



7 November 2017

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

Sent via email

Dear Ms Porter

**Re: – Association of Professional Engineers, Scientists and Managers, Australia
- financial report for year ending 30 June 2017 (FR2017/264)**

I refer to the financial report of the Association of Professional Engineers, Scientists and Managers, Australia. The documents were lodged with the Registered Organisations Commission ('the ROC') on 26 October 2017.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (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.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 30 June 2018 may be subject to an advanced compliance review.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission



26 October 2017

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

Mr Mark Bielecki
Commissioner
Registered Organisations Commission
Fair Work Commission
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Melbourne, VIC, 3001

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163 Eastern Road
South Melbourne, Vic 3205
info@apesma.com.au
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Via email: regorgs@roc.gov.au

Dear Commissioner

Re: Lodgement of Financial Accounts & Statements – Association of Professional Engineers, Scientists & Managers, Australia – for year ending 30 June 2017

Please find attached a copy of the audited financial accounts & statements for the year ended 30 June 2017 and note the following:

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

- That the documents 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 28th September 2017; and
- That the full report was presented to a general meeting of members of the reporting unit on 21st October 2017; 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

A handwritten signature in black ink, appearing to read 'R Porter', is positioned above the typed name of the signatory.

Robyn Porter
Secretary
APESMA

**THE ASSOCIATION OF PROFESSIONAL
ENGINEERS, SCIENTISTS &
MANAGERS, AUSTRALIA**
(Trading as Professionals Australia)
ABN 99 589 872 974
&
CONTROLLED ENTITIES

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA & CONTROLLED ENTITIES

Operating Report For the year ended 30 June 2017

The National Board presents the report of the Group (APESMA Group) consisting of the Association of Professional Engineers, Scientists & Managers, Australia trading as Professionals Australia and the entities it controlled at the end or during the year ended 30 June 2017.

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's result for the year was a profit after providing for income tax of \$3,124,988 (2016: loss of \$575,412).

REVIEW OF OPERATION

Group

For the 2017 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 \$3.85 million, and expenditure increased by \$0.129 million. The Group has net assets of \$23.511 million, primarily cash and property reserves.

An overview of each operation is set out below.

Chief Entity

The financial performance during the year which again encompassed member and industrial services was underpinned by an increase in revenue of \$3.647 million from \$12.386 million to \$16.033 million. Total subscription revenues decreased from \$10.447 million to \$10.442 million this year. Other income increased from \$1.940 million to \$5.591 million. Overall expenditure increased by \$0.019 million during the year.

Throughout 2016/2017 the Association was involved in several major activities in the pursuance of its objective to achieve respect, recognition and reward for members. Some of these activities included:

Workplace advice and support

Qualified lawyers and industrial staff handled over 1700 individual member cases during the year, ranging from advice on entitlements and contract reviews through to unfair dismissal. A number of these matters required prosecution in courts to advance member's interests. Our field staff, supported by Workplace Representatives, also dealt with many disputes including restructures and redundancies. The provision of journey insurance provided additional protection for members travelling to and from work.

Bargaining

Over 50 collective bargaining or enterprise agreements were negotiated to protect and advance wages and conditions. Members are supported by over 35 field staff and over 740 workplace representatives.

Modern Award Review

The Fair Work Commission's 2014 Modern Award Review process continues. The review is a major exercise whereby every modern award is reviewed and redrafted in plain English. The Association made application to improve awards including the Professional Employees Award. Claims include the reimbursement for costs of obtaining registration, improved classifications, Hours of Work and Overtime. Several cases were also run in states to ensure professionals remain covered by the relevant awards and agreements.

Operating Report

For the year ended 30 June 2017

Advocacy and campaigns

The Association's advocacy role is a key part of its integrated approach which combines engagement with governments, industry and the community to work for solutions to the major issues and in the process, lift the standing professionals. For example, the South Australia Pathology Services Campaign led to a major backdown by the government, thwarting efforts to reduce the professional workforce and place the community at risk. Our advocacy also led to the Victorian Government introducing the Office of Projects Victoria which will assist in improving procurement capacity for major infrastructure projects. The Association continues its Better Infrastructure Campaign to ensure the key role of engineers is better recognised. A campaign to take engineers off the skill occupations list has received significant support.

Submissions to various inquiries are made by the Association in order to protect our members' interests and to ensure the opinions and viewpoints of professionals are taken into consideration by decision makers.

Examples of **submissions** made by the Association include:

- Submission to Inquiry into Gender Segregation
- Submission to Innovation and Science Australia's 2030 Strategic Plan
- Consultation on the Draft Requirements for the Clinical Governance and Supervision of Medical Pathology Laboratories by the National Pathology Accreditation Advisory Council
- **NHMRC Structural Review**
- National Research Infrastructure Roadmap
- Australian National Standards for Working with Interpreters
- Review of Pharmacy Remuneration and Regulation
- Inquiry into the Commonwealth Procurement Framework
- Engineering Skilled Occupations List Review

We have also released key **reports**, many of which gain media attention:

- Women in Engineering: Realising productivity and innovation through diversity
- Stemming the Tide: Addressing the attrition of women from the STEM workforce
- Unconscious gender bias in the STEM workforce
- Unconscious and systemic bias in IT
- Pregnancy discrimination - a form of systemic bias

Pharmacy Campaign

The Association's on-going campaign to improve the status and pay of retail pharmacists continues to be a key focus of the Association. The decision in the Penalty Rates case was finally handed down by the Full Bench of the Fair Work Commission. As has been widely reported the Commission reduced penalty rates for work on Sundays and Public Holidays for full-time and part-time employees.

APESMA is participating in an ACTU campaign aimed at overturning this decision and influencing pharmacy owners to refrain from reducing penalty payments to their employed pharmacists.

The Association continues to pursue its work value claim on behalf of pharmacists. APESMA has lodged extensive submissions outlining the expert evidence we have compiled supporting our case for a work value increase in pharmacists' minimum award rates of pay. The employer association has opposed our claim.

Translators and Interpreters (Tis)

The Association has continued our work to improve the professionals lives of our TI members with particular focus on making representations to government and industry bodies and reviews. The Association's is made application to vary the Health Professionals and Support Services Award 2010 so that it becomes the occupational award for all translators and interpreters. The Victorian government agreed to increase funding to translators and interpreters by \$21.8 million in the recent budget. The campaign continues to ensure that money is utilised effectively.

Career Advancement

The Association continues to support members in progressing their careers. Market rate information is provided for many professions. Industry briefings and employment outlooks provide critical industry intelligence. The Continuing Career Development program provides tools, tips and training to assist members getting the right job and promotion. Many members benefit from resume reviews and access to a range of skills through our Certificate of Professional Practice.

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA & CONTROLLED ENTITIES

Operating Report For the year ended 30 June 2017

Professional recognition

The Association continues to be a recognised assessment entity for the accreditation of engineers through RPEng. PEng is now available to graduating engineer members. We continue to advocate for registration of engineers.

Continuing professional development programs enable members to stay at the leading edge professional practice. CPD is provided to engineers and pharmacists, and Professional Indemnity insurance is now available to pharmacists, inclusive membership and discount group PI insurance remains available to contractors.

Communication

The Association has redeveloped profession specific websites and significantly increased our social media presence. Webinars are now accessed by a significant number of members, with financial planning webinars particularly popular.

Member savings

Our Member Advantage program continues to offer discounts on products and services enabling member's take home pay to go further. The Association also provides financial planning seminars.

Member Advantage

Member Advantage generated a net profit after income tax pre-elimination of intercompany transactions of \$61,441 (2015: net loss of \$11,220). Total revenue increased by \$77,974 whilst expenditure increased by \$14,844.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Parent sold a 20% minority interest in Member Advantage Pty Ltd to Countrywide Tolstrup Financial Services Group Pty Ltd, effective 1 July 2016

No other significant changes in the Group's state of affairs occurred during the financial year.

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.

TRUSTEE OF SUPERANNUATION ENTITY

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organization.

NATIONAL BOARD MEMBER'S PROFILES

As at the date of this report, the members of the National Board were as follows:–

Name	Position	Period
Bill Jackson	National President	Resigned 28 February 2017
Andrew Russack	National President	Appointed 1 March 2017
Robyn Porter	National Secretary	2016/17
Olaf Reinhold	National Treasurer	2016/17
Maria Fuchs	Senior Vice President	Appointed 1 March 2017
Wen Chen	Vice President	2016/17
Col Hackney	Vice President	2016/17
Stephen Long	Vice President	Appointed 1 March 2017

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

**Operating Report
For the year ended 30 June 2017**

NUMBER OF MEMBERS

As at 30 June 2017 the number of members was 22,768 (2016: 22,784).

NUMBER OF EMPLOYEES

As at 30 June 2017 the number of employees was 103 (2016: 106).

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



A. Russack
National President



O. Reinhold
National Treasurer

Dated 25 September 2017, South Melbourne, Victoria



Grant Thornton

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Auditor's Independence Declaration To the Members of the Association of Professional Engineers, Scientists and Managers, Australia and Controlled Entities

As lead auditor for the audit of The Association of Professional Engineers, Scientists and Managers, Australia and Controlled Entities for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of Australian professional ethical pronouncements in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S P Lawson
Partner – Audit & Assurance

Melbourne, 25 September 2017

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THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA & CONTROLLED ENTITIES

Committee of Management Statement For the year ended 30 June 2017

On 25 September 2017 the National Board presents the report of the Group (APESMA Group) consisting of the Association of Professional Engineers, Scientists & Managers, Australia trading as Professionals Australia and the entities it passed the following resolution in relation to the general purpose financial report of the Association for the financial year ended 30 June 2017:

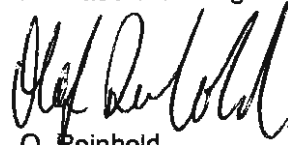
The Committee of Management declares in relation to the general purpose financial statements that in its opinion:

- a) the financial statements and notes comply with Australian Accounting Standards;
- b) the financial statements and notes comply with other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the 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 general purpose financial statements relates and since the end of the year:
 - i) meetings of the committee of management were held in accordance with rules of the Association; and
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; 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
 - iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or Commissioner; and
 - vi) no orders for inspection of financial records have been made by the Registered Organisations Commission under Section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management:



**A. Russack
National President**



**O. Reinhold
National Treasurer**

Dated 25 September 2017, South Melbourne, Victoria

**Statement of Comprehensive Income or Loss
for the Year Ended 30 June 2017**

	Note	Group		Chief Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
Continuing Operations:					
Revenue					
Subscription Income	2	10,441,804	10,446,604	10,441,804	10,446,604
Other Income	2	7,328,619	3,473,858	5,591,404	1,939,619
	2	17,770,423	13,920,462	16,033,208	12,386,223
Expenses					
Employment Costs	2	(9,699,494)	(9,803,931)	(8,833,070)	(8,880,167)
Borrowing Costs	2	(168,407)	(232,129)	(168,407)	(232,129)
Professional Network Costs	2	-	(31,606)	-	(31,606)
Members' service & support	2	(3,600,745)	(3,220,865)	(2,830,133)	(2,611,929)
Other Expenses	2	(1,159,182)	(1,209,893)	(1,138,051)	(1,194,586)
		(14,627,828)	(14,498,424)	(12,969,661)	(12,950,417)
Profit/(Loss) before Income Tax Expense		3,142,595	(577,962)	3,063,547	(564,194)
Income Tax Benefit/(Expense)	4	(17,607)	2,550	-	-
Net Profit/(Loss) for the Year		3,124,988	(575,412)	3,063,547	(564,194)
Other comprehensive income/(expenses)		-	-	-	-
Total Comprehensive income/(loss) for the Year		3,124,988	(575,412)	3,063,547	(564,194)
Total comprehensive income/(loss) for the year attributable to					
• non-controlling interest		12,288	-	-	-
• members of chief entity		3,112,700	(575,412)	3,063,547	(564,194)
		3,124,988	(575,412)	3,063,547	(564,194)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes on pages 13 to 40.

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

**Statement of Financial Position
as at 30 June 2017**

	Note	Group		Chief Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
Current Assets					
Cash and Cash Equivalents	5	12,935,981	1,404,016	12,908,745	1,352,314
Trade and Other Receivables	6	772,182	786,736	523,312	562,046
Other Assets	7	250,743	231,541	247,656	231,541
Financial Assets	8	9,021,227	8,619,828	9,021,227	8,619,828
Total Current Assets		22,980,133	11,042,121	22,700,940	10,765,729
Non-Current Assets					
Trade and Other Receivables	6	-	-	-	66,905
Financial Assets	8	-	-	28	30
Property, Plant & Equipment	9	5,379,092	16,032,046	5,379,092	16,032,046
Intangible Assets	10	191,891	20,845	27,214	20,845
Total Non-Current Assets		5,570,983	16,052,891	5,406,334	16,119,826
Total Assets		28,551,116	27,095,012	28,107,274	26,885,555
Current Liabilities					
Trade and Other Payables	11	3,097,557	2,751,801	3,448,264	3,257,845
Borrowings	12	-	2,000,000	-	2,000,000
Current Tax Liabilities		17,607	-	-	-
Employee Provisions	13	1,873,683	1,539,291	1,873,683	1,539,291
Total Current Liabilities		4,988,847	6,291,092	5,321,947	6,797,136
Non-Current Liabilities					
Employee Provisions	13	50,933	417,572	50,933	417,572
Total Non-Current Liabilities		50,933	417,572	50,933	417,572
Total Liabilities		5,039,780	6,708,664	5,372,880	7,214,708
Net Assets		23,511,336	20,386,348	22,734,394	19,670,847
Member Funds & Reserves					
Attributable to members of chief entity					
Organisation Funds	19(a)	9,660,847	(1,040,075)	8,896,193	(1,755,576)
Reserves	14	13,838,201	21,426,423	13,838,201	21,426,423
		23,499,048	20,386,348	22,734,394	19,670,847
Non-controlling interest		12,288	-	-	-
Total Member Funds & Reserves		23,511,336	20,386,348	22,734,394	19,670,847
Commitments	15				
Contingent Assets & Liabilities	23				

The above Statement of Financial Position should be read in conjunction with the accompanying notes on pages 13 to 40.

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

**Statement of Changes in Equity
for the Year Ended 30 June 2017**

	Note	Organisation Funds	Reserves	Total attributable to members of chief entity	Non- controlling interest	Total
		\$	\$	\$	\$	\$
Group Entity						
Balance – 30 June 2015		(759,773)	20,962,733	20,202,960	-	20,202,960
Net Profit/(Loss) for the year		(575,412)	-	(575,412)	-	(575,412)
Other Comprehensive Income for the year						
Revaluation of buildings	14	-	758,800	758,800	-	758,800
Transfer to Legal Defence Fund (CSD)	14	(184,157)	184,157	-	-	-
Transfer from Innovation reserves	14	479,267	(479,267)	-	-	-
Closing Member Funds at 30 June 2016		(1,040,075)	21,426,423	20,386,348	-	20,386,348
Net Profit/(Loss) for the year		3,112,700	-	3,112,700	12,288	3,124,988
Other Comprehensive Income for the year						
Transfer from revaluation reserve	14	7,977,546	(7,977,546)	-	-	-
Transfer to Legal Defence Fund (CSD)	14	(584,283)	584,283	-	-	-
Transfer to Civil Aviation Safety Authority	14	(44,674)	44,674	-	-	-
Transfer from Innovation reserves	14	239,633	(239,633)	-	-	-
Closing Member Funds at 30 June 2017		9,660,847	13,838,201	23,499,048	12,288	23,511,336
Chief Entity						
Balance – 30 June 2015		(1,486,492)	20,962,733	19,476,241	-	19,476,241
Net Profit/(Loss) for the year		(564,194)	-	(564,194)	-	(564,194)
Other Comprehensive Income for the year						
Revaluation of buildings	14	-	758,800	758,800	-	758,800
Transfer to Legal Defence Fund (CSD)	14	(184,156)	184,156	-	-	-
Transfer from Innovation reserves	14	479,266	(479,266)	-	-	-
Closing Member Funds at 30 June 2016		(1,755,576)	21,426,423	19,670,847	-	19,670,847
Net Profit/(Loss) for the year		3,063,547	-	3,063,547	-	3,063,547
Other Comprehensive Income for the year						
Transfer from revaluation reserve	14	7,977,546	(7,977,546)	-	-	-
Transfer to Legal Defence Fund (CSD)	14	(584,283)	584,283	-	-	-
Transfer to Civil Aviation Safety Authority	14	(44,674)	44,674	-	-	-
Transfer from Innovation reserves	14	239,633	(239,633)	-	-	-
Closing Member Funds at 30 June 2017		8,896,193	13,838,201	22,734,394	-	22,734,394

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes on pages 13 to 40.

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

**Statement of Cash Flows
for the Year Ended 30 June 2017**

	Note	Group		Chief Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
Cash Flows from Operating Activities					
Cash receipts from customers		14,600,212	14,417,210	11,389,887	11,870,268
Receipts from other reporting units/controlled entity		-	-	564,095	729,424
Cash payments to suppliers		(5,424,221)	(6,109,827)	(3,851,531)	(5,048,201)
Cash payments to employees		(9,731,741)	(9,888,557)	(8,865,317)	(8,964,793)
Interest and bank charges		(168,407)	(232,129)	(168,407)	(232,129)
Interest and investment income		477,691	190,247	477,691	190,247
Income tax (paid)/refund		-	(6,196)	-	-
Net Cash Provided/(Used) by Operating Activities	21(ii)	(246,466)	(1,629,252)	(453,582)	(1,455,184)
Cash Flows from Investing Activities					
Rental Income		385,661	784,237	385,661	784,237
Purchase of Fixed Assets & Intangible Assets		(171,046)	(220,960)	(6,369)	(220,960)
Proceeds from Sale of Fixed Assets		13,263,816	(3,136)	13,263,816	(3,136)
Net Cash Provided/(Used) by Investing Activities		13,478,431	560,141	13,643,108	560,141
Cash Flows from Financing Activities					
Loan (Repayments)Receipts Controlled Entities		-	-	66,905	199,499
Proceeds from partial sale of Member Advantage		300,000	-	300,000	-
Repayment of Borrowings		(2,000,000)	-	(2,000,000)	-
Net Cash Provided/(Used) by Financing Activities		(1,700,000)	-	(1,633,095)	199,499
Net Increase/(Decrease) in Cash and Cash Equivalents at the Beginning of the Year		11,531,965	(1,069,111)	11,556,431	(695,544)
Cash and Cash Equivalents at the End of the Year	21(i)	12,935,981	1,404,016	12,908,745	1,352,314

The above Statement of Cash Flows should be read in conjunction with the accompanying notes on pages 13 to 40.

**Recovery of Wages Activity
for the Year Ended 30 June 2017**

	2017	2016
	\$	\$
Cash Assets in respect of recovered money at beginning of the year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc	-	-
Interest Received on recovered money	-	-
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>
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-

Fund or account operated for recovery of wages

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 13 to 40.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

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 and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and 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. The accounting policies have been consistently applied, unless otherwise stated. The financial statements are presented in Australian dollars. The Association is a not-for-profit entity for the purpose of preparing the financial statements

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.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the members of chief entity and the non-controlling interests based on their respective ownership interests. APESMA sold 20% stake in its subsidiary, Member Advantage Pty Ltd, to Countrywide Tolstrup Financial Services Group Pty Ltd effective 1 July 2016.

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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

c) Property, Plant and Equipment (continued)

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 office equipment.

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

d) Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of intangible assets are 3 years.

e) 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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

e) Financial Instruments

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 impairment has arisen. Impairment losses are recognised in the income statement.

f) 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.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call, bank overdrafts together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

h) 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.

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

All revenue is stated net of the amount of goods and services tax (GST).

**Notes to the Consolidated Annual Accounts
For the Year Ended 30 June 2017**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

i) 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.

j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

k) 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.

l) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

Entitlements of employees of the Group are the legal responsibility of the Chief Entity, APESMA.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

n) Income Tax

No provision for income tax has been raised as the chief entity being a trade union is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

The charge for current income tax expense for controlled entities is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

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.

o) Subscription Income

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Prepaid subscription income represents subscriptions received in advance from "full account paying" members.

p) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

p) Fair Value of Assets and Liabilities (continued)

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input is significant to the fair value measurement is unobservable

q) Fair Value of Assets and Liabilities

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings. Selection criteria include market knowledge reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

r) Information to be provided to Members or Commissioner

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 Commissioner of Fair Work Commission, 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).

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

s) 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.

t) New Accounting Standards for Application in Future Periods

The following new accounting standards, amendments to standards and interpretations have been issued, but are not mandatory for financial reporting years ended on 30 June 2017. They are expected to impact the Group in the period of initial application. All of the following are available for early adoption, but have not been applied in preparing these financial statements:

- **AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2018)**
AASB 9 'Financial Instruments' amends the requirements for classification and measurement of financial assets and derecognition requirements for financial assets and liabilities. The standard is applicable for annual reporting periods commencing on or after 1 January 2018 but is available for early adoption. As the standard primarily impacts financial assets classified as available for sale, the Association does not expect a material impact on its financial statements.
- **AASB 15 Revenue from Contracts with Customers (effective from 1 January 2018) AASB 15 'Revenue from Contracts with Customers' replaces AASB 118 'Revenue', AASB 111 Construction Contracts' and some revenue-related Interpretations:**
 - establishes a new revenue recognition model
 - changes the basis for deciding whether revenue is to be recognised over time or at a point in time
 - provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
 - expands and improves disclosures about revenue

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

- **AASB 16 Leases (effective from 1 January 2019)**
AASB 16:
 - replaces AASB 117 Leases and some lease-related Interpretations
 - requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
 - provides new guidance on the application of the definition of lease and on sale and lease back accounting
 - largely retains the existing lessor accounting requirements in AASB 117
 - requires new and different disclosures about leases

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

t) New Accounting Standards for Application in Future Periods

- **AASB 16 Leases (effective from 1 January 2019) (continued)**

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

- **AASB 1058 Income of Not-for-Profit Entities (effective from 1 January 2019)**

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment). Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision
- These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

u) Estimation uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

u) Estimation uncertainty

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Provisions – Long service leave

As discussed in Note 1i, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

	Note	Group		Chief Entity	
		2017 \$	2016 \$	2017 \$	2016 \$
2. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:--					
a) Crediting as Revenue					
Subscriptions		10,441,804	10,446,604	10,441,804	10,446,604
Member Services (Member Advantage Pty Ltd)		2,237,215	2,159,239	-	-
Licence Fees		-	-	500,000	625,000
Rental Income		385,661	784,237	385,661	784,237
Interest		477,691	190,247	477,691	190,247
Trust Distributions		84,740	54,489	84,740	54,489
Increment in market value of investment Profit/(loss) from Sale of Non-Current Asset		108,222	(54,179)	108,222	(54,179)
Capitation Fees		2,928,104	(3,136)	2,928,104	(3,136)
Levies		-	-	-	-
Grants		-	-	-	-
Donations		-	-	-	-
Gain on partial sale of Member Advantage		500,000	-	500,000	-
Other Income		606,986	342,961	606,986	342,961
Total other income		7,328,619	3,473,858	5,591,404	1,939,619
Total revenue		17,770,423	13,920,462	16,033,208	12,386,223
b) Charging as Expenses					
Employment Costs					
Office Holders:					
Salaries & Allowances		-	-	-	-
Annual Leave		-	-	-	-
Long Service Leave		-	-	-	-
Separation & Redundancy		-	-	-	-
Superannuation		-	-	-	-
Other Employment Costs		-	-	-	-
Employees Other than Office Holders:					
Salaries & Allowances		7,500,311	7,484,295	6,819,544	6,769,617
Annual Leave		654,393	617,750	600,454	559,538
Long Service Leave		77,231	188,734	67,999	170,607
Separation & Redundancy		170,967	193,683	160,669	193,683
Superannuation		788,494	811,395	717,716	730,273
Other Employment Costs		508,098	508,074	466,688	456,449
		9,699,494	9,803,931	8,833,070	8,880,167
Borrowing Costs		168,407	232,129	168,407	232,129
Professional Network Costs		-	31,606	-	31,606
Members' service and support		3,600,745	3,220,865	2,830,133	2,611,929

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

	Note	Group		Chief Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
2. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:- CONT'D					
Other Expenses					
Affiliation Fees	2(c)	241,787	213,768	241,787	213,768
Meeting Expenses		164,187	171,706	157,395	168,399
Audit & Accounting Fees		82,405	81,378	68,067	69,378
Legal Fees – Litigation		-	-	-	-
Legal Fees – Other Legal Matters		353,561	312,052	353,561	312,052
Depreciation & Amortisation		317,242	430,989	317,242	430,989
Capitation Fees		-	-	-	-
Compulsory Levies (ACTU Election Levy)		-	-	-	-
Consideration to Employers for Payroll Deductions		-	-	-	-
Fees/allowances – meetings and conferences		-	-	-	-
Conference and meeting expenses		-	-	-	-
Grants & Donations		-	-	-	-
Penalties – RO Act or RO Regulations		-	-	-	-
		1,159,182	1,209,893	1,138,051	1,194,586

c) Affiliation Fees Paid					
Unions NSW		25,707	26,838	25,707	26,838
Unions ACT Trades and Labour Council of the ACT Inc.		2,989	3,188	2,989	3,188
ACTU		100,797	81,887	100,797	81,887
UNI Global Union		39,818	38,270	39,818	38,270
New Castle Trades Hall Council		935	922	935	922
NT Trades and Labour Council		-	400	-	400
SA Unions		7,453	7,363	7,453	7,363
Unions Tasmania		2,124	1,900	2,124	1,900
Victorian Trades Hall Council		35,549	27,769	35,549	27,769
Unions WA WA's Peak Union Body		7,350	8,558	7,350	8,558
Qld Council of Unions		17,442	15,355	17,442	15,355
Sydney May Day Committee		500	500	500	500
Federation of Vehicle Industry Unions (SA)		-	818	-	818
Union Aid Abroad - APHEDA		1,124	-	1,124	-
		241,787	213,768	241,787	213,768

3. GRANT OR DONATIONS

Grants:

Total paid that were \$1,000 or less	-	-	-	-
Total paid that exceeded \$1,000	-	-	-	-

Donations:

Total paid that were \$1,000 or less	-	-	-	-
Total paid that exceeded \$1,000	-	-	-	-

Total grants or donations	-	-	-	-
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**THE ASSOCIATION OF PROFESSIONAL ENGINEERS, SCIENTISTS & MANAGERS, AUSTRALIA
& CONTROLLED ENTITIES**

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

	Group		Chief Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
4. INCOME TAX EXPENSE				
Prima facie tax at 30% on Profit/(Loss)	942,779	(173,389)	-	-
Deferred income tax losses not brought to account	-	4,131	-	-
Exempt (Income)/Loss	(921,041)	169,258	-	-
Previously unrecognised tax losses to reduce current tax expense	(4,131)	-	-	-
Tax effect of over provision of income tax in prior year	-	(2,550)	-	-
Total Income Tax Expense/(Benefit)	17,607	(2,550)	-	-

The Chief Entity is a tax exempt entity

5. CASH AND CASH EQUIVALENTS

Cash at Bank	1,567,698	1,388,529	1,540,472	1,336,837
Short-term Deposits	11,352,408	-	11,352,408	-
Cash on Hand	2,810	2,810	2,800	2,800
Cash Management Account	13,065	12,677	13,065	12,677
	12,935,981	1,404,016	12,908,745	1,352,314

APESMA has invested the surplus funds from the sale of the South Melbourne property of \$11.352m in term-deposits with ME Bank.

6. TRADE AND OTHER RECEIVABLES

Current

Sundry Receivables	772,182	786,736	523,312	562,046
Amounts Owed by Controlled Entities	-	-	-	-
Receivables from Other Reporting Units	-	-	-	-
Less Provision for Doubtful Debts	-	-	-	-
	772,182	786,736	523,312	562,046

Non Current

Sundry Receivables	-	-	-	66,905
Amounts Owed by Controlled Entities	-	-	-	-
	-	-	-	66,905

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 normally required to be settled within 60 days.

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

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

6. TRADE AND OTHER RECEIVABLES (CONT'D)

Credit Risk

The Group does not have any significant exposure to any individual customer or counterparty. The major concentration of credit risk that arises from the Group's receivables is within the engineering industry in Australia.

	Group		Chief Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$

7. OTHER ASSETS

Prepayments	250,743	231,541	247,656	231,541
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8. FINANCIAL ASSETS

Current

Commonwealth Bank Term Deposits	7,501,366	7,292,929	7,501,366	7,292,929
Vanguard Index Funds-Unit Trust	1,519,861	1,326,899	1,519,861	1,326,899
	9,021,227	8,619,828	9,021,227	8,619,828

Non-Current

Shares in Controlled Entities	-	-	28	30
Shares in Other Entities	-	-	-	-
	-	-	28	30

Effective 1 July 2016, 20% holding in Member Advantage Pty Ltd was sold to Countrywide Tolstrup Financial Services Group Pty Ltd.

Net Fair Values

Shares in entities noted above have an aggregate net fair value approximating their carrying value.

Refer to Note 19 for details on restrictions on financial assets.

9. PROPERTY, PLANT & EQUIPMENT

	2017	2016	2017	2016
	\$	\$	\$	\$
Land and Buildings at National Board Valuation	5,415,000	15,795,086	5,415,000	15,795,086
Accumulated Depreciation	(219,000)	(290,539)	(219,000)	(290,539)
	5,196,000	15,504,547	5,196,000	15,504,547
Office Equipment at Cost	435,774	1,348,363	435,774	1,348,363
Accumulated Depreciation	(252,682)	(820,864)	(252,682)	(820,864)
	183,092	527,499	183,092	527,499
Total Property, Plant & Equipment	5,379,092	16,032,046	5,379,092	16,032,046

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2016**

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

The property located at 163-165 Eastern Road South Melbourne Victoria was sold on the 13th of October 2016 for \$13.500 million with a profit recorded of \$2.928 million.

Valuation of Land and Buildings

Land and buildings held by the Group were subject to assessment for fair value by the National Board at 30 June 2017. Independent valuations are obtained for all properties over a rolling three year period.

The property located at Level 1, 491 Kent Street Sydney NSW was independently valued as at 14 September 2015 by Mr. D Semken AAPI, certified practicing valuer of M3 Property.

The property located at Suite 1 & 2 91 Frederick Street Merewether NSW was independently valued as at 4 February 2016 by Mr. Tom Woolf, certified practicing valuer of Taylor Bryn.

The remaining two properties owned by Professionals Australia located at 7 Napier Close Deakin ACT & Suite 1, 12-14 Thelma Street West Perth WA were revalued as at 9 August 2016 and 10 August 2016 respectively using the Directors valuation method.

There has been no significant change in market conditions that would warrant an updated valuation.

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	Total
Balance 30 June 2015	14,885,477	609,621	15,495,098
Additions/WIP	179,363	22,183	201,546
Revaluation	758,800	-	758,800
Disposals/Adjustments	-	-	-
Depreciation Expense	(319,093)	(104,305)	(423,398)
Balance 30 June 2016	15,504,547	527,499	16,032,046
Balance 1 July 2016	15,504,547	527,499	16,032,046
Additions/WIP	-	36,188	36,188
Revaluation	-	-	-
Disposals/Adjustments	(10,081,104)	(302,868)	(10,383,972)
Depreciation Expense	(227,443)	(77,727)	(305,170)
Balance 30 June 2017	5,196,000	183,092	5,379,092

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

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

Movements in Carrying Amounts (continued)

GROUP	Land & Buildings	Office Equipment	Total
Balance 1 July 2015	14,885,477	609,621	15,495,097
Additions/WIP	179,363	22,183	201,546
Revaluation	758,800	-	758,800
Disposals/Adjustments	-	-	-
Depreciation Expense	(319,093)	(104,305)	(423,398)
Balance 30 June 2016	15,504,547	527,499	16,032,046
Balance 1 July 2016	15,504,547	527,499	16,032,046
Additions/WIP	-	36,188	36,188
Revaluation	-	-	-
Disposals/Adjustments	(10,081,104)	(302,868)	(10,383,972)
Depreciation Expense	(227,443)	(77,727)	(305,170)
Balance 30 June 2017	5,196,000	183,092	5,379,092

	Group		Chief Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$

10. INTANGIBLE ASSETS

Balance 1 July	20,845	9,023	20,845	9,023
Additions/WIP	183,118	-	18,441	-
Disposals/Adjustments	-	(114,060)	-	(114,060)
Amortisation for the year	(12,072)	125,882	(12,072)	125,882
Balance 30 June	191,891	20,845	27,214	20,845

Intangible assets comprise mainly of website costs and software licenses and are amortised over the estimated useful life of 3 years.

11. TRADE AND OTHER PAYABLES

Current

Trade and Sundry Creditors	1,215,911	889,093	1,012,995	789,466
Prepaid Subscriptions & Fees	1,881,646	1,862,708	1,837,863	1,823,942
Amounts Owed to Controlled Entities	-	-	597,406	644,437
Payable to Other Reporting Units	-	-	-	-
Consideration to employers for payroll deductions	-	-	-	-
Legal costs – litigation and other legal matters	-	-	-	-
	3,097,557	2,751,801	3,448,264	3,257,845

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 2017/18 period.

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

	Group		Chief Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
12. BORROWINGS				
Current				
Bank Bills	-	2,000,000	-	2,000,000
	-	2,000,000	-	2,000,000

Bank bills in 2016 were secured by first mortgage over the Group's property in Melbourne and Sydney. In 2017 and 2016, the bank overdraft is secured by first mortgage over the Group's property in Sydney.

The National Board considers that the carrying amount of bank bills approximate its net fair value.

13. EMPLOYEE PROVISIONS

Current				
Office Holders	-	-	-	-
Annual Leave	-	-	-	-
Long Service Leave	-	-	-	-
Separation and Redundancies	-	-	-	-
Other Employee Benefits	-	-	-	-
Employees Other than Office Holders:				
Annual Leave	698,302	622,570	698,302	622,570
Long Service Leave	1,175,381	916,721	1,175,381	916,721
Separation and Redundancies	-	-	-	-
Other Employee Benefits	-	-	-	-
	1,873,683	1,539,291	1,873,683	1,539,291
Non-Current				
Office Holders	-	-	-	-
Employees Other than Office Holders:				
Long Service Leave	50,933	417,572	50,933	417,572
	50,933	417,572	50,933	417,572

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.

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

	Group		Chief Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
14. RESERVES				
Property Revaluation Reserve				
Balance at start of year	11,179,159	10,420,359	11,179,159	10,420,359
Transfer on sale of building	(7,977,546)	-	(7,977,546)	-
Revaluation during year	-	758,800	-	758,800
Balance as at end of year	3,201,613	11,179,159	3,201,613	11,179,159

The Property Revaluation reserve captures the increased value of property assets of the Association following revaluation.

Innovation Reserve				
Balance as at start of year	479,266	958,533	479,266	958,533
Transfer to member funds	(239,633)	(479,267)	(239,633)	(479,267)
Balance as at end of year	239,633	479,266	239,633	479,266

The Innovation reserve contains the refunds received from the reinstatement of Chifley Business School debtor following the sale of the Chifley Business School Pty Ltd to Laureate International Universities. This reserve to be used specifically to grow Association membership across both collective and non-collective bases via investment in new technologies and staff resources.

APESMA Legal Defence Fund				
Balance as at start and end of year	528,464	528,464	528,464	528,464

The APESMA Legal Defence Fund reserve was created out of the surplus funds from the Building APESMA's Future initiative undertaken in financial year 2007/2008.

Civil Aviation Safety Authority				
Balance at start of year	-	-	-	-
Transfer from member funds	44,674	-	44,674	-
Balance as at end of year	44,674	-	44,673	-

The CASA reserve was established as a legal defence fund to be used specifically for the professional staff of CASA, who remain members of Professionals Australia.

CSD Legal Defence Fund				
Balance at start of year	9,239,534	9,055,377	9,239,534	9,055,377
Transfer to Reserve	584,283	184,157	584,283	184,157
Balance as at end of year	9,823,817	9,239,534	9,823,817	9,239,534

CSD Legal Defence Fund reserve consists of surplus funds to be utilised if members require the funding of a significant legal case, as determined by the CSD Committee of Management.

Total Reserves	13,838,201	21,426,423	13,838,201	21,426,423
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14A. OTHER SPECIFIC DISCLOSURES - FUNDS

Compulsory levy/voluntary contribution fund				
Balance at start of year	-	-	-	-
Transferred to reserve	-	-	-	-
Transferred out of reserve	-	-	-	-
Balance as at end of year	-	-	-	-

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

	Group		Chief Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
15. COMMITMENTS				
Future Finance Lease Payments are payable as follows:–	-	-	-	-
< 1 year	-	-	-	-
1-5 years	-	-	-	-
Gross Lease Payments	-	-	-	-
Less Future Finance Charges	-	-	-	-
Lease Liabilities	-	-	-	-
Current	-	-	-	-
Non Current	-	-	-	-
Lease Liabilities	-	-	-	-

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. This support will be provided through an overdraft facility with arm's length interest to be payable to the Chief Entity

16. CONTROLLED ENTITIES

	Chief Entity Investment		Equity Holding		Contributions to Group Profit or (Loss)	
	2017	2016	2017	2016	2017	2016
	\$	\$	%	%	\$	\$
Chief Entity						
Association of Professional Engineers, Scientists & Managers, Australia	-	-	-	-	3,063,537	(564,194)
Controlled Entities						
APESMA Lawyers Pty Ltd	10	10	100	100	-	-
APESMA Insurance Services Pty Ltd	10	10	100	100	-	-
Member Advantage Pty Ltd	8	10	80	100	45,848*	(11,220)
	28	30				

*APESMA sold 20% stake in its subsidiary, Member Advantage Pty Ltd, to Countrywide Tolstrup Financial Services Group Pty Ltd effective 1 July 2016. Contributions to the Group profit for the year represents 80% of Member Advantage Pty Ltd's profit.

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

17. RELATED PARTIES

a) Related Party Transactions for the Reporting Period:

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	Group		Chief Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
Revenue received from controlled entities includes the following:				
Member Advantage				
Service fees	611,000	611,000	777,316	755,154
Expenses paid to controlled entities	-	-	597,406	644,437

Loans from controlled entities are disclosed in the notes to the financial report.

Terms and conditions of transactions with related parties

b) Key Management Personnel Remuneration for the Reporting Period

No member of the National Board received remuneration for services rendered.

	Group		Chief Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
Short-term employee benefits:				
Salary (including annual leave taken)	1,701,261	1,708,145	1,436,175	1,438,750
Annual leave accrued	47,831	(2,968)	37,653	5,453
Performance bonus	-	-	-	-
Total short-term employee benefits	1,749,092	1,705,177	1,473,828	1,444,203
Post-employment benefits:				
Superannuation	171,959	172,487	140,389	140,633
Total post-employment benefits	171,959	172,487	140,389	140,633
Other long-term benefits:				
Long service leave	18,303	22,164	17,294	13,548
Total other long-term benefits	18,303	22,164	17,294	13,548
Termination benefits				
Total	1,939,364	1,899,828	1,631,511	1,598,384

Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017

	Group		Chief Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
18. REMUNERATION OF AUDITOR				
<i>Value of the services provided</i>				
Grant Thornton				
Financial statement and other audit services	47,050	49,400	40,050	42,700
Other services	5,500	7,500	4,000	4,200
	52,550	56,900	44,050	46,900
W. W. Vick & Co				
Financial statement audit and other audit services	18,000	17,270	18,000	17,270
	70,550	74,170	62,050	64,170

19. 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 entities bank bills.

a) Organisation Funds

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 cash at bank balances of \$393,789 (2016: \$125,015) 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 \$9,021,228 (2016: \$8,619,828) and Land and Buildings of \$1,427,000 (2016: \$1,475,000) 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.

b) 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:-

Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017

19. FINANCIAL RISK MANAGEMENT (CONT'D)

b) Interest Rate Risk (continued)

	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-17							
Assets:							
Cash and Cash Equivalents	0.15	12,908,745	-	-	-	-	12,908,745
Financial Assets	2.50	-	7,501,366	-	-	1,519,861	9,021,227
Receivables	5.00	-	523,312	-	-	-	523,312
Total financial assets		12,908,745	8,024,678	-	-	1,519,861	22,453,284
Liabilities:							
Trade and Sundry Payables	-	-	-	-	-	1,610,414	1,610,414
Bank bills and Overdraft	-	-	-	-	-	-	-
Total financial liabilities		-	-	-	-	1,610,414	1,610,414
Net financial assets (liabilities)		12,908,745	8,024,678	-	-	(90,553)	20,842,870

The total amount of financial liabilities disclosed above excludes statutory payables (i.e. GST payable)

	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-16							
Assets:							
Cash and Cash Equivalents	0.15	1,352,314	-	-	-	-	1,352,314
Financial Assets	2.50	-	7,292,929	-	-	1,326,899	8,619,828
Receivables	5.00	-	479,533	-	-	149,418	628,951
Total financial assets		1,352,314	7,772,462	-	-	1,476,317	10,601,093
Liabilities:							
Trade and Sundry Payables	-	-	-	-	-	1,433,903	1,433,903
Bank bills and Overdraft	4.09	-	2,000,000	-	-	-	2,000,000
Total financial liabilities		-	2,000,000	-	-	1,433,903	3,433,903
Net financial assets (liabilities)		1,352,314	5,772,462	-	-	43,414	7,167,190

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

Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017

19. FINANCIAL RISK MANAGEMENT (CONT'D)

b) Interest Rate Risk (continued)

	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-17							
Assets:							
Cash and Cash Equivalents	0.15	12,935,981	-	-	-	-	12,935,981
Financial Assets	2.50	-	7,501,366	-	-	1,519,861	9,021,227
Receivables	5.00	-	772,182	-	-	-	772,182
Total financial assets		12,935,981	8,273,548	-	-	1,519,861	22,729,390
Liabilities:							
Trade and Sundry Payables	-	-	-	-	-	1,215,911	1,215,911
Bank bills and Overdraft	-	-	-	-	-	-	-
Total financial liabilities		-	-	-	-	1,215,911	1,215,911
Net financial assets (liabilities)		12,935,981	8,273,548	-	-	303,950	21,513,479

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

	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-16							
Assets:							
Cash and Cash Equivalents	0.15	1,404,016	-	-	-	-	1,404,016
Financial Assets	2.50	-	7,292,929	-	-	1,326,899	8,619,828
Receivables	5.00	-	479,533	-	-	307,203	786,736
Total financial assets		1,404,016	7,772,462	-	-	1,634,102	10,810,580
Liabilities:							
Trade and Sundry Payables	-	-	-	-	-	899,093	899,093
Bank bills and Overdraft	4.09	-	2,000,000	-	-	-	2,000,000
Total financial liabilities		-	2,000,000	-	-	899,093	2,899,093
Net financial assets (liabilities)		1,404,016	5,772,462	-	-	735,009	7,911,487

The total amount of financial liabilities disclosed above excludes statutory payables (i.e. GST payable)

Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2016

19. FINANCIAL RISK MANAGEMENT (CONT'D)

c) Credit Risk

The Group 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 Group'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.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	Past due or impaired	Not past due nor impaired	Past due or impaired
	2017 \$	2017 \$	2016 \$	2016 \$
Group				
Receivables	772,182	-	786,736	-
Chief Entity				
Receivables	523,312	-	628,951	-

Ageing of financial assets that were not impaired

	<30 days \$	31 – 60 days \$	61 – 90 days \$	> 90 days \$	Total \$
2017					
Group					
Receivables	772,182	-	-	-	772,182
Chief Entity					
Receivables	523,312	-	-	-	523,312
2016					
Group					
Receivables	307,203	-	-	479,533	786,736
Chief Entity					
Receivables	149,418	-	-	479,533	628,951

d) Net Fair Values

The net fair values of the Group's financial assets and financial liabilities are not expected to be significantly different from each class of asset and liability as disclosed above and recognised in the statement of financial position as at 30 June 2017.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2016**

19. FINANCIAL RISK MANAGEMENT (CONT'D)

e) Market Risk

The Group 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.

f) Liquidity Risk

The Group 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

Net Fair Values of Financial Assets and Liabilities

GROUP

2017	Carrying Amount	Fair Value
	2017	2017
	\$	\$
Financial assets		
Cash & Cash Equivalents	12,935,981	12,935,981
Receivables	772,182	772,182
Investments	9,021,227	9,021,227
Financial liabilities		
Payables	1,215,911	1,215,911
Borrowings	-	-
2016	Carrying Amount	Fair Value
	2016	2016
	\$	\$
Financial assets		
Cash & Cash Equivalents	1,404,016	1,404,016
Receivables	786,736	786,736
Investments	8,619,828	8,619,828
Financial liabilities		
Payables	889,093	889,093
Borrowings	2,000,000	2,000,000

Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017

19. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Liquidity Risk (continued)

Net Fair Values of Financial Assets and Liabilities

CHIEF ENTITY

2017	Carrying Amount	Fair Value
	2017	2017
	\$	\$
Financial assets		
Cash & Cash Equivalents	12,908,745	12,908,745
Receivables	523,312	523,312
Investments	9,021,227	9,021,227
Financial liabilities		
Payables	1,610,414	1,610,414
Borrowings	-	-

2016	Carrying Amount	Fair Value
	2016	2016
	\$	\$
Financial assets		
Cash & Cash Equivalents	1,352,314	1,352,314
Receivables	628,951	628,951
Investments	8,619,828	8,619,828
Financial liabilities		
Payables	1,433,903	1,433,903
Borrowings	2,000,000	2,000,000

20. FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS

Analysis of financial and non-financial assets that are measured at fair value by fair value hierarchy:

Group & Chief Entity

2017

	Carrying amount at 30 June 2017	Date of valuation	Level 1	Level 2	Level 3
	\$		\$	\$	\$
Financial Assets					
Vanguard Index Fund – Unit Trust	1,519,861	30/06/2017	1,519,861	-	-
Property					
Land & Buildings	5,196,000	30/06/2017	-	5,196,000	-

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2016**

20. FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS (CONT'D)

Group & Chief Entity

2016

	Carrying amount at 30 June 2016	Date of valuation	Level 1	Level 2	Level 3
	\$		\$	\$	\$
Financial Assets					
Vanguard Index Fund – Unit Trust	1,326,899	30/06/2016	1,326,899	-	-
Property					
Land & Buildings	15,504,547	30/06/2016	-	15,564,547	-

	Group		Chief Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$

**21. NOTES TO THE CASH FLOW
STATEMENT**

i) Cash and cash equivalents
comprises cash on hand and at
bank, net of outstanding bank
overdrafts, as follows:-

Cash on hand	2,800	2,800	2,800	2,800
Cash at bank	12,920,117	1,388,539	12,892,880	1,336,837
Cash Management Account	13,064	12,677	13,065	12,677
Bank Overdraft	-	-	-	-
	12,935,981	1,404,016	12,908,745	1,352,314

ii) Reconciliation of Operating
Profit/(Loss) after Income Tax to
net cash provided by Operating
Activities

Operating Profit/(Loss) after Income Tax	3,124,998	(575,414)	3,063,547	(564,195)
Non cash and investing items				
Asset Impairment/Write Offs	-	-	-	-
Depreciation and Amortisation	317,242	430,989	317,242	430,989
Rental Income	(385,661)	(784,237)	(385,661)	(784,237)
Doubtful Debts – Controlled Entities	-	-	-	-
Doubtful Debts - Other	-	-	-	-
Loans to Controlled entities forgiven	-	-	-	-
Net (Profit)/Loss on Sale of Fixed Assets	(2,928,113)	3,136	(2,928,100)	3,136
Increment in value of investment	(401,399)	(348,221)	(401,397)	(348,230)

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2016**

	Group	Chief Entity		
	\$	2017	\$	\$
21. NOTES TO THE CASH FLOW STATEMENT (CONT'D)				
ii) Reconciliation of Operating Profit/(Loss) after Income Tax to net cash provided by Operating Activities (cont'd)				
Changes in Operating Assets/Liabilities				
Sundry Debtors	(285,447)	604,605	(858,673)	552,876
Prepayments	(19,202)	(98,945)	(16,115)	(98,945)
Employee Entitlements	(32,247)	(84,626)	(32,247)	(84,626)
Creditors and Other Payables	345,756	(767,793)	787,822	(561,952)
Provision for Income Tax	17,607	(8,746)	-	-
Net cash provided by/(used in) operating activities	(246,466)	(1,629,252)	(453,582)	(1,455,184)
iii) The Group has bank overdraft (\$0.5 million) facilities which were not utilised as at 30 June 2017. These facilities are subject to annual review.				
iv) Cash Flow Information				
Cash inflows				
• Media Entertainment and Arts Alliance	10,800	34,264	10,800	34,264
• LGEA of NSW	489,214	481,524	489,214	481,524
• Rail Tram and Bus Union - NSW Branch	22,310	8,240	22,310	8,240
• International Transport Federation	5,000	-	5,000	-
Total Cash inflows	527,324	524,028	527,324	524,028
Cash outflows				
• LGEA of NSW	455,532	474,901	455,532	474,901
• ACTU	103,088	119,249	103,088	119,249
• Newcastle Trades Hall Council	972	768	972	768
• QLD Council of Unions	17,860	16,283	17,860	16,283
• SA Unions	7,453	7,363	7,453	7,363
• UNI Global Union	32,828	31,370	32,828	31,370
• Union Aid Abroad - APHEDA	1,124	1,200	1,124	1,200
• Unions ACT	4,540	4,892	4,540	4,892
• Unions NSW	29,469	28,189	29,469	28,189
• Unions TAS	8,882	8,333	8,882	8,333
• Unions WA	8,945	8,831	8,945	8,831
• Victorian Trades Hall Council	35,849	27,768	35,849	27,768
• Australian Services Union (VIC)	3,675	3,296	3,675	3,296
• United Services Union	942	942	942	942
• The Union Education Foundation	6,195	14,255	6,195	14,255
• CEPU Tasmania	5,357	-	5,357	-
• Media Entertainment and Arts Alliance	47,215	44,331	47,215	44,331
• Australian Education Union (SA)	-	352	-	352
• NT Trade and Labor Council	-	536	-	536
Total Cash outflows	769,926	792,859	769,926	474,901

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2017**

22. 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 legal, employment and general industrial matters.

23. CONTINGENT ASSETS AND LIABILITIES

The National board are not aware of any other contingent assets or liabilities as at 30 June 2017.

24. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

25. 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 2017.

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 Chief Entity has confirmed its intention to provide continuing financial support to all of its controlled entities as and when required by those entities. This support will be provided through an overdraft facility with arm's length interest to be payable to the Chief Entity.

26. 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 Commissioner under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the Commissioner under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

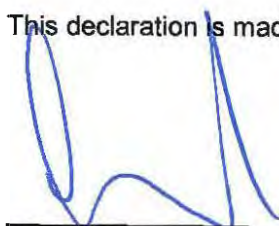
National Board Statement

On 25 September 2017 the National Board of the Association of Professional Engineers, Scientists & Managers, Australia, trading as Professionals 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 2017:

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 Commissioner of Fair Work Commission 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 the year:
 - (i) meetings of the National Board were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or the Commissioner; 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) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



A. Russack
National President



O. Reinhold
National Treasurer

Dated: 25 September 2017
South Melbourne, Victoria

Dated: 25 September 2017
South Melbourne, Victoria



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Independent Audit Report To The Members Of The Association of Professional Engineers, Scientists and Managers, Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Association of Professional Engineers, Scientists and Managers, Australia (the Reporting Unit), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Association of Professional Engineers, Scientists and Managers, Australia as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a the Australian Accounting Standards; and
- b any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that S P Lawson is an approved auditor, a member of the Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.

Other Matter

The Committee of Management Statement reflects that The Association of Professional Engineers, Scientists and Managers, Australia has not undertaken any recovery of wages activity during the reporting period ended 30 June 2017. As such, no opinion is provided in relation to recovery of wages activity.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S P Lawson
Partner - Audit & Assurance

Melbourne, 25 September 2017

Registration number (as registered by the RO Commissioner under the RO Act) :AA2017/88