair
	Amount	Value
	2009	2009
	\$	\$
Financial assets		
Cash & Cash Equivalents	1,449,707	1,449,707
Receivables	591,913	591,913
Investments	3,712,463	3,712,463
Financial liabilities		
Payables	3,358,416	3,358,416
Borrowings	2,933,076	2,933,076

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

	Group		Chief Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
19. NOTES TO THE CASH FLOW STATEMENTS				
i) Cash and cash equivalents comprises cash on hand and at bank, net of outstanding bank overdrafts, as follows:-				
Cash on hand	1,436	7,176	1,436	7,176
Cash at bank	842,343	1,602,788	1,857,011	1,117,536
Cash on deposit	192,871	135,308	192,873	135,308
Cash Management Account	467,400	189,687	467,400	189,687
Bank Overdraft	-	-	-	-
	1,504,050	1,934,959	2,518,720	1,449,707
ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities				
Operating Profit/(Loss) after Income Tax	(1,432,931)	(2,399,318)	(2,114,733)	(2,004,757)
Non cash and investing items				
Asset Impairment/Write Offs	130,431	1,337,358	96,837	1,337,358
Depreciation	546,029	808,592	511,120	778,687
Rental Income	(513,592)	(667,301)	(513,592)	(667,301)
Doubtful Debts	-	-	2,193,531	-
Changes in Operating Assets/Liabilities				
Subscriptions	1,385,611	1,188,271	1,047,297	1,188,271
Sundry Debtors	510,487	1,170,560	(61,574)	713,034
Prepayments	(105,630)	110,443	(50,154)	96,924
Employee Entitlements	(143,509)	(144,587)	609,408	(167,264)
Creditors and Other Payables	(485,283)	(499,777)	(57,476)	(843,484)
Net cash provided by/used in operating activities	(108,387)	904,241	1,660,664	431,468
iii) The Group has bank bill (\$2.5 million) and bank overdraft (\$1.1 million) facilities of \$3.60 million as at 30 June 2010 which were utilised to the extent of \$2.50 million. These facilities are subject to annual review (the next review date being November 2010).				

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

20. RELATED PARTIES

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

The chief entity received licence and service fees this year of \$2,053,577 (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 \$77,141.

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. CONTINGENT ASSETS AND LIABILITIES

The National Board is not aware of any contingent assets or any contingent liabilities as at 30 June 2010 (2009 nil).

23. EVENTS SUBSEQUENT TO BALANCE DATE

- (i) Subsequent to balance date, the directors of Chifley Business School Pty Ltd resolved to issue 750,000 \$1 redeemable preference shares to the Association of Professional Engineers, Scientists, Managers, Australia (APESMA). The issue of shares to APESMA will result in the company recording a net equity position. The shares are to be redeemed together with dividends at the rate of 8% pa in future periods.
- (ii) Subsequent to balance date, ETM Placements Pty Ltd entered into an alliance agreement with national recruitment firm Bayside Group who will take over responsibility for the provision of employment placement services previously undertaken by the company and for which the company will receive commissions in accordance with the agreed terms.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

24. CORRECTIONS OF PRIOR PERIOD ERRORS

Correction of Balances reported for 1 July 2008

a) Group

	Reported Balance	Correction of Prior Period Errors	Restated Balance
	\$	\$	\$
Cash and Cash Equivalents	2,384,383	468,178	2,852,561
Financial Assets	-	3,221,839	3,221,839
Current Assets	7,878,183	3,690,017	11,568,200
Total Assets	19,813,173	3,690,017	23,503,190
Trade & Other Payables	6,597,839	(472,305)	6,125,534
Current Liabilities	11,077,727	(472,305)	10,605,422
Total Liabilities	11,450,894	(472,305)	10,978,589
Net Assets	8,362,279	4,162,322	12,524,601
Organisation Funds	1,614,738	(1,054,572)	560,166
Reserves	6,747,541	5,216,894	11,964,435
Total Funds & Reserves	8,362,279	4,162,322	12,524,601

b) Chief Entity

	Reported Balance	Correction of Prior Period Errors	Restated Balance
	\$	\$	\$
Cash and Cash Equivalents	931,194	468,178	1,399,372
Financial Assets	-	3,221,839	3,221,839
Current Assets	3,664,013	3,690,017	7,354,030
Financial Assets	16	7	23
Total Non-Current Assets	15,607,654	7	15,607,661
Total Assets	19,271,667	3,690,024	22,961,691
Trade & Other Payables	4,674,993	(473,086)	4,201,907
Current Liabilities	8,424,640	(473,086)	7,951,554
Total Liabilities	8,797,807	(473,086)	8,324,721
Net Assets	10,473,860	4,163,110	14,636,970
Organisation Funds	3,726,319	(1,053,784)	2,672,535
Reserves	6,747,541	5,216,894	11,964,435
Total Funds & Reserves	10,473,860	4,163,110	14,636,970

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

24. CORRECTIONS OF PRIOR PERIOD ERRORS CONT'D

1. CSD Legal Defence Fund

Balances and transactions related to the CSD Legal Defence Fund have not previously been incorporated and reported by APESMA. Subscription income includes a compulsory payment for full time members of the Collieries Staff Division in respect to a legal defence fund. The CSD Legal Defence Fund was established on 1 December 2001, when the net assets of the Australian Collieries Staff Association Central Council, NSW, Queensland and Western Australia Branches were transferred to APESMA on amalgamation.

Balances and transactions for the CSD Legal Defence Fund have been previously reported and audited on the basis that a separate Trust structure had been established for this Fund and as such was not consolidated.

The audit in this financial year identified that a separate legal entity had not been established and that the funds should be reported in the Chief Entity and consolidated accounts pursuant to Accounting Standards. Therefore balances and transactions for the CSD Legal Defence Fund amounting to \$4,290,017 have been incorporated and reported in the APESMA Chief Entity financial statements as a correction to balances as at 1 July 2008.

Balances and transactions of the CSD Legal Defence Fund amounting to \$4,852,550 have been corrected for the Chief Entity and Group for the year ended 30 June 2009 and are disclosed in the table below.

The Legal Defence Fund represents assets of the members of the Colliery Staff Division and cannot be encumbered without authority of the Management Committee of the Legal Defence Fund.

2. Building APESMA Future

Trade & Other Payables at 30 June 2008 and 2009 included amounts received from members for the purpose of funding applications received for Building APESMA's future. The balance does not represent a present contractual obligation of the entity and comparatives as at 1 July 2008 have been adjusted by an amount of \$454,810 as if the amount was correctly recorded as income of the entity, with the balance being transferred to a separate reserve fund as disclosed in Note 14.

Balances impacted by this correction for the year ended 30 June 2009 amounting to \$528,464 are disclosed in the table below.

3. Shares in Controlled Entities

The Chief Entity's holding of shares in controlled entities did not reconcile to the number and value of shares issued by those entities and were adjusted for an amount of \$7 as at 1 July 2008. Information disclosed in Note 16 has been corrected to record the correct shares held in controlled entities.

4. Newcastle Property

The financial statements for both the CSD Legal Defence Fund and APESMA had recorded the property at Newcastle at a value of \$600,000. It was determined that the property is held by APESMA on trust for the CSD Legal Defence Fund. The balance of organisation fund's for APESMA were corrected by \$600,000 as at 1 July 2008 for this error.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

24. CORRECTIONS OF PRIOR PERIOD ERRORS CONT'D

5. Other Corrections

Balances disclosed in the previous year did not reconcile to general ledger balances and the financial statements were corrected to reflect balances recorded in the entities general ledger with an adjustment of \$17,495 as at 1 July 2008 and \$18,276 for the year ended 30 June 2009 as disclosed in the table below.

Correction of Balances reported for the year ended 30 June 2009

a) Group

	Reported Balance	Correction of Prior Period Errors	Restated Balance
Subscription Income	7,967,890	527,878	8,495,768
Other Income	12,637,709	287,511	12,925,220
Salary Costs	(12,264,356)	(15,691)	(12,280,047)
Borrowing Costs	(321,568)	(76)	(321,644)
Other Expenses	(9,384,634)	(163,435)	(9,548,069)
Profit After Income Tax	(3,035,505)	636,187	(2,399,318)
Cash & Cash Equivalents	1,388,657	546,302	1,934,959
Financial Assets	-	3,712,463	3,712,463
Total Current Assets	4,413,183	4,258,765	8,671,948
Total Assets	16,603,314	4,258,765	20,862,079
Trade & Other Liabilities	6,165,501	(539,744)	5,625,757
Total Liabilities	11,276,540	(539,744)	10,736,796
Net Assets	5,326,774	4,798,509	10,125,283
Organisation Funds	(1,420,767)	(1,054,572)	(2,475,339)
Reserves	6,747,541	5,853,081	12,600,622
Total Funds & Reserves	5,326,774	4,798,509	10,125,283

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2010**

24. CORRECTIONS OF PRIOR PERIOD ERRORS CONT'D

Correction of Balances reported for the year ended 30 June 2009

b) Chief Entity

	Reported Balance	Correction of Prior Period Errors	Restated Balance
Subscription Income	7,967,890	527,878	8,495,768
Other Income	3,114,212	287,511	3,401,723
Salary Costs	(7,171,386)	(15,691)	(7,187,077)
Borrowing Costs	(321,568)	(76)	(321,644)
Other Expenses	(4,596,191)	(163,435)	(4,759,626)
Profit After Income Tax	(2,640,944)	636,187	(2,004,757)
Cash & Cash Equivalents	903,405	546,302	1,449,707
Financial Assets	-	3,712,463	3,712,463
Total Current Assets	1,637,995	4,258,765	5,896,760
Total Assets	16,089,985	4,258,765	20,348,750
Trade & Other Liabilities	3,898,948	(540,532)	3,358,416
Total Liabilities	8,257,069	(540,532)	7,716,537
Net Assets	7,832,916	4,799,297	12,632,213
Organisation Funds	1,085,375	(1,053,784)	31,591
Reserves	6,747,541	5,853,081	12,600,622
Total Funds & Reserves	7,832,916	4,799,297	12,632,213

National Board Statement

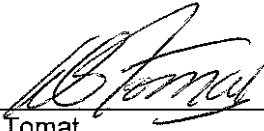
On 4TH NOVEMBER 2010 the National Board of the Association of Professional Engineers, Scientists & Managers, Australia passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2010:

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 General Manager of Fair Work Australia and other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
- (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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting units have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia; and
 - (vi) there have been no orders for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of Fair Work Australia; and
 - (ii) the National Board caused the auditor to include in the scope of the audit required under section 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursed of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

National Board Statement Cont'd

On behalf of the National Board



D Tomat
National President



K Bader
National Treasurer

Dated: *7th November* 2010

South Melbourne, Victoria

Independent Auditor's Report

To the Members of the Association of Professional Engineers, Scientists and Managers, Australia

Report on the financial report

We have audited the accompanying financial report of the Association of Professional Engineers, Scientists and Managers, Australia comprises the National Board Statement, Statement of Comprehensive Income, Statement of Financial Performance, Statement of Changes in Equity, Statement of Cash Flows, Statement of Receipts and Payments for Recovery of Wages Activity and accompanying notes to the financial statements for the year ended 30 June 2010.

National Board's responsibility for the financial report

The National Board is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards, (including Australian Accounting Interpretations), and the Reporting Guidelines of the General Manager of Fair Work Australia and any other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. 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 conducted an independent audit in order to express an opinion to the members of the Association of Professional Engineers, Scientists and Managers, Australia. 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 2010 or from time to time during the financial year.

Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards, (including Australian Accounting Interpretations), and the Reporting Guidelines of the General Manager of Fair Work Australia and any other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, a view which is consistent with our understanding of the Group's and the Association's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the members of the National Board.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, under section 257(5) of the Fair Work (Registered Organisations) Act 2009, the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the Group and the Association:

- (a) the Australian Accounting Standards, (including Australian Accounting Interpretations);
- (b) in relation to recovery of wages activity;
 - (i) that the scope of the audit encompassed recovery of wages activity;
 - (ii) that the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the Reporting Guidelines of the General Manager of Fair Work Australia, including;
 - 1. any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - 2. any donations or other contributions deducted from recovered money; and
- (c) any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

UHY Haines Norton

UHY Haines Norton
Chartered Accountants

R.H. Hutton

R.H. Hutton
Registered Company Auditor

Dated this 4th day of November 2010

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

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

Operating Report

The National Board presents the concise consolidated financial 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, 2010.

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 \$1,432,931 (2009: net loss of \$2,399,318).

REVIEW OF OPERATION

Group

For the 2010 year, the Group continued to provide individual services, and to advance employment, social and economic interests of members. The current year included a staff restructure to ensure its membership base is maintained, and the level and quality of services offered to members enhanced. Overall, the Group's revenue fell by \$1.709million, whilst expenditure (before impairment of assets in 2009) was reduced by \$2.675 million, resulting in the loss recorded this year. The Group has net assets of \$8.692 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 \$0.068 million from \$11.897 million to \$11.829 million. Total subscription revenues rose from \$8.496 million to \$9.569 million this year. Overall expenditure (excluding asset impairments 2009) has increased by \$0.004 million during the year, due to restructure costs and provision for doubtful debts relating to Inter-Company loans.

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 \$0.717 million (2009: \$0.066 million). Total income fell by \$0.910 million from \$7.46 million to \$6.55 million, whilst total expenditure was reduced this year by \$0.258 million.

Career Development

During the year, ETM Placements generated a net loss of \$0.734 million (2009: loss of \$0.374 million). Total revenues fell by \$1.299 million from the previous year whilst total expenditure also decreased by \$0.939 million.

Member Advantage

Member Advantage generated a net loss of \$0.061 million. Total revenues fell by \$0.140 million whilst expenditure also decreased by \$0.033 million.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during or since the end of the year other than:-

- a) Subsequent to balance date, ETM Placements Pty Ltd entered into an alliance agreement with national recruitment firm Bayside Group who will take over responsibility for the provision of employment placement services previously undertaken by this company and for which the company will receive commissions in accordance with agreed terms.

Operating Report (Cont'd)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

- b) Subsequent to balance date, Chifley Business School Pty Ltd resolved to issue 750,000 \$1 redeemable preference shares to APESMA. The shares are to be redeemed together with dividends at the rate of 8% pa in future periods.

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 members 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	2009/10
Bill Jackson	Senior Vice President	2009/10
Robyn Porter	National Secretary	2009/10
Karina Bader	National Treasurer	2009/10
Andreas Marquardt	National Vice President	2009/10
Chris Greenway	National Vice President	2009/10
Colin Jones	National Vice President	2009/10

NUMBER OF MEMBERS

As at 30 June, 2010, the number of members is 20,420.

NUMBER OF EMPLOYEES

As at 30 June, 2010, the number of employees is 130.

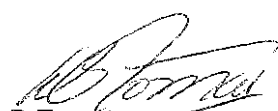
NO MEMBERS OR OFFICERS ARE TRUSTEES OF A SUPERANNUATION ENTITY OR AN EXEMPT PUBLIC SECTOR SUPERANNUATION SCHEME

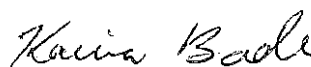
There are no members or officers of the organisation who are:—

- (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


K Bader
National Treasurer

Dated 4th November

2010, South Melbourne, Victoria

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS,
AUSTRALIA**

I declare that, to the best of our knowledge and belief, during the year ended 30 June, 2010 there have been:-

no contraventions of the auditor independence requirements in relation to the audit; and
no contraventions of any applicable code of professional conduct in relation to the audit.

UHY Haines Norton

UHY Haines Norton
Chartered Accountants



R.H Hutton
Partner

Date 4th November 2010

**Statement of Comprehensive Income
for the Year Ended 30 June 2010**

	Note	Group		Chief Entity	
		2010 \$	2009 \$	2010 \$	2009 \$
Subscription Income	3	9,568,503	8,495,768	9,568,503	8,495,768
Other Income from Ordinary Activities	3	10,143,842	12,925,220	2,260,298	3,401,723
	3	19,712,345	21,420,988	11,828,801	11,897,491
Employment Costs		(12,726,032)	(12,280,047)	(8,352,347)	(7,187,077)
Borrowing Costs		(338,305)	(333,188)	(300,845)	(296,543)
Professional Network Costs		(272,451)	(321,644)	(272,451)	(321,644)
Impairment of Assets		-	(1,337,358)	-	(1,337,358)
Other Expenses		(7,808,488)	(9,548,069)	(5,017,891)	(4,759,626)
Profit before Income Tax		(1,432,931)	(2,399,318)	(2,114,733)	(2,004,757)
Income Tax Expense	1(i),4	-	-	-	-
Profit after Income Tax		(1,432,931)	(2,399,318)	(2,114,733)	(2,004,757)
Other Comprehensive Income/(Expenses)		-	-	-	-
Total Comprehensive income/(loss) attributable to members of the entity		(1,432,931)	(2,399,318)	(2,114,733)	(2,004,757)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes which form part of this concise financial report.

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS AUSTRALIA

**Statement of Financial Position
As at 30 June 2010**

	Note	Group			Chief Entity		
		2010	2009	1 July 2008	2010	1 July 2008	
		\$	\$	\$	\$	\$	
Current Assets							
Cash and Cash Equivalents	5	1,504,050	1,934,959	2,852,561	2,518,720	1,449,707	1,399,372
Trade and Other Receivables	6	2,321,585	2,832,072	5,190,903	892,930	591,913	2,493,218
Other Assets	7	298,085	192,454	302,897	192,831	142,677	239,601
Financial Assets	8	4,105,067	3,712,463	3,221,839	4,105,067	3,712,463	3,221,839
Total Current Assets		8,228,787	8,671,948	11,568,200	7,709,548	5,896,760	7,354,030
Non Current Assets							
Trade and Other Receivables	6	-	-	-	276,305	2,359,845	3,716,793
Financial Assets	8	-	-	-	23	23	23
Property, Equipment & Vehicles	9	11,759,117	12,190,131	11,934,990	11,681,726	12,092,122	11,890,845
Intangibles	10	-	-	-	-	-	-
Total Non Current Assets		11,759,117	12,190,131	11,934,990	11,958,054	14,451,990	15,607,661
Total Assets		19,987,904	20,862,079	23,503,190	19,667,602	20,348,750	22,961,691
Current Liabilities							
Trade and Other Payables	11	6,479,164	5,625,757	6,125,534	4,301,315	3,358,416	4,201,907
Borrowings	12	2,639,157	2,698,064	2,157,338	2,639,157	2,698,064	2,157,338
Provisions	13	1,850,270	2,177,963	2,322,550	1,850,270	1,425,045	1,592,309
Total Current Liabilities		10,968,591	10,501,784	10,605,422	8,790,742	7,481,525	7,951,554
Non Current Liabilities							
Provisions	13	184,183	-	-	184,183	-	-
Borrowings	12	142,778	235,012	373,167	175,197	235,012	373,167
Total Non Current Liabilities		326,961	235,012	373,167	359,380	235,012	373,167
Total Liabilities		11,295,552	10,736,796	10,978,589	9,150,122	7,716,537	8,324,721
Net Assets		8,692,352	10,125,283	12,524,601	10,517,480	12,632,213	14,636,970
Funds & Reserves							
Organisation Funds		(4,633,402)	(2,475,339)	560,166	(2,808,274)	31,591	2,672,535
Reserves	14	13,325,754	12,600,622	11,964,435	13,325,754	12,600,622	11,964,435
Total Funds & Reserves		8,692,352	10,125,283	12,524,601	10,517,480	12,632,213	14,636,970
Commitments	15						
Contingent Assets & Liabilities	22						

In accordance with AASB101.39 a third Statement of Financial Position has been included to reflect the correction of errors as at 1 July 2008 as detailed in Note 24 to the full financial report.

The above Statement of Financial Position should be read in conjunction with the accompanying notes which form part of this concise financial report.

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS AUSTRALIA

**Statement of Changes in Equity
for the Year Ended 30 June 2010**

	Note	Organisation Funds \$	Reserves \$	Total \$
Group				
Balance – 1 July 2008		1,614,738	6,747,541	8,362,279
Prior Period Correction	24	(1,054,572)	5,216,894	4,162,322
Restated Balance 1 July 2008		560,166	11,964,435	12,524,601
(Loss) for Year		(2,399,318)	-	(2,399,318)
Transfer to Legal Defence Funds – APESMA	14	(73,654)	73,654	-
Transfer to Legal Defence Funds – CSD		(562,533)	562,533	-
Balance – 30 June 2009		(2,475,339)	12,600,622	10,125,283
(Loss) for Year		(1,432,931)	-	(1,432,931)
Transfer to Legal Defence Funds – CSD		(725,132)	725,132	-
Balance – 30 June 2010		(4,633,402)	13,325,754	8,692,352
Chief Entity				
Balance – 1 July 2008		3,726,319	6,747,541	10,473,860
Prior Period Correction	23	(1,053,784)	5,216,894	4,163,110
Restated Balance 1 July 2008		2,672,535	11,964,435	14,636,970
(Loss) for Year		(2,004,757)	-	(2,004,757)
Transfer to Legal Defence Funds – APESMA	14	(73,654)	73,654	-
Transfer to Legal Defence Funds – CSD		(562,533)	562,533	-
Balance – 30 June 2009		31,591	12,600,622	12,632,213
(Loss) for Year		(2,114,733)	-	(2,114,733)
Transfer to Legal Defence Funds – CSD		(725,132)	725,132	-
Balance – 30 June 2010		(2,808,274)	13,325,754	10,517,480

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes which form part of this concise financial report.

**Statement of Cash Flows
for the Year Ended 30 June 2010**

	Note	Group		Chief Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
Cash Flows from Operating Activities					
Cash receipts from customers		20,824,616	22,732,393	11,983,274	12,751,366
Cash payments to suppliers and employees		(20,864,933)	(21,701,515)	(10,292,000)	(12,229,906)
Interest and Bank Charges		(338,305)	(333,112)	(300,845)	(296,467)
Interest Income		270,235	206,475	270,235	206,475
Net Cash Provided by Operating Activities	19(ii)	(108,387)	904,241	1,660,664	431,468
Cash Flows from Investing Activities					
Rental Income		513,592	667,301	513,592	667,301
Purchase of Fixed Assets		(359,878)	(2,271,091)	(311,992)	(2,187,322)
Proceeds from Sale of Assets		114,432	-	114,432	-
Purchase of Investments		(392,604)	(490,624)	(392,604)	(490,624)
Net Cash used in Investing Activities		(124,458)	(2,094,414)	(76,572)	(2,010,645)
Cash Flows from Financing Activities					
Lease Payments		(198,064)	(224,427)	(198,062)	(224,427)
Proceeds from Borrowings		-	500,000	-	500,000
Loan Repayments Controlled Entities		-	-	(317,015)	1,356,941
Repayment Debentures		-	(3,002)	-	(3,002)
Net Cash Provided by Financing Activities		(198,064)	272,571	(515,077)	1,629,512
Net Increase/(Decrease) in Cash and Cash Equivalents at the Beginning of the Year		(430,909)	(917,602)	1,069,013	50,335
Cash and Cash Equivalents at the End of the Year	19(i)	1,934,959	2,852,561	1,449,707	1,399,372
		1,504,050	1,934,959	2,518,720	1,449,707

The above Statement of Cash Flows should be read in conjunction with the accompanying notes which form part of this concise financial report.

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS AUSTRALIA

**Statement of Receipts and Payments
for Recovery of Workers' Activity - Cash Basis
for the Year Ended 30 June 2010**

	2010 \$	2009 \$
Cash Assets in respect of recovered money at beginning of the year	-	-
Receipts		
Membership Subscriptions	-	-
Interest Received	-	-
Total Receipts	<u>-</u>	<u>-</u>
Payments		
Deductions of amounts due in respect of membership	-	-
Deductions of donations or other contributions to accounts or funds	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total Payments	<u>-</u>	<u>-</u>
Cash assets in respect of recovered money at the end of the year	<u>-</u>	<u>-</u>

The above Statement should be read in conjunction with the accompanying notes which form part of this concise financial report.

**NOTES TO THE CONCISE CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1. Basis of Preparation of the Concise Financial Report

This concise report has been derived from the full financial report for the year ended 30 June 2010 and has been prepared in accordance with Australian Accounting Standard AASB1039: Concise Financial Reports. The full financial report and auditors report will be sent to members on request, free of charge. The Auditor's opinion on the general purpose financial report did not contain any qualification or particulars of any deficiency, failure or shortcoming as referred to in the Fair Work (Registered Organisations) Act 2009 subsection 252 and 257(2).

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion is based on the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Association of Professional Engineers, Scientists & Managers, Australia as the full financial report.

Note 2: Discussion and Analysis of Financial Report

Statement of Comprehensive Income

Group revenue has decreased by \$1.709m during the year due mainly to a decline in fees and income received by subsidiaries, Chifley Business School Pty Ltd (Education Fees decreasing \$0.9m) and ETM Placements Pty Ltd (Employment Fees decreasing \$1.3m) Subscription income increased by \$1.07m due to an increment in the number of members and membership fees.

Employment costs across the Group increased by \$0.45m whilst other expenses decreased by more than \$1.74m. The main reason for the decrease in other expenses being a decline of \$1.57m in members' service and support costs during the year and as a result of previous years expenses including an amount of \$1.337m (2010 & Nil) relating to a charge for the impairment of fixed assets.

The overall improvement in operating expenses for the year resulted in the Group loss after income tax improving by \$0.97m.

Statement of Financial Position

The Statement of Financial Position was impacted by the restatement of balances for prior period errors which included:

- a) Balances relating to the CSD Legal Defence Fund which had not previously been incorporated and reported by APESMA being included and reported in the APESMA Chief Entity Financial Statements as a correction to balances as at 1 July 2008.
- b) Amounts previously included in Trade & Other Payables and relating to funds received from members for building APESMA's future being reclassified as income of APESMA.
- c) An adjustment for the value of a property at Newcastle which had been recorded in the financial statements of both the CSD Legal Defence Fund and APESMA and which was determined to be held by APESMA on trust for the CSD Legal Defence Fund, and
- d) Minor balance adjustments to reconcile financial statement balances to general ledger and other records.

As a result of the above restatements the net assets of the Group and Chief Entity, as at 1 July 2008 were increased by \$4.16m. Net assets of the Group and Chief Entity have decreased since this date as a result of losses being incurred in 2009 and 2010.

**NOTES TO THE CONCISE CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010**

Statement of Cash Flow

The net cash position of the Chief Entity improved in both 2009 and 2010 as a result of net cash being provided by operating activities. The net cash position of the Chief Entity improving by \$1.069m in 2010 to \$2.519m. However, as a result of operating deficits in subsidiary companies the Group's net cash position declined by \$0.43m to \$1.504m as at 30 June 2010.

Statement of Changes in Equity

This statement reflects the transfer of amounts resulting from prior period errors of \$4.162m being adjusted with an amount of \$5.217m being transferred to the CSD and APESMA Legal Defence Fund reserve accounts as at 1 July 2008.

Note 3: Information to be provided to Members or Registrar

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which reads as follows:

(1) A member of an organisation, or the General Manager of Fair Work Australia may apply to the organisation for specified prescribed information in relation to the organisation.

(2) An organisation shall, on application made under subsection (1) by a member of the organisation or the General Manager of Fair Work Australia, make the specified information available to the member or the General Manager of Fair Work Australia in such manner, and within such time, as is prescribed.

(3) The General Manager of Fair Work Australia may only make an application under subsection (1) at the request of a member of the organisation concerned, and the General Manager of Fair Work Australia shall provide to a member information received because of an application made at the request of the member.

National Board Statement

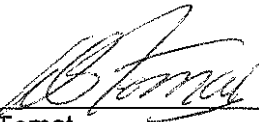
On 2010 the National Board of the Association of Professional Engineers, Scientists & Managers, Australia passed the following resolution in relation to the concise consolidated financial report of the reporting unit for the financial year ended 30 June 2010:

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

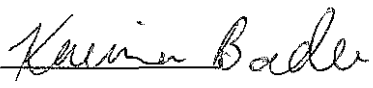
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the Reporting Guidelines of the General Manager of Fair Work Australia and other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
- (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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting units have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia; and
 - (vi) there have been no orders for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of Fair Work Australia; and
 - (ii) the National Board caused the auditor to include in the scope of the audit required under section 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursed of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

National Board Statement Cont'd

On behalf of the National Board



D Tomat
National President



K Bader
National Treasurer

Dated: *7th November* 2010

South Melbourne, Victoria

**THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS
AUSTRALIA
INDEPENDENT AUDIT REPORT**

Scope

The concise financial report and National Board's responsibility

The concise financial report comprises the National Board Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Income and Expenditure, Statement of Cash Flows, Statement of Receipts and Payments for Recovery of Wages Activity and related notes, derived from the audited financial report of the Association of Professional Engineers, Scientists & Managers, Australia for the year ended 30 June 2010, and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

The National Board are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standard AASB1039: Concise Financial Reports and the Reporting Guidelines of the General Manager of Fair Work Australia.

Audit Approach

We conducted an independent audit of the concise consolidated financial report in order to express an opinion to the members of the Association of Professional Engineers, Scientists & Managers, Australia in respect to the concise consolidated financial report. 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 2010 or from time to time during the financial year.

Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the concise consolidated financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We also performed an independent audit of the full consolidated financial report of the Association of Professional Engineers, Scientists & Managers, Australia for the financial year ended 30 June 2010. Our audit report was signed on 4th day of November 2010 and was not subject to any qualification.

In conducting our audit of the concise consolidated financial report, we performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Reporting Guidelines of the General Manager of Fair Work Australia.

We formed our audit opinion on the basis of these procedures, which included:

- testing that the information included in the concise consolidated financial report is consistent with the information in the full consolidated financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise consolidated financial report which were not directly derived from the full consolidated financial report.

When this audit report is included in a document containing the National Board's Statement, our procedures include reading the National Board's Statement to determine whether it contains any material inconsistencies with the concise consolidated financial report.

Liability limited by a scheme approved under Professional Standards Legislation.

13

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Chartered Accountants:
Harold Lourie
Richard J Lindner
Rodney H Hutton


ABN 48 259 373 375
Adam G Roberts
Joella F Gould

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the concise consolidated financial report including the discussion and analysis of the Association of Professional Engineers, Scientists & Managers, Australia and the entities it controlled at 30 June 2010 or from time to time during the financial year ended 30 June 2010 complies with Australian Accounting Standard AASB1039: Concise Financial Reports and the Reporting Guidelines of the General Manager of Fair Work Australia.



UHY Haines Norton
Chartered Accountants



R.H. Hutton
Registered Company Auditor

Dated this 4th day of November, 2010

National Board Statement

On *4th November* 2010 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 2010:

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 General Manager of Fair Work Australia and other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
- (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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting units have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia; and
 - (vi) there have been no orders for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of Fair Work Australia; and
 - (ii) the National Board caused the auditor to include in the scope of the audit required under section 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursed of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

National Board Statement Conf'd

On behalf of the National Board



D Tomat
National President



K Bader
National Treasurer

Dated: *7th November* 2010

South Melbourne, Victoria