



FAIR WORK
AUSTRALIA

12 April 2012

Mr Even Romer
Chief Finance Officer
The Association of Professional Engineers, Scientists & Managers, Australia
163 Eastern Road
SOUTH MELBOURNE VIC 3205
Email: eromer@apesma.asn.au

Dear Mr Romer

**Re: The Association of Professional Engineers, Scientists & Managers, Australia
Financial Report for the year ended 30 June 2011 - FR2011/2761**

I acknowledge receipt of the financial report of The Association of Professional Engineers, Scientists & Managers, Australia for the year ended 30 June 2011. The documents were lodged with Fair Work Australia on 21 December 2011.

The Designated Officer's Report dated 22 February 2012 was subsequently lodged on 5 March 2012, as requested in my letter of 12 January 2012.

The financial report has now been filed.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7822 or by email at margaret.williams@fwa.gov.au.

Yours sincerely

MARGARET WILLIAMS
Organisations, Research and Advice



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

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Melbourne, Vic 3001
Phone: (03) 9695 8800
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163 Eastern Road
South Melbourne 3205
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<http://www.apesma.asn.au>

22 February 2012

Ms M Williams
Organisations & Research
Fair Work Australia
GPO Box 1994
Melbourne Vic 3001

Dear Ms Williams,

**Re: Association of Professional Engineer, Scientists & Managers Australia, Australia
Branch for year ended 30 June 2010 – FR2011/2761**

I refer to your letter dated 13 January 2012 and advise the following:

I, Robyn Porter being the secretary of the Association of Professional Engineers, Scientists & Managers Australia (APESMA) certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 1 October 2012; and
- that the full report was presented to a general meeting of members of the reporting unit on 22 October 2012; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

If you have any queries or wish to discuss further, please do not hesitate to contact our Chief Finance Officer, Evan Romer on 03 9695 8859.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Porter', is written over the typed name.

Robyn Porter
Secretary
APESMA



FAIR WORK
AUSTRALIA

13 January 2012

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

By email: info@apesma.asn.au

Dear Ms Porter

**Re: Association of Professional Engineers, Scientists & Managers Australia
Financial Report for the year ended 30 June 2011 - FR2011/2761**

I acknowledge receipt of the financial report of the Association of Professional Engineers, Scientists & Managers Australia for the year ended 30 June 2011. The documents were lodged with Fair Work Australia on 3 November 2011.

The financial report has not been filed.

I have examined the financial report. Following that examination I have identified a number of matters, the details of which are set out below, that I require you to attend to before the report can be filed.

Designated Officer's certificate

Section 268 of the RO Act requires the lodgement of a certificate signed and dated by the designated officer which certifies that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.

I note that the designated officer's certificate was not lodged with the financial report. Please provide one as soon as possible.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7822 or by email at margaret.williams@fwa.gov.au.

Yours sincerely

MARGARET WILLIAMS
Organisations and Research

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

**FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 30 JUNE 2011**

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 2011.

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 profit after providing for income tax of \$1,469,833 (2010: net loss of \$1,432,931).

REVIEW OF OPERATION

Group

For the 2011 year, the Group continued to provide individual services, and to advance employment, social and economic interests of members. Overall, the Group's revenue decreased by \$0.048 million, whilst expenditure was reduced by \$2.911 million, resulting in the profit recorded this year. The Group has net assets of \$11,314 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 an increase in revenue of \$0.387 million from \$11,828 million to \$12,216 million. Total subscription revenues increased from \$9.568 million to \$9.962 million this year. Overall expenditure has decreased by \$1.725 million during the year.

Education

Chifley Business School Pty Ltd is currently operating as a subsidiary company of Education & Training For Professionals Pty Ltd with an independent Board of Directors. The company reported a profit of \$0.390 million (2010: loss of \$0.717 million). Total income fell by \$0.306 million from \$6.554 million to \$6.248 million, whilst total expenditure was reduced this year by \$1.413 million.

Career Development

During the year, ETM Placements ceased operations effective 31 August 2010. Up to that time ETM generated a net loss of \$0.100 million (2010: loss of \$0.734 million). At 30 June 2011, ETM net equity was transferred to ultimate parent entity APESMA (Chief Entity) with a transfer of net equity of (\$1.076 million)

Member Advantage

Member Advantage generated a net profit of \$0.074 million. Total revenues increased by \$0.207 million whilst expenditure remained stable.

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.

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS AUSTRALIA

Operating Report (Cont'd)

RIGHTS OF MEMBERS TO RESIGN

Members have the right to resign from the Association by forwarding a written statement addressed and delivered to the person designated in the rules of the organisation or a branch of the organisation. Rule 9 in the Association's Rules provides details of the right of 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	2010/11
Bill Jackson	Senior Vice President	2010/11
Robyn Porter	National Secretary	2010/11
Karina Bader	National Treasurer	2010/11
Andreas Marquardt	National Vice President	2010/11
Chris Greenway	National Vice President	2010/11
Colin Jones	National Vice President	Resigned 28/02/2011.
Andrew Russack	National Vice President	Commenced 01/03/2011

NUMBER OF MEMBERS

As at 30 June 2011 the number of members is 21,216 (2010: 20,420).

NUMBER OF EMPLOYEES

As at 30 June 2011 the number of employees is 123 (2010: 130).

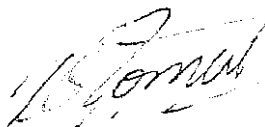
NO MEMBERS OR OFFICERS ARE TRUSTEES OF A SUPERANNUATION ENTITY OR AN EXEMPT PUBLIC SECTOR SUPERANNUATION SCHEME

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 30 September 2011, 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 2011 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 30th day of September 2011

**Statement of Comprehensive Income
for the Year Ended 30 June 2011**

	Note	Group		Chief Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
Subscription Income	2	9,962,414	9,568,503	9,962,414	9,568,503
Other Income from Ordinary Activities	2	9,702,005	10,143,842	2,253,367	2,260,298
	2	19,664,419	19,712,345	12,215,781	11,828,801
Employment Costs		(9,354,192)	(12,095,377)	(6,744,189)	(7,886,127)
Borrowing Costs		(386,027)	(338,305)	(366,234)	(300,845)
Professional Network Costs		(249,809)	(272,451)	(249,809)	(272,451)
Other Expenses		(8,191,113)	(8,439,143)	(4,857,737)	(5,484,111)
Profit before Income Tax		1,483,278	(1,432,931)	(2,188)	(2,114,733)
Income Tax Expense	1(l),3	(13,445)	-	-	-
Profit after Income Tax		1,469,833	(1,432,931)	(2,188)	(2,114,733)
Other comprehensive income/(expenses)		-	-	-	-
Gain on revaluation of land and buildings		1,152,398	-	1,152,398	-
Total Comprehensive income/(loss) attributable to members of the entity		2,622,231	(1,432,931)	1,150,210	(2,114,733)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes on pages 9 to 29.

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS AUSTRALIA

**Statement of Financial Position
as at 30 June 2011**

	Note	Group		Chief Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
Current Assets					
Cash and Cash Equivalents	4	2,336,418	1,504,050	1,906,838	2,518,720
Trade and Other Receivables	5	1,784,044	2,321,585	143,667	892,930
Other Assets	6	132,776	298,085	131,722	192,831
Financial Assets	7	5,349,479	4,105,067	5,349,479	4,105,067
Total Current Assets		9,602,717	8,228,787	7,531,706	7,709,548
Non Current Assets					
Trade and Other Receivables	5	-	-	529,676	926,303
Financial Assets	7	-	-	675,033	33
Property, Equipment & Vehicles	8	12,444,575	11,759,117	12,409,302	11,681,726
Intangibles	9	-	-	-	-
Total Non Current Assets		12,444,575	11,759,117	13,614,011	12,608,062
Total Assets		22,047,292	19,987,904	21,145,717	20,317,610
Current Liabilities					
Trade and Other Payables	10	5,258,524	6,479,164	4,017,287	4,951,323
Borrowings	11	3,631,685	2,639,157	3,631,685	2,639,157
Provisions	12	1,596,454	1,850,270	1,596,454	1,850,270
Current Tax Liabilities		13,445	-	-	-
Total Current Liabilities		10,500,108	10,968,591	9,245,426	9,440,750
Non Current Liabilities					
Provisions	12	145,152	184,183	145,152	184,183
Borrowings	11	87,449	142,778	87,449	175,197
Total Non Current Liabilities		232,601	326,961	232,601	359,380
Total Liabilities		10,732,709	11,295,552	9,478,027	9,800,130
Net Assets		11,314,583	8,692,352	11,667,690	10,517,480
Funds & Reserves					
Organisation Funds		(4,150,936)	(4,633,402)	(3,797,829)	(2,808,274)
Reserves	13	15,465,519	13,325,754	15,465,519	13,325,754
Total Funds & Reserves		11,314,583	8,692,352	11,667,690	10,517,480
Commitments	14				
Contingent Assets & Liabilities	21				

The above Statement of Financial Position should be read in conjunction with the accompanying notes on pages 9 to 29.

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS AUSTRALIA

**Statement of Changes in Equity
for the Year Ended 30 June 2011**

	Note	Organisation Funds \$	Reserves \$	Total \$
Group				
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 Fund (CSD)		(3,908,270) (725,132)	12,600,622 725,132	8,692,352 -
Balance – 30 June 2010		(4,633,402)	13,325,754	8,692,352
Profit for year		1,469,833	-	1,469,833
		(3,163,569)	13,325,754	10,162,185
Other Comprehensive Income for the year	13	-	1,152,398	1,152,398
		(3,163,569)	14,478,152	11,314,583
Transfer to Legal Defence Fund (CSD)	13	(605,367)	605,367	-
Transfer to Building Repair Reserve	13	(100,000)	100,000	-
Transfer to Amalgamation Reserve	13	(150,000)	150,000	-
Transfer to Licence Fee Reserve	13	(132,000)	132,000	-
		(987,367)	987,367	-
Closing Funds at 30 June 2011		(4,150,936)	15,465,519	11,314,583
Chief Entity				
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 Fund (CSD)		(2,083,142) (725,132)	12,600,622 725,132	10,517,480 -
Balance – 30 June 2010		(2,808,274)	13,325,754	10,517,480
Loss for year		(2,188)	-	(2,188)
		(2,810,462)	13,325,754	10,515,292
Other Comprehensive Income for the year	13	-	1,152,398	1,152,398
		(2,771,662)	14,478,152	11,667,690
Transfer of Legal Defence Fund (CSD)	13	(605,367)	605,367	-
Transfer to Building Repair Reserve	13	(100,000)	100,000	-
Transfer to Amalgamation Reserve	13	(150,000)	150,000	-
Transfer to Licence Fee Reserve	13	(132,000)	132,000	-
		(987,367)	987,367	-
Closing funds at 30 June 2011		(3,797,829)	15,465,519	11,667,690

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes on pages 9 to 29.

**Statement of Cash Flows
for the Year Ended 30 June 2011**

	Note	Group 2011 \$	2010 \$	Chief Entity 2011 \$	2010 \$
Cash Flows from Operating Activities					
Cash receipts from customers		21,146,206	20,824,616	13,357,753	11,983,274
Cash payments to suppliers and employees		(20,099,259)	(20,864,933)	(12,391,390)	(10,292,000)
Interest and Bank Charges		(386,027)	(338,305)	(366,234)	(300,845)
Interest Income		112,117	270,235	112,117	270,235
Net Cash Provided by Operating Activities	18(ii)	773,037	(108,387)	712,246	1,660,664
Cash Flows from Investing Activities					
Rental Income		524,071	513,592	524,071	513,592
Purchase of Fixed Assets		(157,526)	(359,878)	(154,838)	(311,992)
Proceeds from Sale of Assets			114,432	-	114,432
Purchase of Investments		(1,244,412)	(392,604)	(1,244,412)	(392,604)
Net Cash used in Investing Activities		(877,867)	(124,458)	(875,179)	(76,572)
Cash Flows from Financing Activities					
Lease Payments		(62,802)	(198,064)	(62,802)	(198,062)
Proceeds from Borrowings		1,000,000	-	1,000,000	-
Loan Repayments Controlled Entities			-	(1,353,728)	(317,015)
Repayment Debentures			-	(32,419)	-
Net Cash Provided by Financing Activities		937,198	(198,064)	(448,949)	(515,077)
Net Increase/(Decrease) in Cash and Cash Equivalents at the Beginning of the Year		832,368	(430,909)	(611,882)	1,069,015
Cash and Cash Equivalents at the End of the Year	18(i)	2,336,418	1,504,050	1,906,838	2,518,720

The above Statement of Cash Flows should be read in conjunction with the accompanying notes on pages 9 to 29.

**Statement of Receipts and Payments
for Recovery of Wages Activity – Cash Basis
for the Year Ended 30 June 2011**

	2011 \$	2010 \$
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 29.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

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 2011**

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 2011**

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 2011**

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 2011 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.

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 represent expected receipts from "full account paying" members, not received at balance date.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

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 2011 are assessed as having no material impact on this financial report.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
2. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:-				
a) Crediting as Revenue				
Subscriptions	9,962,414	9,568,503	9,962,414	9,568,503
Education (Chifley Business School Pty Ltd)	6,248,972	6,554,166	-	-
Employment (ETM Placements Pty Ltd)	93,850	937,945	-	-
Licence Fees	-	-	748,957	1,310,190
Member Services (Member Advantage Pty Ltd)	1,908,773	1,701,623	-	-
Rental Income	524,071	513,592	524,071	513,592
Interest	112,117	270,235	112,117	270,235
Other Income	814,222	166,281	868,222	166,281
	19,664,419	19,712,345	12,215,781	11,828,801
b) Charging as Expenses				
Affiliation Fees	180,513	152,107	178,063	152,107
Salaries & Allowances – Officers	-	-	-	-
Salaries & Allowances – Other	9,354,192	12,095,377	6,744,189	7,886,127
Meeting Expenses	190,043	160,433	189,704	159,591
Audit & Accounting Fees	111,700	77,172	106,655	47,808
Legal Fees	178,990	34,827	164,500	29,352
Members' Services & Support	7,098,653	6,675,188	2,736,737	1,814,219
Long Service Leave	(111,596)	269,976	(111,596)	125,958
Annual Leave	6,080	360,679	6,080	340,262
Interest and Bank Charges	386,027	338,305	366,234	300,845
Depreciation	542,924	546,029	518,434	511,120
Other Industrial Expenses	27,272	86,234	27,271	86,234
Professional Network Costs	249,809	272,450	249,809	272,450
Industrial Library	15,535	23,930	15,535	23,930
Provision for Doubtful Debts – Controlled entities	-	-	(23,186)	2,193,531
Provision for Doubtful Debts - Other	(49,001)	-	(49,001)	-
Controlled entities loans forgiven	-	-	1,098,541	-

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS AUSTRALIA

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
3. INCOME TAX EXPENSE				
Prima facie tax at 30% on Profit/(Loss)	444,983	(429,879)	(656)	(634,420)
Tax losses and temporary differences recognised/(recouped not previously recognised)	430,882	(204,541)	-	-
Exempt Income	(656)	634,420	656	634,420
Total Income Tax Expense	13,445	-	-	-

The National Board estimates that the potential future income tax benefit of tax losses not brought to account as an asset are;

	927,052	1,375,680	-	-
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The benefit of the losses will only be attained if:

(a) future assessable income is derived of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(b) the conditions for deductibility by the law are continued to be complied with;

(c) no changes in income tax legislation adversely affect realising the benefit from the deduction for the losses;

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
4. CASH AND CASH EQUIVALENTS				
Cash at Bank	2,178,074	842,343	1,748,494	1,857,011
Cash on Hand	2,150	1,436	2,150	1,436
Cash on Deposit	11,570	192,871	11,570	192,873
Cash Management Account	144,624	467,400	144,624	467,400
	<u>2,336,418</u>	<u>1,504,050</u>	<u>1,906,838</u>	<u>2,518,720</u>

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
5. TRADE AND OTHER RECEIVABLES				
Current				
Subscriptions in Arrears	-	307,108	-	307,108
Provision for Doubtful Debts	-	(49,001)	-	(49,001)
Net Subscriptions	-	258,107	-	258,107
Sundry Debtors	1,784,044	2,063,478	143,667	395,380
Amounts Owed by Controlled Entities	-	-	-	239,443
	<u>1,784,044</u>	<u>2,321,585</u>	<u>143,667</u>	<u>892,930</u>
Non Current				
Amounts Owed by Controlled Entities	-	-	2,700,021	3,119,834
Less Provision for Doubtful Debts	-	-	(2,170,345)	(2,193,531)
	-	-	<u>529,676</u>	<u>926,303</u>

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 2011**

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
6. OTHER ASSETS				
Prepayments	132,776	298,085	131,722	192,831
7. FINANCIAL ASSETS				
Current				
Commonwealth Bank Term Deposits	2,535,025	1,553,877	2,535,025	1,553,877
Vanguard Index Funds-Unit Trust	265,242	141,480	265,242	141,480
Chifley Financial Services Structured Bond	2,549,212	2,409,710	2,549,212	2,409,710
	5,349,479	4,105,067	5,349,479	4,105,067
Non-Current				
Shares in Controlled Entities	-	-	675,033	33
Other Unlisted Shares	-	-	-	-
	-	-	675,033	33
Net Fair Values				
Shares in entities noted above have an aggregate net fair value approximating their carrying value.				
8. PROPERTY, PLANT & EQUIPMENT				
Land and Buildings at National Board Valuation 2007	-	10,654,000	-	10,654,000
Land and Buildings at National Board Valuation 2011	11,320,579	-	11,320,579	-
Buildings at Cost	-	477,870	-	477,870
Accumulated Depreciation	-	(749,218)	-	(749,218)
	11,320,579	10,382,652	11,320,579	10,382,652
Office Equipment at Cost	1,322,225	1,554,184	1,233,847	1,407,002
Accumulated Depreciation	(449,435)	(599,731)	(396,326)	(529,941)
	872,790	954,453	837,521	877,061
Motor Vehicles at Cost	568,681	807,749	568,681	807,749
Accumulated Depreciation	(317,474)	(385,737)	(317,474)	(385,737)
	251,207	422,012	251,207	422,012
Total Property, Plant & Equipment	12,444,575	11,759,117	12,409,305	11,681,726

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

8. PROPERTY, PLANT & EQUIPMENT (CONT'D)

Valuation of Land and Buildings

Land and buildings held by the Group were subject to assessment for fair value by the National Board. The property located at 163-165 Eastern Road South Melbourne Victoria was valued as at 30 June 2011 by Mr. M.D. Jackson, AAPI, Certified Practising Valuer of Charter Keck Cramer. Based on the independent valuation of this property the National Board determined to revalue land and buildings as at 30 June 2011 to fair market value based on existing use.

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 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
Balance 1 July 2010	10,382,652	877,061	422,012	11,681,726
Additions	-	134,001	20,837	154,838
Revaluation	1,152,398	-	-	1,152,398
Disposals/Adjustments	-	(22,095)	(39,125)	(61,221)
Depreciation Expense	(214,471)	(151,446)	(152,517)	(518,434)
Balance 30 June 2011	11,320,579	837,521	251,207	12,409,305

GROUP	Land & Buildings	Office Equipment	Motor Vehicles	Total
Balance 1 July 2009	10,660,949	920,242	608,940	12,190,131
Additions	7,500	248,438	103,940	359,878
Disposals/Additions	(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
Balance 1 July 2010	10,382,652	954,453	422,012	11,759,117
Additions	-	136,689	20,837	157,526
Revaluation	1,152,398	-	-	1,152,398
Disposals/Adjustments	-	(42,416)	(39,125)	(81,541)
Depreciation Expense	(214,471)	(175,936)	(152,517)	(542,924)
Balance 30 June 2011	11,320,579	872,790	251,207	12,444,575

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
9. INTANGIBLES				
Goodwill	69,019	69,019	-	-
Accumulated Amortisation/Impairment	(69,019)	(69,019)	-	-
	-	-	-	-

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
10. TRADE AND OTHER PAYABLES				
Current				
Trade and Sundry Creditors	2,735,189	1,498,277	897,710	548,731
Prepaid Subscriptions & Fees	2,523,335	4,980,887	2,469,578	3,752,594
Amounts Owed to Controlled Entities	-	-	649,998	649,998
	5,258,524	6,479,164	4,017,287	4,951,323

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 2011**

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
11. BORROWINGS				
Current				
Bank Overdraft	-	-	-	-
Bank Bills	3,500,000	2,500,000	3,500,000	2,500,000
Lease Liabilities	131,685	139,157	131,685	139,157
	<u>3,631,685</u>	<u>2,639,157</u>	<u>3,631,685</u>	<u>2,639,157</u>
Non Current				
Lease Liabilities	87,449	142,778	87,449	142,778
Long Term Loans	-	-	-	32,419
	<u>87,449</u>	<u>142,778</u>	<u>87,449</u>	<u>175,197</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	
	2011	2010	2011	2010
	\$	\$	\$	\$
12. PROVISIONS				
Current				
Long Service Leave	838,913	929,356	838,913	929,356
Annual Leave	757,541	920,915	757,541	920,914
	<u>1,596,454</u>	<u>1,850,271</u>	<u>1,596,454</u>	<u>1,850,270</u>
Non Current				
Long Service Leave	145,152	184,183	145,152	184,183
	<u>145,152</u>	<u>184,183</u>	<u>145,152</u>	<u>184,183</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). Provisions are payable when leave legally falls due.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
13. RESERVES				
Capital Profits Reserve				
Balance as at start and end of year	775,368	775,368	775,368	775,368
Property Revaluation Reserve				
Balance as at start of year	6,304,362	6,304,362	6,304,362	6,304,362
Revaluation during year	1,152,398	-	1,152,398	-
Balance as at end of year	7,456,760	6,304,362	7,456,760	6,304,362
General Reserve				
Balance as at start and end of year	139,878	139,878	139,878	139,878
Building Repair Reserve				
Balance as at start of year	-	-	-	-
Transfer to Reserves 30 June 2011	100,000	-	100,000	-
Balance as at end of year	100,000	-	100,000	-
Amalgamation Reserve				
Balance as at start of year	-	-	-	-
Transfer to Reserves 30 June 2011	150,000	-	150,000	-
Balance as at end of year	150,000	-	150,000	-
Licence Fee Reserve				
Balance as at start of year	-	-	-	-
Transfer to Reserves 30 June 2011	132,000	-	132,000	-
Balance as at end of year	132,000	-	132,000	-
APESMA Legal Defence Fund				
Balance as at start and end of year	528,464	528,464	528,464	528,464
CSD Legal Defence Fund				
Total CSD Legal Defence Fund				
Balance at Start of Year	5,577,682	4,852,550	5,577,682	4,852,550
Transfer to Reserve	605,367	725,132	605,367	725,132
Balance as at end of year	6,183,049	5,577,682	6,183,049	5,577,682
Total Reserves	15,465,519	13,325,754	15,465,519	13,325,754

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$

14. 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	143,369	158,658	143,369	158,658
1-5 years	91,197	151,689	91,197	151,689
Gross Lease Payments	234,567	310,347	234,567	310,347
Less Future Finance Charges	15,433	28,412	15,433	28,412
Lease Liabilities	219,134	281,935	219,134	281,935
Current	131,685	139,157	131,685	139,157
Non Current	87,449	142,778	87,449	142,778
Lease Liabilities	219,134	281,935	219,134	281,935

	Chief Entity investment		Equity Holding		Contributions to Group Profit & Loss	
	2011	2010	2011	2010	2011	2010
	\$	\$	%	%	\$	\$

15. CONTROLLED ENTITIES

Chief Entity

Association of Professional Engineers, Scientists & Managers, Australia

(2,188) (2,114,733)

Controlled Entities

APESMA Lawyers Pty Ltd	10	10	100	100	-	-
Member Advantage Pty Ltd	1	1	100	100	74,050	(61,161)
ETM Placements Pty Ltd	10	10	100	100	1,076,132	(734,510)
Education and Training for Professionals Pty Ltd	2	2	100	100	(49)	(34,232)
APESMA Insurance Services Pty Ltd	10	10	100	100	-	24,019
Engineering Placements Pty Ltd	-	-	100	100	22,412	11,780
Chifley Business School Pty Ltd	675,000	-	100	100	390,110	(717,625)
	675,033	33				

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
16. EMPLOYEE BENEFITS				
Aggregate employee benefits including on-costs:				
Annual Leave and Long Service Leave	1,741,606	2,034,454	1,741,606	2,034,454

17. 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 2011

17. FINANCIAL RISK MANAGEMENT CONT'D

17 (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		
	%	\$	\$	\$	\$	\$	\$
Chief Entity							
30-Jun-11							
Assets:							
Cash and Cash Equivalents	1.25	1,906,838	-	-	-	-	1,906,838
Financial Assets	5.51	-	5,349,479	-	-	-	5,349,479
Subscriptions and Sundry Debtors		-	-	-	-	673,343	673,343
Total financial assets		1,906,838	5,349,479	-	-	673,343	7,929,660
Liabilities:							
Leases	7.65	-	131,685	87,449	-	-	219,134
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	4,017,287	4,017,425
Bank bills and Overdraft	8.2	-	3,500,000	-	-	-	3,500,000
Total financial liabilities		-	3,631,685	87,449	-	4,017,287	7,736,559
Net financial assets (liabilities)		1,906,838	1,717,794	(87,449)	-	(3,343,944)	193,101
The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)							

30-Jun-10							
Assets:							
Cash and Cash Equivalents	1.15	2,518,720	-	-	-	-	2,518,720
Financial Assets	5.25	-	4,105,067	-	-	-	4,105,067
Subscriptions and Sundry Debtors		-	-	-	-	1,819,233	1,819,233
Total financial assets		2,518,720	4,105,067	-	-	1,819,233	8,443,020
Liabilities:							
Leases	8.45	-	139,157	142,778	-	-	281,935
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	4,951,323	4,951,323
Bank bills and Overdraft	7.11	-	2,500,000	-	-	-	2,500,000
Long term loan		-	-	-	-	32,419	32,419
Total financial liabilities		-	2,639,157	142,778	-	4,983,742	7,765,677
Net financial assets (liabilities)		2,518,720	1,465,910	(142,778)	-	(3,164,509)	677,343
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 \$280,586 2011 (\$878,831 2010) which cannot be encumbered or used for set-off without authority of the management committee of the CSD Legal Defence Fund. The financial assets of the Collieries' Staff Division Legal Defence Fund of \$5,349,479 are also excluded and cannot be encumbered or used for set-off without the authority of the management committee of the Collieries' Staff Division Legal Defence Fund.

Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011

17. 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		
	%	\$	\$	\$	\$	\$	\$
Group							
30-Jun-11							
Assets:							
Cash and Cash Equivalents	1.25	2,336,418	-	-	-	-	2,336,418
Financial Assets	5.51	-	5,349,479	-	-	-	5,349,479
Subscriptions and Sundry Debtors		-	-	-	-	1,784,044	1,784,044
Total financial assets		2,336,418	5,349,418	-	-	1,784,044	9,469,941
Liabilities:							
Leases	7.65	-	131,685	87,449	-	-	219,134
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	5,258,672	5,258,672
Bank bills and Overdraft	8.2	-	3,500,000	-	-	-	3,500,000
Long Term Loan		-	-	-	-	-	-
Total financial liabilities		-	3,631,685	87,449	-	5,258,672	8,977,806
Net financial assets (liabilities)		2,336,418	1,717,794	(87,449)	-	(3,474,628)	491,135
The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)							
30-Jun-10							
Assets:							
Cash and Cash Equivalents	1.15	1,504,050	-	-	-	-	1,504,050
Financial Assets	5.25	-	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	8.45	-	139,157	142,778	-	-	281,935
Sundry Creditors and Prepaid Subscriptions and Fees		-	-	-	-	6,479,164	6,479,164
Bank bills and Overdraft	7.11	-	2,500,000	-	-	-	2,500,000
Long Term Loan		-	-	-	-	-	-
Total financial liabilities		-	2,639,157	142,778	-	6,479,164	9,261,099
Net financial assets (liabilities)		1,504,050	1,465,910	(142,778)	-	(4,157,579)	(1,330,397)
The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)							

17 (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 2011**

17. FINANCIAL RISK MANAGEMENT CONT'D

17 (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 2011.

17 (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.

17 (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
	2011	2011
	\$	\$
Financial assets		
Cash & Cash Equivalents	2,336,418	2,336,418
Receivables	1,784,044	1,784,044
Investments	5,349,479	5,349,479
Financial liabilities		
Payables	5,258,672	5,258,672
Borrowings	3,719,134	3,719,134
	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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

17. FINANCIAL RISK MANAGEMENT CONT'D

CHIEF ENTITY	Carrying	Fair
	Amount	Value
	2011	2011
	\$	\$
Financial assets		
Cash & Cash Equivalents	1,906,838	1,906,838
Receivables	673,343	673,343
Investments	5,349,479	5,349,479
Financial liabilities		
Payables	4,017,425	4,017,425
Borrowings	3,719,134	3,719,134
	Carrying	Fair
	Amount	Value
	2010	2010
	\$	\$
Financial assets		
Cash & Cash Equivalents	2,518,720	2,518,720
Receivables	1,819,233	1,819,233
Investments	4,105,067	4,105,067
Financial liabilities		
Payables	4,951,323	4,951,323
Borrowings	2,814,354	2,814,354

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

	Group		Chief Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
18. 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	2,150	1,436	2,150	1,436
Cash at bank	2,178,074	842,343	1,748,494	1,857,011
Cash on deposit	11,570	192,871	11,570	192,873
Cash Management Account	144,624	467,400	144,624	467,400
Bank Overdraft	-	-	-	-
	2,336,418	1,504,050	1,906,838	2,518,720
ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities				
Operating Profit/(Loss) after Income Tax	1,469,833	(1,432,931)	(2,1880	(2,114,733)
Non cash and investing items				
Asset Impairment/Write Offs	81,541	130,431	61,221	96,837
Depreciation	542,924	546,029	518,424	511,120
Rental Income	(524,071)	(513,592)	(524,071)	(513,592)
Doubtful Debts – Controlled Entities	-	-	(23,186)	2,193,531
Doubtful Dents – Other	(49,001)	-	(49,001)	-
Loans to Controlled Entities Forgiven	-	-	1,098,541	-
Changes in Operating Assets/Liabilities				
Subscriptions	-	1,385,611	-	1,047,297
Sundry Debtors	586,542	510,487	798,264	(61,574)
Prepayments	165,309	(105,630)	61,109	(50,154)
Employee Entitlements	(279,402)	(143,509)	(292,847)	609,408
Creditors and Other Payables	(1,220,640)	(485,283)	(934,029)	(57,476)
Net cash provided by/used in operating activities	773,037	(108,387)	712,246	1,660,664

iii) The Group has bank bill (\$3.5 million) and bank overdraft (\$0.5 million) facilities of \$4.0 million as at 30 June 2011 which were utilised to the extent of \$3.50 million. These facilities are subject to annual review (the next review date being November 2011).

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2011**

19. RELATED PARTIES

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

The chief entity received licence and service fees this year of \$748,957 (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 \$42,931

20. 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.

21. CONTINGENT ASSETS AND LIABILITIES

The National Board is not aware of any contingent assets or any contingent liabilities as at 30 June 2011 (2010 nil).

22. SUBSEQUENT EVENTS

i) ETM Placements Pty Ltd

It has been resolved by the National Assembly that effective from 1 July 2011 all the issued shares in ETM Placements Pty Ltd would be transferred to the Bayside Group for consideration of \$10. Engineering Placements Pty Ltd the controlled entity of ETM Placements Pty Ltd will be wound up prior to the transfer of these shares.

National Board Statement

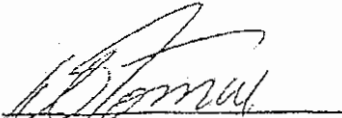
On 30th September 2011 the National Board of the Association of Professional Engineers, Scientists & Managers, Australia passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2011:

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

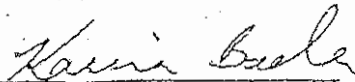
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the Reporting Guidelines of the General Manager of Fair Work Australia and other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) 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 Torat
National President



K Bader
National Treasurer

Dated: 30 September 2011

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** (the entity), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity, statement of cash flows and the statement of receipts and payments for recovery of wages activity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the National Board Statement.

National Board's responsibility for the financial report

The National Board is responsible for the preparation of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards 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 National Board is also responsible for such internal control as the National Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the National Board also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the National Board, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ASSOCIATION OF PROFESSIONAL
ENGINEERS, SCIENTISTS AND MANAGERS, AUSTRALIA**

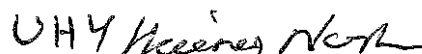
Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

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
Chartered Accountants



R.H. Hutton
Registered Company Auditor

Dated this 30th day of September 2011