



22 April 2014

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

Sent by email: [eRomer@professionalsaustralia.org.au](mailto:eRomer@professionalsaustralia.org.au)

Dear Ms Porter

**Re: The Association of Professional Engineers, Scientists and Managers, Australia -  
Lodgement of Financial report for the year ended 30 June 2013 - (FR2013/349)**

I refer to the financial report of The Association of Professional Engineers, Scientists and Managers, Australia (the reporting unit) for the year ended 30 June 2013. The documents were lodged with the Fair Work Commission on 13 November 2013. The Delegate of the General Manager has granted an extension of time for lodgement under section 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act). The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the RO Act have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (02) [REDACTED] or via email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely

Stephen Kellett

Senior Adviser, Regulatory Compliance Branch



FairWork  
Commission

22 April 2014

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

Sent by email: [eRomer@professionalsaustralia.org.au](mailto:eRomer@professionalsaustralia.org.au)

Dear Ms Porter

**Re: The Association of Professional Engineers, Scientists and Managers, Australia -  
Lodgement of Financial report for the year ended 30 June 2013 - (FR2013/349)**

I refer to your letter dated 17 April 2014 requesting an extension of time in relation to the period allowed for lodgement of the above report under section 268 of the *Fair Work (Registered Organisations) Act 2009*.

The report was lodged on 13 November 2013, which was 4 days outside the 14 day period prescribed.

Having regard to the reason submitted for the delay, I grant the extension and allow a longer period for lodgement up to the actual date of lodgement.

Yours sincerely

Chris Enright  
Delegate of the General Manager  
Fair Work Commission

17<sup>th</sup> April 2014

Mr. S. Kellett  
Senior Advisor,  
Regulatory Compliance Branch

Sent by email: [Stephen.kellett@fwc.gov.au](mailto:Stephen.kellett@fwc.gov.au)

Dear Mr. Kellett,

**Re: Association Professional Engineer, Scientists & Managers Australia, Australia Branch for year ended 30 June 2013 – (FR2013/349)**

I refer to your letter dated 13<sup>th</sup> April 2014 and subsequent phone conversation between yourself and our Chief Finance Officer on 16<sup>th</sup> April 2014 and wish to request / advise the following;

Extension of time S268

- In relation to Section 268, I wish to apply for an extension of time in relation to the lodgement of the audited financial report which was lodged on the 13<sup>th</sup> November 2013.
- The Chief Finance Officer had taken a fortnight's leave following the general meeting and had only forwarded the audited finance reports to you on his return.
- Unfortunately this resulted in missing the lodgement within the 14 days' timeframe.

Operating Report S254

- Following your phone conversation with our Chief Finance Officer on the 16<sup>th</sup> April 2014, I note the requirement under Section 254 to provide a narrative on the industrial activity during the year
- In the 2013/14 I will ensure that a more detailed operating report is included that not only includes a narrative on the financial results for the year but also expands on industrial activity which will include key achievements in the industrial field throughout the year.

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



Robyn Porter  
National Secretary



13 April 2014

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

Sent by email: [eRomer@professionalsaustralia.org.au](mailto:eRomer@professionalsaustralia.org.au)

Dear Ms Porter

**Re: The Association of Professional Engineers, Scientists and Managers, Australia -  
Lodgement of Financial report for the year ended 30 June 2013 - (FR2013/349)**

I refer to the financial report of The Association of Professional Engineers, Scientists and Managers, Australia for the year ended 30 June 2013, lodged on 13 November 2013.

I note that the following timescale requirement was not met:

Documents must be lodged with the Fair Work Commission within 14 days of General Meeting

Section 268 of the RO Act states that the full report and the designated officer's certificate must be lodged with the Fair Work Commission within 14 days of the general meeting of members referred to in section 266. The Designated Officer's Certificate indicates that this meeting occurred on 26 October 2013. The report should therefore have been lodged with the Fair Work Commission by 9 November 2013.<sup>1</sup>

The prescribed 14 day period was drawn to the Branch's attention in Mr Donnellan's letter dated 3 May 2011 in respect of the 2010 report, and the requirement to apply for an extension of time to lodge the financial reports and designated officer's certificate was drawn to the Branch's attention in my letter dated 4 February 2013 in respect of the previous financial report. The Branch should therefore have applied, in accordance with section 268, for an extension of time to lodge the required reports and the Designated Officer's certificate before 9 November 2013.

The General Manager may allow a longer period. Before filing the report, I request that the Branch formally apply to the General Manager for an extension of the period for lodgement up to the day of actual lodgement, stating the reason(s) for the delay in lodging the report.

Your letter may be forwarded directly to me at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely

Stephen Kellett

Senior Adviser, Regulatory Compliance Branch

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<sup>1</sup> FWC always sends correspondence reminding organisations of the obligation to lodge their reports by the latest time allowed, that is, the 6 months allowed for presentation under s266 and the 14 days allowed for lodgement under s268. However, the effect of s268 is that the 14 days is calculated from whenever presentation occurs.



**Professionals  
Australia**

GPO Box 1272,  
Melbourne,  
Victoria 3001.

8<sup>th</sup> November 2013

Mr Stephen Kellett  
Senior Advisor  
Regulatory Compliance Branch  
Fair work Commission  
GPO Box 1994  
Melbourne VIC 3001

Dear Mr Kellett

**Re: Lodgement of Financial Accounts & Statements - Association Professional Engineers, Scientists & Managers Australia – for year ending 30 June 2013**

Please find attached a copy of the audited financial accounts & statements for the year ended 30 June 2013 and note the following;

I, Robyn Porter being the secretary of the Association 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 3<sup>rd</sup> October 2013; and
- that the full report was presented to a general meeting of members of the reporting unit on 26<sup>th</sup> October 2013; in accordance with s266 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

Robyn Porter  
Secretary  
APESMA

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

**FINANCIAL STATEMENTS AND REPORTS  
FOR THE YEAR ENDED 30 JUNE 2013**

## **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 2013.

### **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 \$3,924,799 (2012: \$520,682).

### **REVIEW OF OPERATION**

#### **Group**

For the 2013 year, the Group continued to provide individual services, and to advance employment, social and economic interests of members. Overall, the Group's revenue increased by \$0.448 million, whilst expenditure increased by \$0.168 million. The Group has net assets of \$15.760 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 \$0.259 million from \$12.419 million to \$12.678 million. Total subscription revenues increased from \$10.477 million to \$10.636 million this year. Overall expenditure decreased by \$1.112 million during the year, which includes the write off of loans to controlled entities of \$2,830,716 and the write back of the provision for doubtful debts raised against these loans in previous years amounting to \$2,783,510.

#### **Education**

Chifley Business School Pty Ltd was operated by the Group up until the sale date of 30 September 2012. The company reported a loss of \$0.194 million (2012: loss of \$0.175 million). The directors applied for Education and Training for Professional Pty Ltd to be deregistered by ASIC on 27 June 2013 and the company was deregistered by ASIC on 2 September 2013.

#### **Career Development**

ETM Placements ceased operations 31 August 2010 and the amount payable to the parent entity, APESMA, of \$54,839 was forgiven during the year. The directors applied for the company and its controlled entity, Engineering Placements Pty Ltd, to be deregistered by ASIC on 27 June 2013 and the company's were deregistered by ASIC on 2 September 2013.

#### **Member Advantage**

Member Advantage generated a net profit of \$0.003 million (2012: net profit of \$0.012 million). Total revenues increased by \$0.189 million whilst expenditure increased by \$0.198 million.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

During the financial year the Chief Entity and a subsidiary entered into a share sale agreement and subsequent Deed of Variation whereby all issued shares in Chifley Business School Pty Ltd were sold with the completion date of 1 October 2012. The sale price of \$3.072 million was payable by two instalments, \$1.872 million by completion date, and \$1.2 million no later than 30 September 2014. APESMA has security, including a first ranking charge over the assets of Chifley Business School Pty Ltd to secure payment of this amount by the due date of 30 September 2014.

**Operating Report (Cont'd)**

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (CONT'D)**

The profit on sale of Chifley Business School Pty Ltd, effective 30 September 2012 and transactions related to the conduct of the business up to 30 September 2012 have been disclosed separately in the Statement of Comprehensive Income.

**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:–

<b>Name</b>	<b>Position</b>	<b>Period</b>
Bill Jackson	National President	2012/13
Robyn Porter	National Secretary	2012/13
Karina Bader	National Treasurer	Resigned 28 February 2013
Olaf Reinhold	National Treasurer	Appointed 1 March 2013
Andrew Russack	Senior Vice President	2012/13
Maria Fuchs	Vice President	2012/13
Paul Keech	Vice President	Resigned 28 February 2013
Zaneta Mascarenhas	Vice President	2012/13
Andreas Marquardt	Vice President	Appointed 1 March 2013

**NUMBER OF MEMBERS**

As at 30 June 2013 the number of members was 22,537 (2012: 21,768).

**NUMBER OF EMPLOYEES**

As at 30 June 2013 the number of full-time equivalent employees was 82.91 (2012: 85.09).

**OFFICERS OR EMPLOYEES WHO ARE TRUSTEES OF A SUPERANNUATION ENTITY OR AN EXEMPT PUBLIC SECTOR SUPERANNUATION SCHEME**

Martin O'Connell an employee of APESMA is a Trustee of the Local Government Superannuation Scheme.

There are no other officers or employees 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 employee being a trustee or director is that the officer or employee is an officer or employee of a registered organisation.

**OFFICERS AND EMPLOYEES WHO ARE DIRECTORS OF A COMPANY OR A MEMBER OF A BOARD**

Officers and employees are directors of controlled entities as described below:



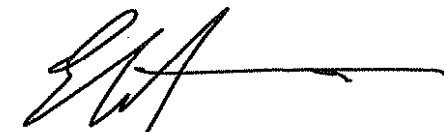
**THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS AUSTRALIA**

**Operating Report (Cont'd)**

	<b>B. Jackson National President</b>	<b>K. Bader Previous National Treasurer</b>	<b>C. Walton Chief Executive Officer</b>	<b>E. Romer Chief Financial Officer</b>
Members Advantage Pty Ltd	✓	✓	✓	✓
ETM Placements Pty Ltd	✓	-	✓	-
Education and Training Professionals Pty Ltd	✓	-	✓	-
APESMA Lawyers Pty Ltd	-	-	✓	-
APESMA Insurance Services Pty Ltd	✓	✓	✓	-
Engineering Placements Pty Ltd	✓	-	-	✓

The above officers and employees held the above positions as directors of the controlled entities because they were officers or employees of the reporting unit. No officers or employees of the reporting unit act as a director or member of a board because they were officers or employees of the reporting unit, other than disclosed above.

This report is made in accordance with a resolution of the National Board.



E. W. Jackson  
National President



O. Reinhold  
National Treasurer

Dated 30 September 2013, South Melbourne, Victoria

**Auditor's Independence Declaration**

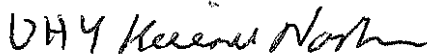
**To the Members of the Association of Professional Engineers, Scientists and Managers, Australia:**

As engagement partner for the audit of the Association of Professional Engineers, Scientists and Managers, Australia for the year ended 30 June 2013 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 ~~30~~<sup>7<sup>th</sup></sup> day of September 2013

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**e** mail@melb.uhyn.com.au  
**w** www.uhyn.com.au

**Chartered Accountants:**  
Harold Lourie  
Richard J Lindner  
Rodney H Hutton

**ABN 48 259 373 375**  
Adam G Roberts  
Joella F Gould

**Statement of Comprehensive Income  
for the Year Ended 30 June 2013**

	Note	Group		Chief Entity	
		2013	2012	2013	2012
		\$	\$	\$	\$
<b>Continuing Operations:</b>					
<b>Revenue</b>					
Subscription Income	2	10,635,555	10,446,785	10,635,555	10,446,785
Other Income	2	3,544,258	3,284,858	2,042,605	1,972,107
	<b>2</b>	<b>14,179,813</b>	<b>13,731,643</b>	<b>12,678,160</b>	<b>12,418,892</b>
<b>Expenses</b>					
Employment Costs	2	(8,565,920)	(8,205,894)	(7,922,691)	(7,635,883)
Borrowing Costs	2	(293,046)	(409,538)	(293,046)	(379,872)
Professional Network Costs	2	(181,372)	(231,425)	(181,372)	(231,425)
Other Expenses	2	(4,158,829)	(4,184,796)	(3,351,141)	(4,097,237)
		<b>(13,199,167)</b>	<b>(13,031,653)</b>	<b>(11,748,250)</b>	<b>(12,344,417)</b>
Profit before Income Tax					
Expense		980,646	699,990	929,910	74,475
Income Tax Expense	1(i),3	(39)	(4,690)	-	-
<b>Net Profit from Continuing Operations after Income Tax Expense</b>		<b>980,607</b>	<b>695,300</b>	<b>929,910</b>	<b>74,475</b>
<b>Discontinued Operations:</b>					
Profit/(loss) from Discontinued Operations after Income Tax Expense	4	2,944,192	(174,618)	2,396,990	-
<b>Net Profit for the Year</b>		<b>3,924,799</b>	<b>520,682</b>	<b>3,326,900</b>	<b>74,475</b>
<b>Other comprehensive income/(expenses)</b>					
Revaluation of land and buildings		-	-	-	-
<b>Total Comprehensive income/(loss) for the Year</b>		<b>3,924,799</b>	<b>520,682</b>	<b>3,326,900</b>	<b>74,475</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes on pages 11 to 34.

**Statement of Financial Position  
as at 30 June 2013**

	Note	Group		Chief Entity	
		2013	2012	2013	2012
		\$	\$	\$	\$
<b>Current Assets</b>					
Cash and Cash Equivalents	5	3,566,344	2,852,256	2,631,024	1,588,687
Trade and Other Receivables	6	399,700	1,640,714	93,536	191,852
Other Assets	7	124,544	115,189	124,544	103,164
Financial Assets	8	6,153,822	5,581,181	6,153,822	5,581,181
Current Tax Assets		14,219	-	-	-
<b>Total Current Assets</b>		<b>10,258,629</b>	<b>10,189,340</b>	<b>9,002,926</b>	<b>7,464,884</b>
<b>Non Current Assets</b>					
Trade and Other Receivables	6	1,200,000	-	2,107,245	578,901
Financial Assets	8	2,062	2,062	2,095	677,095
Property, Equipment & Vehicles	9	11,626,864	12,080,873	11,626,864	12,054,001
<b>Total Non Current Assets</b>		<b>12,828,926</b>	<b>12,082,935</b>	<b>13,736,204</b>	<b>13,309,997</b>
<b>Total Assets</b>		<b>23,087,555</b>	<b>22,272,275</b>	<b>22,739,130</b>	<b>20,774,881</b>
<b>Current Liabilities</b>					
Trade and Other Payables	10	3,498,513	5,213,757	3,841,087	3,809,501
Borrowings	11	2,018,248	3,247,132	2,018,248	3,247,094
Employee Provisions	12	1,439,820	1,847,488	1,439,820	1,847,488
Current Tax Liabilities		-	-	-	-
<b>Total Current Liabilities</b>		<b>6,956,581</b>	<b>10,308,377</b>	<b>7,229,155</b>	<b>8,904,083</b>
<b>Non Current Liabilities</b>					
Employee Provisions	12	370,910	119,760	370,910	119,760
Borrowings	11	-	8,873	-	8,873
<b>Total Non Current Liabilities</b>		<b>370,910</b>	<b>128,633</b>	<b>370,910</b>	<b>128,633</b>
<b>Total Liabilities</b>		<b>7,327,491</b>	<b>10,437,010</b>	<b>7,670,065</b>	<b>9,032,716</b>
<b>Net Assets</b>		<b>15,760,064</b>	<b>11,835,265</b>	<b>15,069,065</b>	<b>11,742,165</b>
<b>Member Funds &amp; Reserves</b>					
Organisation Funds		(65,205)	(4,157,949)	(756,204)	(4,251,049)
Reserves	13	15,825,269	15,993,214	15,825,269	15,993,214
<b>Total Member Funds &amp; Reserves</b>		<b>15,760,064</b>	<b>11,835,265</b>	<b>15,069,065</b>	<b>11,742,165</b>
<b>Commitments</b>	14				
<b>Contingent Assets &amp; Liabilities</b>	21				

The above Statement of Financial Position should be read in conjunction with the accompanying notes on pages 11 to 34.

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

**Statement of Changes in Equity  
for the Year Ended 30 June 2013**

	Note	Organisation Funds \$	Reserves \$	Total \$
<b>Group Entity</b>				
<b>Balance – 30 June 2011</b>		<b>(4,150,936)</b>	<b>15,465,519</b>	<b>11,314,583</b>
Net Profit/(Loss) for the year		520,682	-	520,682
		<b>(3,630,254)</b>	<b>15,465,519</b>	<b>11,835,265</b>
Other Comprehensive Income for the year		-	-	-
Transfer to Legal Defence Fund (CSD)	13	(527,695)	527,695	-
<b>Closing Member Funds at 30 June 2012</b>		<b>(4,157,949)</b>	<b>15,993,214</b>	<b>11,835,265</b>
Net Profit/(Loss) for the year		3,924,799	-	3,924,799
		<b>(233,150)</b>	<b>15,993,214</b>	<b>15,760,064</b>
Other Comprehensive Income for the year		-	-	-
Transfer to Legal Defence Fund (CSD)	13	(747,301)	747,301	-
Transfer from Reserves	13	915,246	(915,246)	-
<b>Closing Member Funds at 30 June 2013</b>		<b>(65,205)</b>	<b>15,825,269</b>	<b>15,760,064</b>
<b>Chief Entity</b>				
<b>Balance – 30 June 2011</b>		<b>(3,797,829)</b>	<b>15,465,519</b>	<b>11,667,690</b>
Net Profit/(Loss) for the year		74,475	-	74,475
		<b>(3,723,354)</b>	<b>15,465,519</b>	<b>11,742,165</b>
Other Comprehensive Income for the year		-	-	-
Transfer to Legal Defence Fund (CSD)		(527,695)	527,695	-
<b>Closing Member Funds at 30 June 2012</b>		<b>(4,251,049)</b>	<b>15,993,214</b>	<b>11,742,165</b>
Net Profit/(Loss) for the year		3,326,900	-	3,326,900
		<b>(924,149)</b>	<b>15,993,214</b>	<b>15,069,065</b>
Other Comprehensive Income for the year		-	-	-
Transfer to Legal Defence Fund (CSD)	13	(747,301)	747,301	-
Transfer from Reserves	13	915,246	(915,246)	-
<b>Closing Member Funds at 30 June 2013</b>		<b>(756,204)</b>	<b>15,825,269</b>	<b>15,069,065</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes on pages 11 to 34.

**Statement of Cash Flows  
for the Year Ended 30 June 2013**

	Note	Group 2013 \$	2012 \$	Chief Entity 2013 \$	2012 \$
<b>Cash Flows from Operating Activities</b>					
Cash receipts from customers		15,938,637	19,514,299	12,890,847	12,786,038
Receipts from other reporting units		-	-	-	-
Cash payments to suppliers and employees		(15,287,881)	(18,486,834)	(11,848,044)	(12,643,890)
Payments to other reporting units		-	-	-	-
Interest and Bank Charges		(293,046)	(409,538)	(293,046)	(379,872)
Interest Income		179,591	202,021	179,591	202,021
Income Tax paid		(14,258)	(18,135)	-	-
<b>Net Cash Provided/(Used) by Operating Activities</b>	18(ii)	<b>523,043</b>	<b>801,813</b>	<b>929,348</b>	<b>(35,703)</b>
<b>Cash Flows from Investing Activities</b>					
Rental Income		615,612	599,742	615,612	599,742
Purchase of Fixed Assets		(218,289)	(190,886)	(218,289)	(187,321)
Proceeds from Sale of Fixed Assets		29,576	-	29,576	-
Proceeds from Disposal of Subsidiary	18(iv)	1,574,544	-	1,872,000	-
Purchase of Investments		(572,641)	(231,702)	(572,641)	(231,702)
<b>Net Cash Provided/(Used) by Investing Activities</b>		<b>1,429,002</b>	<b>177,154</b>	<b>1,726,258</b>	<b>180,719</b>
<b>Cash Flows from Financing Activities</b>					
Lease Payments		(37,719)	(163,167)	(37,719)	(163,167)
Proceeds from Borrowings		-	-	-	-
Repayment of Borrowings		(1,200,000)	(299,962)	(1,200,000)	(300,000)
Loan Repayments Controlled Entities		-	-	(375,550)	-
<b>Net Cash Provided/(Used) by Financing Activities</b>		<b>(1,237,719)</b>	<b>(463,129)</b>	<b>(1,613,269)</b>	<b>(463,167)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents at the Beginning of the Year		714,126	515,838	1,042,337	(318,151)
<b>Cash and Cash Equivalents at the End of the Year</b>	18(i)	<b>3,566,344</b>	<b>2,852,218</b>	<b>2,631,024</b>	<b>1,588,687</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes on pages 11 to 34.

**Recovery of Wages Activity  
for the Year Ended 30 June 2013**

	2013 \$	2012 \$
<b>Cash Assets in respect of recovered money at beginning of the year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc	-	-
Interest Received on recovered money	-	-
<b>Total Receipts</b>	<u>-</u>	<u>-</u>
<b>Payments</b>		
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	-	-
<b>Total Payments</b>	<u>-</u>	<u>-</u>
<b>Cash assets in respect of recovered money at the end of the year</b>	<u>-</u>	<u>-</u>
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>		
There has been no fund or account operated and no monies invested in any assets in respect to recovery of wages.		

The above Statement should be read in conjunction with the accompanying notes on pages 11 to 34.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

**1. ACCOUNTING METHODS & POLICIES**

**Basis of Preparation**

The financial statements are general purpose financial statements and 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 2013**

**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 2013**

**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 2013**

**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 the Chief Entity, APESMA.

**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.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

**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 2013 are assessed as having no material impact on this financial report.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

	Note	Group		Chief Entity	
		2013	2012	2013	2012
		\$	\$	\$	\$
<b>2. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:-</b>					
<b>a) Crediting as Revenue</b>					
Subscriptions		10,635,555	10,446,785	10,635,555	10,446,785
Member Services (Member Advantage Pty Ltd)		2,054,151	1,877,527	-	-
Licence Fees		-	-	625,000	625,000
Rental Income		559,647	545,220	559,647	545,220
Interest		179,591	202,021	179,591	202,021
Trust Distributions		114,672	100,227	114,672	100,227
Profit from Sale of Non Current Asset		14,675	-	14,675	-
Capitation Fees		-	-	-	-
Levies		-	-	-	-
Grants		121,933	-	121,933	-
Donations		-	-	-	-
Other Financial Support		-	-	-	-
Other Income		499,589	559,863	427,087	499,639
		<b>14,179,813</b>	<b>13,731,643</b>	<b>12,678,160</b>	<b>12,418,892</b>
<b>b) Charging as Expenses</b>					
<b>Employment Costs</b>					
Office Holders:		-	-	-	-
Salaries & Allowances		-	-	-	-
Annual Leave		-	-	-	-
Long Service Leave		-	-	-	-
Separation & Redundancy		-	-	-	-
Superannuation		-	-	-	-
Other Employment Costs		-	-	-	-
Employees Other than Office Holders:					
Salaries & Allowances – Other		7,243,981	6,786,301	6,703,435	6,250,961
Annual Leave		(4,206)	80,279	(11,308)	87,539
Long Service Leave		125,801	188,876	113,175	202,078
Separation & Redundancy		4,528	-	4,528	-
Superannuation		680,324	637,479	628,332	589,791
Other Employment Costs		515,492	512,959	484,529	505,514
		<b>8,565,920</b>	<b>8,205,894</b>	<b>7,922,691</b>	<b>7,635,883</b>
<b>Borrowing Costs</b>		<b>293,046</b>	<b>409,538</b>	<b>293,046</b>	<b>379,872</b>
<b>Professional Network Costs</b>		<b>181,372</b>	<b>231,425</b>	<b>181,372</b>	<b>231,425</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

	Note	Group		Chief Entity	
		2013	2012	2013	2012
		\$	\$	\$	\$
<b>2. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER CONT'D</b>					
<b>Other Expenses</b>					
Affiliation Fees	2(c)	150,399	166,947	150,399	166,947
Meeting Expenses		188,483	172,042	185,546	172,042
Audit & Accounting Fees		75,050	49,632	64,050	26,360
Legal Fees – Litigation		166,831	232,261	166,831	232,261
Legal Fees – Other Legal Matters		101,550	64,587	101,001	64,587
Members' Services & Support		2,811,179	2,907,807	1,970,771	2,128,176
Depreciation		475,020	496,515	475,020	484,547
Other Industrial Expenses		-	9,630	-	9,630
Industrial Library		-	24,522	-	24,522
Provision for Doubtful Debts – Controlled entities		-	-	(2,783,510)	613,165
Bad & Doubtful Debts		-	76,588	-	-
Provision for Doubtful Debts - Other		-	(15,735)	-	-
Controlled entities loans forgiven		-	-	2,830,716	-
Business Subsidy – Chifley Business School Pty Ltd		-	-	-	175,000
Non-Current Assets Written off		155,505	-	155,505	-
Capitation Fees		-	-	-	-
Compulsory Levies (ACTU Election Levy)		34,812	-	34,812	-
Consideration to Employers for Payroll Deductions		-	-	-	-
Fees/allowances – meetings and conferences		-	-	-	-
Grants & Donations		-	-	-	-
Penalties – RO Act & RO Regulations		-	-	-	-
		<b>4,158,829</b>	<b>4,184,796</b>	<b>3,351,141</b>	<b>4,097,237</b>
<b>c) Affiliation Fees Paid</b>					
Unions NSW		23,279	33,246	23,279	33,246
Unions ACT Trades and Labour Council of the ACT Inc		3,289	3,235	3,289	3,235
ACTU		58,742	56,756	58,742	56,756
UNI Global Union		30,123	17,798	30,123	17,798
Newcastle Trades Hall Council		355	213	355	213
NT Trades & Labour Council		795	1,499	795	1,499
SA Unions		6,897	11,263	6,897	11,263
Unions Tasmania		1,601	1,721	1,601	1,721
The Trades Hall Association Limited		6,507	-	6,507	-
Victorian Trades Hall Council		12,716	27,791	12,716	27,791
Unions WA WA's Peak Union Body		6,095	6,111	6,095	6,111
Union Shopper		-	6,336	-	6,336
APHEDA Union Aid Abroad		-	964	-	964
United Trades & Labour Council		-	14	-	14
		<b>150,399</b>	<b>166,947</b>	<b>150,399</b>	<b>166,947</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

	Group		Chief Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>3. INCOME TAX EXPENSE</b>				
Prima facie tax at 30% on Profit/(Loss)	1,177,451	157,612	998,070	22,343
Tax losses recouped not previously recognised	(1,020)	(135,269)	-	-
Exempt Income	(1,176,392)	(22,343)	(998,070)	(22,343)
Under provision for income tax in the previous year	-	4,690	-	-
<b>Total Income Tax Expense</b>	<b>39</b>	<b>4,690</b>	<b>-</b>	<b>-</b>

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

77,420	979,209	-	-
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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 2013**

**4. DISCONTINUED OPERATIONS**

The Chief Entity and a subsidiary entered in a share sale agreement and subsequent Deed of Variation whereby all issued shares in Chifley Business School Pty Ltd were sold with a completion date of 1 October 2012. The sale price of \$3.072 million is payable by two instalments.

Financial information relating to the discontinued operation to the date of disposal is set out below.

The financial performance of the discontinued operation to the date of sale, which is included in profit/(loss) from discontinued operations per the Statement of Comprehensive Income, is as follows:

	Group		Chief Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
Revenue	980,248	4,789,137	-	-
Expenses	(1,172,677)	(4,963,755)	-	-
Depreciation	(1,455)	-	-	-
<b>Profit/(Loss) Before Income Tax</b>	<b>(193,884)</b>	<b>(174,618)</b>	-	-
Income Tax Expense	-	-	-	-
<b>Profit/(Loss) Attributable to members of the Parent Entity</b>	<b>(193,884)</b>	<b>(174,618)</b>	-	-
Profit on Sale of Company	3,138,076	-	2,396,990	-
Income Tax Expense	-	-	-	-
	3,138,076	-	2,396,990	-
<b>Total Profit/(Loss) after Tax Attributable to the Discontinued Operations</b>	<b>2,944,192</b>	<b>(174,618)</b>	<b>2,396,990</b>	-

The net cash flows of the discontinued operations, which have been incorporated into the Statement of Cash Flows, are as follows:

Net cash inflow/(outflow) from operating activities	(530,177)	61,252	-	-
Net cash inflow/(outflow) from investing activities	-	-	-	-
Net cash inflow/(outflow) from financing activities	-	-	-	-
<b>Net cash increase/(decrease) generated by the discontinued operation</b>	<b>(530,177)</b>	<b>61,252</b>	-	-

Gain on disposal of the subsidiary company is included in the profit/(loss) from discontinued operations per the Statement of Comprehensive Income.



**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

	Group		Chief Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>5. CASH AND CASH EQUIVALENTS</b>				
Cash at Bank	3,198,565	2,395,602	2,263,245	1,132,033
Cash on Hand	2,600	2,350	2,600	2,350
Cash Management Account	365,179	454,304	365,179	454,304
	<b>3,566,344</b>	<b>2,852,256</b>	<b>2,631,024</b>	<b>1,588,687</b>

**6. TRADE AND OTHER RECEIVABLES**

**Current**

Sundry Receivables	399,700	1,640,714	93,536	191,852
Amounts Owed by Controlled Entities	-	-	-	-
Receivables from Other Reporting Units	-	-	-	-
Less Provision for Doubtful Debts	-	-	-	-
	<b>399,700</b>	<b>1,640,714</b>	<b>93,536</b>	<b>191,852</b>

**Non Current**

Sundry Receivables	1,200,000	-	1,200,000	-
Amounts Owed by Controlled Entities	-	-	907,245	3,362,411
Less Provision for Doubtful Debts	-	-	-	(2,783,510)
	<b>1,200,000</b>	<b>-</b>	<b>2,107,245</b>	<b>578,901</b>

**Net Fair Values**

The National Board consider that the carrying amount of all receivables approximate their net fair values.

**Significant Terms and Conditions**

Sundry receivables are generally required to be settled within 60 days. The non-current receivables represents the balance due in respect to the sale of Chifley Business School Pty Ltd due and payable no later than 30 September 2014. APESMA has security, including a first ranking charge over the asset of Chifley Business School Pty Ltd to secure payment of this amount by the due date of 30 September 2014.

Loans to controlled entities are unsecured and considered recoverable unless a provision has been raised against the amount receivable. 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 2013**

	Group		Chief Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>7. OTHER ASSETS</b>				
Prepayments	124,544	115,189	124,544	103,164
<b>8. FINANCIAL ASSETS</b>				
<b>Current</b>				
Commonwealth Bank Term Deposits	2,778,456	2,691,618	2,778,456	2,691,618
Vanguard Index Funds-Unit Trust	615,988	246,542	615,988	246,542
Chifley Financial Services Structured Bond	2,759,378	2,643,021	2,759,378	2,643,021
	<b>6,153,822</b>	<b>5,581,181</b>	<b>6,153,822</b>	<b>5,581,181</b>
<b>Non-Current</b>				
Shares in Controlled Entities	-	-	21	675,033
Shares in Other Entities	2,062	2,062	2,062	2,062
	<b>2,062</b>	<b>2,062</b>	<b>2,083</b>	<b>677,095</b>
<b>Net Fair Values</b>				
Shares in entities noted above have an aggregate net fair value approximating their carrying value.				
<b>9. PROPERTY, PLANT &amp; EQUIPMENT</b>				
Land and Buildings at National Board Valuation 2011	11,754,313	11,320,579	11,754,313	11,320,579
Buildings at Cost	-	-	-	-
Accumulated Depreciation	(784,993)	(241,136)	(784,993)	(241,136)
	<b>10,969,320</b>	<b>11,079,443</b>	<b>10,969,320</b>	<b>11,079,443</b>
Office Equipment at Cost	1,208,614	1,513,111	1,208,614	1,421,163
Accumulated Depreciation	(588,188)	(616,383)	(588,188)	(551,307)
	<b>620,426</b>	<b>896,728</b>	<b>620,426</b>	<b>869,856</b>
Motor Vehicles at Cost	191,590	318,653	191,590	318,653
Accumulated Depreciation	(154,472)	(213,951)	(154,472)	(213,951)
	<b>37,118</b>	<b>104,702</b>	<b>37,118</b>	<b>104,702</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>11,626,864</b>	<b>12,080,873</b>	<b>11,626,864</b>	<b>12,054,001</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

**9. 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 2011	11,320,579	837,521	251,207	12,409,307
Additions	-	187,316	-	187,316
Revaluation	-	-	-	-
Disposals/Adjustments	-	-	(58,074)	(58,074)
Depreciation Expense	(241,136)	(154,981)	(88,431)	(484,548)
<b>Balance 30 June 2012</b>	<b>11,079,443</b>	<b>869,856</b>	<b>104,702</b>	<b>12,054,001</b>
Balance 1 July 2012	11,079,443	869,856	104,702	12,054,001
Additions	131,894	86,396	-	218,290
Revaluation	-	-	-	-
Disposals/Adjustments	-	(155,350)	(15,057)	(170,407)
Depreciation Expense	(242,017)	(180,476)	(52,527)	(475,020)
<b>Balance 30 June 2013</b>	<b>10,969,320</b>	<b>620,426</b>	<b>37,118</b>	<b>11,626,864</b>

GROUP	Land & Buildings	Office Equipment	Motor Vehicles	Total
Balance 1 July 2011	11,320,579	872,790	251,207	12,444,576
Additions	-	190,886	-	190,886
Disposals/Additions	-	-	-	-
Revaluation	-	-	(58,074)	(58,074)
Depreciation Expense	(241,136)	(166,948)	(88,431)	(496,515)
<b>Balance 30 June 2012</b>	<b>11,079,443</b>	<b>896,728</b>	<b>104,702</b>	<b>12,080,873</b>
Balance 1 July 2012	11,079,443	896,728	104,702	12,080,873
Additions	131,894	86,395	-	218,289
Revaluation	-	-	-	-
Disposals/Adjustments	-	(182,221)	(15,057)	(197,278)
Depreciation Expense	(242,017)	(180,476)	(52,527)	(475,020)
<b>Balance 30 June 2013</b>	<b>10,969,320</b>	<b>620,426</b>	<b>37,118</b>	<b>11,626,864</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

	Group		Chief Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>10. TRADE AND OTHER PAYABLES</b>				
<b>Current</b>				
Trade and Sundry Creditors	1,249,824	2,779,935	1,062,347	725,681
Prepaid Subscriptions & Fees	2,248,689	2,433,822	2,128,742	2,433,822
Amounts Owed to Controlled Entities	-	-	649,998	649,998
Payable to Other Reporting Units	-	-	-	-
Consideration to employers for payroll deductions	-	-	-	-
Legal costs	-	-	-	-
	<b>3,498,513</b>	<b>5,213,757</b>	<b>3,841,087</b>	<b>3,809,501</b>

**Trade and Sundry Creditors and Payables to Other Reporting Units Prepaid Subscriptions & Fees Amounts owed to Controlled Entities**

Trade and sundry creditors are generally settled within 30 days. The National Board considers the carrying amounts of these items approximate their net fair values. Prepaid subscriptions and fees represent amounts received in respect to the 2013/14 period.

**11. BORROWINGS**

**Current**

Bank Overdraft	-	38	-	-
Bank Bills	2,000,000	3,200,000	2,000,000	3,200,000
Lease Liabilities	18,248	47,094	18,248	47,094
	<b>2,018,248</b>	<b>3,247,132</b>	<b>2,018,248</b>	<b>3,247,094</b>

**Non Current**

Lease Liabilities	-	8,873	-	8,873
	-	8,873	-	8,873

**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.

Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013

	Group		Chief Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>12. EMPLOYEE PROVISIONS</b>				
<b>Current</b>				
Office Holders				
Annual Leave	-	-	-	-
Long Service Leave	-	-	-	-
Separation and Redundancies	-	-	-	-
Other Employee Benefits	-	-	-	-
Employees Other than Office Holders:				
Annual Leave	642,183	812,838	642,183	812,838
Long Service Leave	797,637	1,034,650	797,637	1,034,650
Separation and Redundancies	-	-	-	-
Other Employee Benefits	-	-	-	-
	<u>1,439,820</u>	<u>1,847,488</u>	<u>1,439,820</u>	<u>1,847,488</u>
<b>Non Current</b>				
Office Holders				
	-	-	-	-
Employees Other than Office Holders:				
Long Service Leave	370,910	119,760	370,910	119,760
	<u>370,910</u>	<u>119,760</u>	<u>370,910</u>	<u>119,760</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 2013**

	Group		Chief Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>13. RESERVES</b>				
<b>Capital Profits Reserve</b>				
Balance at start of year	775,368	775,368	775,368	775,368
Less: Transfer to Organisation Funds	(775,368)	-	(775,368)	-
<b>Balance as at end of year</b>	<b>-</b>	<b>775,368</b>	<b>-</b>	<b>775,368</b>
<b>Property Revaluation Reserve</b>				
Balance at start of year	7,456,760	7,456,760	7,456,760	7,456,760
Revaluation during year	-	-	-	-
<b>Balance as at end of year</b>	<b>7,456,760</b>	<b>7,456,760</b>	<b>7,456,760</b>	<b>7,456,760</b>
<b>General Reserve</b>				
Balance at start of year	139,878	139,878	139,878	139,878
Less: Transfer to Organisation Funds	(139,878)	-	(139,878)	-
<b>Balance as at end of year</b>	<b>-</b>	<b>139,878</b>	<b>-</b>	<b>139,878</b>
<b>Building Repair Reserve</b>				
Balance at start and end of year	100,000	100,000	100,000	100,000
<b>Amalgamation Reserve</b>				
Balance at start and end of year	150,000	150,000	150,000	150,000
<b>Licence Fee Reserve</b>				
Balance at start and end of year	132,000	132,000	132,000	132,000
<b>APESMA Legal Defence Fund</b>				
Balance as at start and end of year	528,464	528,464	528,464	528,464
<b>CSD Legal Defence Fund</b>				
Balance at start of year	6,710,744	6,183,049	6,710,744	6,183,049
Transfer to Reserve	747,301	527,695	747,301	527,695
<b>Balance as at end of year</b>	<b>7,458,045</b>	<b>6,710,744</b>	<b>7,458,045</b>	<b>6,710,744</b>
<b>Total Reserves</b>	<b>15,825,269</b>	<b>15,993,214</b>	<b>15,825,269</b>	<b>15,993,214</b>

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

	Group		Chief Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$

**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	18,411	50,173	18,411	50,173
1-5 years	-	9,086	-	9,086
Gross Lease Payments	18,411	59,259	18,411	59,259
Less Future Finance Charges	(163)	(3,292)	(163)	(3,292)
Lease Liabilities	18,248	55,967	18,248	55,967
Current	18,248	47,094	18,248	47,094
Non Current	-	8,873	-	8,873
Lease Liabilities	18,248	55,967	18,248	55,967

	Chief Entity Investment		Equity Holding		Contributions to Group Profit & Loss	
	2013	2012	2013	2012	2013	2012
	\$	\$	%	%	\$	\$

**15. CONTROLLED ENTITIES**

**Chief Entity**

Association of Professional Engineers, Scientists & Managers, Australia

3,326,900 74,475

**Controlled Entities**

APESMA Lawyers Pty Ltd	10	10	100	100	-	-
Member Advantage Pty Ltd	1	1	100	100	3,491	7,645
ETM Placements Pty Ltd (1)	10	10	100	100	-	-
Education and Training for Professionals Pty Ltd (1)	2	2	100	100	-	-
APESMA Insurance Services Pty Ltd	10	10	100	100	-	-
Engineering Placements Pty Ltd (1)	-	-	100	100	-	-
Chifley Business School Pty Ltd	-	675,000	-	100	(193,884)	(174,618)
	<b>33</b>	<b>675,033</b>				

(1) These controlled entities applied to the Australian Securities and Investments Commission on 27 June 2013 to be deregistered. These entities were deregistered by ASIC on 2 September 2013.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

**16. RELATED PARTIES**

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

The chief entity received licence and service fees this year of \$1,078,462 (on normal commercial terms and conditions) (2012: \$784,401) for services rendered to controlled entities. Loans to and from controlled entities are disclosed in the notes to the financial report.

No member of the National Board received remuneration for services rendered. Remuneration paid to independent directors of Chifley Business School Pty Ltd during the period up to 30 September 2012 amounted to \$7,122 (year ended 30 June 2012 \$63,190).

**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 2013**

**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 Interest Rate	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09	30-Jun-08
<b>Assets:</b>							
Cash and Cash Equivalents	1.0	2,628,424	-	-	-	2,600	2,631,024
Financial Assets	5.8	-	6,153,822	-	-	-	6,153,822
Receivables	-	-	-	-	-	2,200,781	2,200,781
<b>Total financial assets</b>		<b>2,628,424</b>	<b>6,153,822</b>	<b>-</b>	<b>-</b>	<b>2,203,381</b>	<b>10,985,627</b>
<b>Liabilities:</b>							
Leases	7.65	-	18,248	-	-	-	18,248
Trade and Sundry Payables	-	-	-	-	-	1,283,579	1,283,579
Bank bills and Overdraft	6.1	-	2,000,000	-	-	-	2,000,000
<b>Total financial liabilities</b>		<b>-</b>	<b>2,018,248</b>	<b>-</b>	<b>-</b>	<b>1,283,579</b>	<b>3,301,827</b>
<b>Net financial assets (liabilities)</b>		<b>2,628,424</b>	<b>4,135,574</b>	<b>-</b>	<b>-</b>	<b>919,802</b>	<b>7,683,800</b>

**Chief Entity**

**30-Jun-13**

**Assets:**

Cash and Cash Equivalents	1.0	2,628,424	-	-	-	2,600	2,631,024
Financial Assets	5.8	-	6,153,822	-	-	-	6,153,822
Receivables	-	-	-	-	-	2,200,781	2,200,781
<b>Total financial assets</b>		<b>2,628,424</b>	<b>6,153,822</b>	<b>-</b>	<b>-</b>	<b>2,203,381</b>	<b>10,985,627</b>

**Liabilities:**

Leases	7.65	-	18,248	-	-	-	18,248
Trade and Sundry Payables	-	-	-	-	-	1,283,579	1,283,579
Bank bills and Overdraft	6.1	-	2,000,000	-	-	-	2,000,000
<b>Total financial liabilities</b>		<b>-</b>	<b>2,018,248</b>	<b>-</b>	<b>-</b>	<b>1,283,579</b>	<b>3,301,827</b>
<b>Net financial assets (liabilities)</b>		<b>2,628,424</b>	<b>4,135,574</b>	<b>-</b>	<b>-</b>	<b>919,802</b>	<b>7,683,800</b>

The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)

**30-Jun-12**

**Assets:**

Cash and Cash Equivalents	1.25	1,586,337	-	-	-	2,350	1,588,687
Financial Assets	5.51	-	5,581,181	-	-	-	5,581,181
Receivables	-	-	-	-	-	772,815	772,815
<b>Total financial assets</b>		<b>1,586,337</b>	<b>5,581,181</b>	<b>-</b>	<b>-</b>	<b>775,165</b>	<b>7,942,683</b>

**Liabilities:**

Leases	7.65	-	47,094	8,873	-	-	55,967
Trade and Sundry Payables	-	-	-	-	-	991,589	991,589
Bank bills and Overdraft	8.2	-	3,200,000	-	-	-	3,200,000
<b>Total financial liabilities</b>		<b>-</b>	<b>3,247,094</b>	<b>8,873</b>	<b>-</b>	<b>991,589</b>	<b>4,247,556</b>
<b>Net financial assets (liabilities)</b>		<b>1,586,337</b>	<b>2,334,087</b>	<b>(8,873)</b>	<b>-</b>	<b>(216,424)</b>	<b>3,695,127</b>

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 \$777,148 (2012: \$586,779) which cannot be encumbered or used for set-off without authority of the management committee of the CSD Legal Defence Fund. Financial assets of the CSD Legal Defence Fund of \$6,153,822 (2012: \$5,581,181) are also excluded and cannot be encumbered or used for set-off without the authority of the management committee of the CSD Legal Defence Fund.

Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013

17. FINANCIAL RISK MANAGEMENT CONT'D

	2012	2011	2010	2009	2008
--	------	------	------	------	------

Group							
30-Jun-13							
Assets:							
Cash and Cash Equivalents	1.0	3,563,744	-	-	-	2,600	3,566,344
Financial Assets	5.8	-	6,153,822	-	-	-	6,153,822
Receivables	-	-	-	-	-	1,599,700	1,599,700
<b>Total financial assets</b>	-	<b>3,563,744</b>	<b>6,153,822</b>	-	-	<b>1,602,300</b>	<b>11,319,866</b>
Liabilities:							
Leases	7.65	-	18,248	-	-	-	18,248
Trade and Sundry Payables	-	-	-	-	-	794,045	794,045
Bank bills and Overdraft	6.1	-	2,000,000	-	-	-	2,000,000
<b>Total financial liabilities</b>	-	-	<b>2,018,248</b>	-	-	<b>794,045</b>	<b>2,812,293</b>
<b>Net financial assets (liabilities)</b>	-	<b>3,563,744</b>	<b>4,135,574</b>	-	-	<b>808,255</b>	<b>8,507,573</b>

The total amount of financial liabilities disclosed above excludes statutory payables (ie GST payable)

30-Jun-12							
Assets:							
Cash and Cash Equivalents	1.25	2,849,906	-	-	-	2,350	2,852,256
Financial Assets	5.51	-	5,581,181	-	-	-	5,581,181
Receivables	-	-	-	-	-	1,642,776	1,642,776
<b>Total financial assets</b>	-	<b>2,849,906</b>	<b>5,581,181</b>	-	-	<b>1,645,126</b>	<b>10,076,213</b>
Liabilities:							
Leases	7.65	-	47,094	8,873	-	-	55,967
Trade and Sundry Payables	-	-	-	-	-	2,361,685	2,361,685
Bank bills and Overdraft	8.2	-	3,200,038	-	-	-	3,200,038
<b>Total financial liabilities</b>	-	-	<b>3,247,132</b>	<b>8,873</b>	-	<b>2,361,685</b>	<b>5,617,690</b>
<b>Net financial assets (liabilities)</b>	-	<b>2,849,906</b>	<b>2,334,049</b>	<b>(8,873)</b>	-	<b>(716,559)</b>	<b>4,458,523</b>

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 2013**

**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 2013.

**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
	2013	2013
	\$	\$
<b>Financial assets</b>		
Cash & Cash Equivalents	3,566,344	3,566,344
Receivables	1,599,700	1,599,700
Investments	6,153,822	6,153,822
<b>Financial liabilities</b>		
Payables	794,045	794,045
Borrowings	2,018,248	2,018,248
	Carrying Amount	Fair Value
	2012	2012
	\$	\$
<b>Financial assets</b>		
Cash & Cash Equivalents	2,852,256	2,852,256
Receivables	1,642,776	1,642,776
Investments	5,581,181	5,581,181
<b>Financial liabilities</b>		
Payables	2,361,685	2,361,685
Borrowings	3,256,005	3,256,005

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

17. FINANCIAL RISK MANAGEMENT CONT'D

CHIEF ENTITY	Carrying	Fair Value
	Amount	
	2013	2013
	\$	\$
<b>Financial assets</b>		
Cash & Cash Equivalents	2,631,024	2,631,024
Receivables	2,200,781	2,200,781
Investments	6,153,822	6,153,822
<b>Financial liabilities</b>		
Payables	1,283,579	1,283,579
Borrowings	2,018,248	2,018,248

	Carrying	Fair Value
	Amount	
	2012	2012
	\$	\$
<b>Financial assets</b>		
Cash & Cash Equivalents	1,588,687	1,588,687
Receivables	772,815	772,815
Investments	5,581,181	5,581,181
<b>Financial liabilities</b>		
Payables	991,589	991,589
Borrowings	3,255,967	3,255,967

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

	Group		Chief Entity	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>18. NOTES TO THE CASH FLOW STATEMENT</b>				
i) Cash and cash equivalents comprises cash on hand and at bank, net of outstanding bank overdrafts, as follows:-				
Cash on hand	2,600	2,350	2,600	2,350
Cash at bank	3,198,565	2,395,602	2,263,245	1,132,033
Cash Management Account	365,179	454,304	365,179	454,304
Bank Overdraft	-	(38)	-	-
	<b>3,566,344</b>	<b>2,852,218</b>	<b>2,631,024</b>	<b>1,588,687</b>
ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities				
Operating Profit/(Loss) after Income Tax	3,924,799	520,682	3,326,900	74,475
<b>Non cash and investing items</b>				
Asset Impairment/Write Offs	155,505	58,074	155,505	58,074
Depreciation	475,020	496,515	475,020	484,546
Rental Income	(615,612)	(599,742)	(615,612)	(599,742)
Doubtful Debts – Controlled Entities	-	-	(2,783,510)	613,165
Doubtful Debts - Other	-	(15,735)	-	-
Loans to Controlled entities forgiven	-	-	2,830,716	-
Net Profit on Sale of Fixed Assets	(14,675)	-	(14,675)	-
Net Gain on Sale of Subsidiary	(3,138,076)	-	(2,396,990)	-
Depreciation – Subsidiary Sold	1,455	-	-	-
<b>Changes in Operating Assets/Liabilities</b>				
Sundry Debtors	439,023	157,002	98,316	(712,630)
Prepayments	(9,355)	17,587	(21,380)	28,558
Employee Entitlements	(156,518)	225,642	(156,518)	225,642
Creditors and Other Payables	(524,304)	(44,767)	31,576	(207,791)
Provision for Income Tax	(14,219)	(13,445)	-	-
Net cash provided by/used in operating activities	<b>523,043</b>	<b>801,813</b>	<b>929,348</b>	<b>(35,703)</b>
iii) The Group has bank bill (\$3.5 million) and bank overdraft (\$0.5 million) facilities of \$4.0 million as at 30 June 2013 which were utilised to the extent of \$2.0 million. These facilities are subject to annual review (the next review date being November 2013).				

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

**18. NOTES TO THE CASH FLOW  
STATEMENT CONT'D**

**iv) Disposal of the Chifley Business School Pty Ltd**

During the year the controlled entity Chifley Business School Pty Ltd was sold. Aggregate details of this transaction are:

	<b>Group</b>		<b>Chief Entity</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Disposal Price	3,072,000	-	3,072,000	-
Cash Consideration	1,872,000	-	1,872,000	-
<b>Receivable 30 June 2013</b>	<b>1,200,000</b>	<b>-</b>	<b>1,200,000</b>	<b>-</b>
<b>Assets and Liabilities Held at Date of Disposal</b>				
Shares in Controlled Entity	-	-	675,000	-
Cash & Cash Equivalents	297,456	-	10	-
Receivables	801,991	-	-	-
Property Plant & Equipment	25,417	-	-	-
Payables	(1,190,940)	-	-	-
	(66,076)	-	675,010	-
Net Gain on Disposal	3,138,076	-	2,396,990	-
	3,072,000	-	3,072,000	-
Less Receivables 30 June 2013	1,200,000	-	1,200,000	-
Cash Received	1,872,000	-	1,872,000	-
Less Cash & Cash Equivalents on Subsidiary Disposal	(297,456)	-	-	-
Net Cash Received on Disposal	1,574,544	-	1,872,000	-

**19. 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.

**Notes to the Consolidated Annual Accounts  
for the Year Ended 30 June 2013**

**20. CONTINGENT ASSETS AND LIABILITIES**

The National Board has been advised that the façade of the property at 163 Eastern Road, South Melbourne requires remedial work to ensure that the façade remains safe. As at 30 June 2013 the National Board had considered a number of proposals for the remedial work. The cost of these works to be undertaken are estimated to be in excess of \$650,000. The National board are not aware of any other contingent assets or liabilities as at 30 June 2013.

**21. SUBSEQUENT EVENTS**

The directors of ETM Placements Pty Ltd, Engineering Placements Pty Ltd and Education Training for Professionals Pty Ltd (controlled entities of the group) applied to the Australian Securities and Investments Commission on 27 June 2013 to have these entities deregistered. These entities were deregistered by ASIC on 2 September 2013.

**22. GOING CONCERN**

The financial statements are prepared on the basis that the Group and the Chief Entity will continue as a going concern and that assets including property plant and equipment and liabilities would be realised in the normal course of business at their recorded values as at 30 June 2013.

The Group and the Chief Entity's ability to continue as a going concern is not reliant on the financial support of any other entity.

The Group and the Chief Entity have not agreed to provide any other entity with financial support to ensure they can continue on a going concern basis.

**23. BUSINESS COMBINATIONS**

No assets or liabilities were acquired during the year as part of a business combination.

The Group and the Chief Entity did not acquire any assets or liabilities during the financial year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

**National Board Statement**

On the September 2013 the National Board of the Association of Professional Engineers, Scientists & Managers, Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2013:

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 (General Manager) and other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (RO Act);
- (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 GPFR 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 RO Act; 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) where information has been sought in any request of a member of the reporting unit or the General Manager duly made under section 272 of the RO Act has been provided to the member or the General Manager; and
  - (vi) where any orders for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act; there has been compliance.
- (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; and
  - (ii) the National Board instructed the auditor to include in the scope of the audit required under section 257(1) of the RO Act 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.



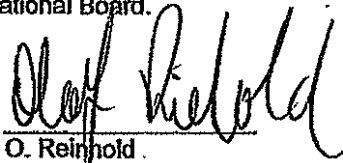
**THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS AUSTRALIA**

**National Board Statement Conf'd**

This declaration is made in accordance with a resolution of the National Board.



E. W. Jackson  
National President



O. Reinhold  
National Treasurer

Dated: ~~20~~ 30 September 2013,  
South Melbourne, Victoria

Dated: ~~30~~ 30 September 2013  
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 2013, 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.

Liability limited by a scheme approved under Professional Standards Legislation.

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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

**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 Chief Entity:

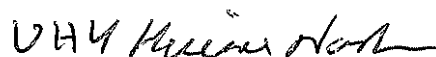
- (a) the Australian Accounting Standards, (including Australian Accounting Interpretations);
- (b) in relation to recovery of wages activity;
  - (i) that the scope of the audit encompassed recovery of wages activity;
  - (ii) that the financial statements and notes and recovery of wages activity financial 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.

*Going Concern*

The auditor declares that as part of the audit of the financial statements, it was concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

*Approved Auditor*

The auditor declares that he is an approved auditor who is a member of The Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.



**UHY Haines Norton  
Chartered Accountants**



**R.H. Hutton  
Registered Company Auditor**

Dated this 30<sup>th</sup> day of September 2013



18 July 2013

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

Sent by email: [info@apesma.asn.au](mailto:info@apesma.asn.au)

Dear Ms Porter,

**Re: Lodgement of Financial Report - [FR2013/349]**  
**Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of The Association of Professional Engineers, Scientists and Managers, Australia (the reporting unit) ended on 30 June 2013.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 January 2014 (that is the period within 6 months and 14 days of the end of the financial year) under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets regarding financial reporting under the RO Act are provided on the Fair Work Commission website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$33,000 for a body corporate and \$6,600 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at [robert.pfeiffer@fwc.gov.au](mailto:robert.pfeiffer@fwc.gov.au).

Yours sincerely,

Robert Pfeiffer  
Senior Adviser  
Regulatory Compliance Branch

## TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,  or  (b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.