



30 October 2020

Andrew Russack
National President
Association of Professional Engineers, Scientists and Managers, Australia
Sent via email: legal@professionalsaustralia.org.au
Cc: jbroomhall@professionalsaustralia.org.au
tony.pititto@au.gt.com

Dear Andrew Russack,

**Association of Professional Engineers, Scientists and Managers, Australia
Financial Report for the year ended 30 June 2020 – (FR2020/55)**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the Association of Professional Engineers, Scientists and Managers, Australia (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 26 October 2020.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *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.

Please note that the financial report for the year ending 30 June 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Non-compliance with previous requests

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely nil activity disclosures and recovery of wages disclosure.

The ROC aims to assist reporting units comply with their obligations under the RO Act and reporting guidelines by providing advice about the errors identified in financial reports.

Please ensure these issues are addressed before filing next year's financial report

General purpose financial report (GPFR)

AASB 15 - Disaggregation of revenue from contracts with customers

Australian Accounting Standard AASB 15 Revenue from Contracts with Customers paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that

depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

It appears that no such disclosure has been made.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with AASB 15.

Auditor's report

References to legislation and the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that paragraph *Responsibilities* in the Auditor's report refers to the General Manager instead of the Commissioner. Please ensure references to legislation and the ROC are updated accordingly.

Reporting Requirements

The ROC website provides factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

**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 2020**

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

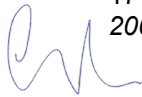
s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2020

I, Andrew Russack being the National President of the Association of Professional Engineers, Scientists & Managers, Australia (referred to through this report as Group, Reporting Unit and Association), trading as Professionals Australia, certify:

- that the documents lodged herewith are copies of the full report for the National President of the Association of Professional Engineers, Scientists & Managers, Australia, trading as Professionals Australia, for the period ended 30 June 2020 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on the 19th of September 2020; and
- that the full report was presented to a *general meeting of members* of the Reporting Unit on 17 October 2020 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



A. Russack
National President

Dated 17 October 2020, West Melbourne, Victoria

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

REPORT REQUIRED UNDER SUBSECTION 255(2A)

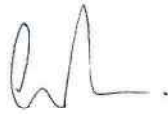
for the year ended 30 June 2020

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2020.

Descriptive form

Categories of expenditures	2020	2019
	\$	\$
Remuneration and other employment-related costs and expenses – employees	9,838,564	9,182,065
Advertising	29,361	46,302
Operating costs	5,342,254	4,265,082
Donations to political parties	–	–
Legal costs	389,393	350,607

A. Russack
National President



Dated 19 September 2020, West Melbourne, Victoria

OPERATING REPORT

for the year ended 30 June 2020

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 2020.

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 loss after providing for income tax of \$534,132 (2019: surplus of \$518,542).

REVIEW OF OPERATION

Group

For the 2020 year, the Group continued to provide individual services, and to advance employment, social and economic interests of members. Overall, the Group's revenue and other income decreased by \$0.139 million, and expenditure increased by \$0.891 million. The Group has net assets of \$25.591 million, primarily cash, property plant & equipment and financial assets.

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 and other income of \$0.054 million from \$12.689 million to \$12.743 million. Total subscription revenues increased from \$10.739 million to \$11.272 million this year. Other income decreased from \$1.341 million to \$0.974 million. Overall expenditure increased by \$1.166 million during the year.

Throughout 2019/2020 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 1750 individual member cases during the year, ranging from advice on entitlements and contract reviews through to unfair dismissal. The workplace advice and support team have around 170 matters ongoing at any time. 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 Association is continuing to make applications to vary and improve the Modern Awards that cover our members. Our application to the Fair Work Commission to vary the Professional Employees Award 2020 to ensure members have access to enforceable overtime, Time Off In Lieu and annualised salary clauses is ongoing. We are also in the process of applying to vary the Health Professionals and Support Services Award 2020 so that Translators and Interpreters achieve comprehensive occupational award coverage. The COVID -19 crisis in 2020 also saw the Association apply successfully for all Modern Awards that cover our members to have a Schedule inserted that provided for unpaid Pandemic leave. The Association has also partnered with the ACTU during the COVID-19 crisis to seek variations to the Pharmacy Industry Award 2020 that provide for paid Pandemic leave. The Association is continuing to provide representation for members in all Divisions to ensure our members interests are protected during the COVID-19 era when employer groups have proposed reform of awards because of the pandemic and the ensuing economic conditions

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 of professionals. For example, Professionals Australia advocacy has fought for major wage rises for pharmacists, interpreters and dentists. Our advocacy also led to the Victorian and NSW governments introducing mandatory engineer registration.

The Association continues to advocate for engineer registration across Australia, and at the time of writing ACT is committed to registration, and a number of other states are considering a scheme. Our *Engineer a Better Future* campaign is also fighting to ensure the key role of engineers is better recognised.

Pharmacy Campaign

The Association continues to focus on improving the pay, safety and status of community pharmacists and hospital pharmacists. During the COVID pandemic, APESMA has been focused on supporting pharmacy members to ensure they remain safe and supported as they take their place as frontline health professionals in the community.

A new approach to expanding enterprise bargaining in the private hospital sector is engaging new members to improve collective conditions and pay across the industry. Ongoing political campaigning to reverse penalty rate cuts continues to apply pressure to political representatives to align with community expectations to reinstate previous penalty rates.

Translators and Interpreters (TIs)

The Association continues to work to improve both professional issues and industrial interests of TI members through advocacy to government, new services and new industrial strategies. TI members of the association in Victoria won a landmark increase to their pay of an average of 30% on government contracts. We are now working to ensure that these rates are enforced and paid. We are also working to spread this success to other states, where wages remain stubbornly low. The Association has begun provision of member-led online Continuing Professional Development to support members to attain and maintain their NAATI accreditation while minimising their costs.

Career Advancement

The Association continues to support members in progressing their careers. Market rate information is provided for many professions, and we have recently launched a series of new salary calculators for all divisions, and an automated, personalised salary comparison for engineers. Industry briefings and employment outlooks provide critical industry intelligence. We have also launched "The Academy" which provides a new suit of CPD courses to our various divisions.

Professional recognition

The Association continues to be a recognised assessment entity for the accreditation of engineers through RPEng. Registration is currently a requirement for engineers working in Queensland. Advocacy efforts have seen engineer registration successfully pass through parliament in Victoria and New South Wales. Continuing professional development programs enable members to stay at the leading edge of professional practice. CPD is provided to engineers, translators and interpreters, and pharmacists. Professional Indemnity insurance is now available to pharmacists, inclusive in membership, and discount group PI insurance remains available to contractors.

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

Marketing & Communications

The association has implemented a structured marketing and communications plan which focuses on the collection of meaningful data to create quality content for each segment and cohesive messaging for our current and prospective members. We utilise an inbound marketing strategy designed to attract and convert non-members and keep our current members engaged. This year we launched the "Collective" which is an online forum in which members can post comments and interact with one another about various topics of professional and industrial interest. We also have an increased social media presence, a thorough welcome process, regularly updated website content, and a stream of relevant webinars for our members and short videos highlighting our services to convert our non-members.

Our efforts to build membership through automated email journeys has been quite successful over the past year, bringing in large numbers of pharmacists, interpreters and helping us regain a number of past members.

Member savings

Over the past year, we launched our new member rewards platform, providing a faster and more user friendly way to save on every day goods. The uptake rate of this new platform has been excellent, and more members than ever are using the platform to offset their membership costs.

Member Advantage

Member Advantage generated a net profit after income tax pre-elimination of intercompany transactions of \$123,054 (2019: net profit of \$63,810). Total revenue decreased by \$193,182 in line with decreased expenditure of \$274,918.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No 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.

COVID-19 AND SUBSEQUENT EVENTS

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Reporting Unit is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Reporting unit. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations, the results of those operations, or the state of affairs of the Reporting unit in subsequent financial periods.

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

NATIONAL BOARD MEMBER'S PROFILES

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

Name	Position	Period
Andrew Russack	National President	2019/20
Robyn Porter – Resigned 15 April 2020	National Secretary	2019/20
Andrew Wilkins – Commenced 16 April 2020	National Secretary	2019/20
Olaf Reinhold	National Treasurer	2019/20
Maria Fuchs	Senior Vice President	2019/20
Wen Chen	Vice President	2019/20
Stephen Long	Vice President	2019/20
Katie Havelberg	Vice President	2019/20

NUMBER OF MEMBERS

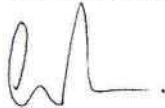
As at 30 June 2020 the number of members was 21,670 (2019: 21,829).

NUMBER OF EMPLOYEES

As at 30 June 2020 the number of employees was 95 (2019: 94).

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

A. Russack
National President



O. Reinhold
National Treasurer



Dated 19 September 2020, West Melbourne, Victoria

COMMITTEE OF MANAGEMENT STATEMENT

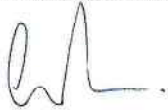
for the year ended 30 June 2020

On 19 September 2020 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 2020:

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. Reirhold
National Treasurer

Dated 19 September 2020, West Melbourne, Victoria

**Statement of Comprehensive Income or Loss
for the Year Ended 30 June 2020**

	Note	Group		Chief Entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
Continuing Operations:					
Revenue					
Membership Subscription	2	11,271,712	10,739,484	11,271,712	10,739,484
Other Revenue	2	2,001,802	2,305,552	497,710	608,277
Capitation fees and other revenue from another reporting unit	4	-	-	-	-
Levies	5	-	-	-	-
Other Income	2	974,169	1,341,746	974,169	1,341,746
	2	14,247,683	14,386,782	12,743,591	12,689,507
Expenses					
Employment Costs	2	(9,838,564)	(9,182,065)	(9,250,939)	(8,507,036)
Grants and/or donations	3	-	-	-	-
Capitation fees and other expenses to another reporting unit		-	-	-	-
Borrowing Costs	2	(150,194)	(124,893)	(150,194)	(124,893)
Professional Network Costs	2	-	-	-	-
Members' service & support	2	(2,676,121)	(3,350,947)	(2,041,439)	(2,522,323)
Other Expenses	2	(2,070,260)	(1,186,151)	(1,958,203)	(1,080,523)
		(14,735,139)	(13,844,056)	(13,400,775)	(12,234,775)
Profit/(Loss) before Income Tax Expense		(487,456)	542,726	(657,186)	454,732
Income Tax Benefit/(Expense)	6	(46,676)	(24,184)	-	-
Net Profit/(Loss) for the Year		(534,132)	518,542	(657,186)	454,732
Other comprehensive income/(expenses)		-	-	-	-
Total Comprehensive income/(loss) for the Year		(534,132)	518,542	(657,186)	454,732
Total comprehensive income/(loss) for the year attributable to					
• non-controlling interest		30,763	15,952	-	-
• members of chief entity		(564,895)	502,590	(657,186)	454,732
		(534,132)	518,542	(657,186)	454,732

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes on pages 12 to 46.

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

**Statement of Financial Position
as at 30 June 2020**

	Note	Group		Chief Entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
Current Assets					
Cash and Cash Equivalents	7	2,108,113	3,578,364	1,560,568	3,302,900
Trade and Other Receivables	8	677,847	566,984	574,605	382,389
Other Assets	9	342,006	269,766	340,028	267,046
Financial Assets	10	16,233,079	14,723,550	16,233,079	14,723,550
Total Current Assets		19,361,045	19,138,664	18,708,280	18,675,885
Non-Current Assets					
Trade and Other Receivables	8	-	-	-	-
Financial Assets	10	-	-	21	21
Property, Plant & Equipment	11	11,556,016	12,660,057	11,556,016	12,660,057
Right-of-use-asset	12	407,452	-	407,452	-
Intangible Assets	13	113,262	215,458	55,040	58,678
Total Non-Current Assets		12,076,730	12,875,515	12,018,529	12,718,756
Total Assets		31,437,775	32,014,179	30,726,809	31,394,641
Current Liabilities					
Trade Payables	14	3,593,755	3,426,222	3,972,050	3,753,928
Other Payables	15	-	3,630	-	3,630
Lease Liabilities	12	219,021	-	219,021	-
Current Tax Liabilities		20,482	1,519	-	-
Employee Provisions	16	1,637,029	1,556,995	1,637,029	1,556,995
Total Current Liabilities		5,470,287	4,988,366	5,828,100	5,314,553
Non-Current Liabilities					
Lease Liabilities	12	195,663	-	195,663	-
Employee Provisions	16	180,689	70,497	180,689	70,497
Total Non-Current Liabilities		376,352	70,497	376,352	70,497
Total Liabilities		5,846,639	5,058,863	6,204,452	5,385,050
Net Assets		25,591,136	26,955,316	24,522,357	26,009,591
Member Funds & Reserves					
Attributable to members of chief entity					
Organisation Funds	22(a)	8,532,359	10,091,233	7,543,580	9,194,745
Reserves	17	16,978,777	16,814,846	16,978,777	16,814,846
		25,511,136	26,906,079	24,522,357	26,009,591
Non-controlling interest		80,000	49,237	-	-
Total Member Funds & Reserves		25,591,136	26,955,316	24,522,357	26,009,591

The above Statement of Financial Position should be read in conjunction with the accompanying notes on pages 12 to 46.

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

**Statement of Changes in Equity
for the Year Ended 30 June 2020**

	Note	Organisation Funds	Reserves	Total attributable to members of chief entity	Non- controlling interest	Total
		\$	\$	\$	\$	\$
Group Entity						
Balance – 30 June 2018		9,236,282	14,010,447	23,246,729	33,285	23,280,014
Net Profit/(Loss) for the year		502,590	-	502,590	15,952	518,542
Other Comprehensive Income for the year						
Revaluation of buildings	17	966,800	2,189,960	3,156,760	-	3,156,760
Transfer to Legal Defence Fund (CSD)	17	(612,580)	612,580	-	-	-
Transfer to Civil Aviation Safety Authority	17	(1,859)	1,859	-	-	-
Closing Member Funds at 30 June 2019		10,091,233	16,814,846	26,906,079	49,237	26,955,316
Net Profit/(Loss) for the year		(564,895)	-	(564,895)	30,763	(534,132)
Other Comprehensive Income for the year						
Revaluation of buildings	17	-	(830,048)	(830,048)	-	(830,048)
Transfer to Legal Defence Fund (CSD)	17	(879,496)	879,496	-	-	-
Transfer to CSD MAF	17	(112,550)	112,550	-	-	-
Transfer to Civil Aviation Safety Authority	17	(1,933)	1,933	-	-	-
Closing Member Funds at 30 June 2020		8,532,359	16,978,777	25,511,136	80,000	25,591,136
Chief Entity						
Balance – 30 June 2018		8,387,652	14,010,447	22,398,099	-	22,398,099
Net Profit/(Loss) for the year		454,732	-	454,732	-	454,732
Other Comprehensive Income for the year						
Revaluation of buildings		966,800	2,189,960	3,156,760	-	3,156,760
Transfer to Legal Defence Fund (CSD)	17	(612,580)	612,580	-	-	-
Transfer to Civil Aviation Safety Authority	17	(1,859)	1,859	-	-	-
Closing Member Funds at 30 June 2019		9,194,745	16,814,846	26,009,591	-	26,009,591
Net Profit/(Loss) for the year		(657,186)	-	(657,186)	-	(657,186)
Other Comprehensive Income for the year						
Revaluation of buildings	17	-	(830,048)	(830,048)	-	(830,048)
Transfer to Legal Defence Fund (CSD)	17	(879,496)	879,496	-	-	-
Transfer to CSD MAF	17	(112,550)	112,550	-	-	-
Transfer to Civil Aviation Safety Authority	17	(1,933)	1,933	-	-	-
Closing Member Funds at 30 June 2020		7,543,580	16,978,777	24,522,357	-	24,522,357

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes on pages 12 to 46.

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

**Statement of Cash Flows
for the Year Ended 30 June 2020**

	Note	Group		Chief Entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
Cash Flows from Operating Activities					
Cash receipts from customers		14,830,790	14,825,771	13,313,515	12,622,284
Receipts from other reporting units/controlled entity		-	-	(206,845)	(486,283)
Cash payments to suppliers		(4,513,920)	(5,401,532)	(3,677,218)	(3,633,437)
Cash payments to employees		(9,648,337)	(9,364,879)	(9,060,713)	(8,689,852)
Interest and bank charges		(117,814)	(124,893)	(117,814)	(124,893)
Interest and investment income		389,045	290,835	389,045	290,835
Income tax (paid)/refund		(27,713)	(62,487)	-	-
Net Cash Provided/(Used) by Operating Activities	24(ii)	912,051	162,815	639,970	(21,326)
Cash Flows from Investing Activities					
Rental Income		28,959	139,527	28,959	139,527
Purchase of Fixed Assets & Intangible Assets		(59,647)	(102,868)	(59,647)	(71,932)
Proceeds from Sale of Fixed Assets		-	1,664,668	-	1,664,668
Purchase of Investments		(2,058,840)	-	(2,058,840)	-
Net Cash Provided/(Used) by Investing Activities		(2,089,528)	1,701,327	(2,089,528)	1,732,263
Cash Flows from Financing Activities					
Loan (Repayments)Receipts Controlled Entities		-	100,000	-	100,000
Repayment of Lease Liability		(292,774)	-	(292,774)	-
Net Cash Provided/(Used) by Financing Activities		(292,774)	100,000	(292,774)	100,000
Net Increase/(Decrease) in Cash and Cash Equivalents at the Beginning of the Year		(1,470,251)	1,964,142	(1,742,332)	1,810,937
Cash and Cash Equivalents at the End of the Year	24(i)	2,108,113	3,578,364	1,560,568	3,302,900

The above Statement of Cash Flows should be read in conjunction with the accompanying notes on pages 12 to 46.

Notes to the Consolidated Annual Accounts for the Year Ended 30 June 2020

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

a) Adoption of New Australian Accounting Standards requirements

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year

- AASB 16 Leases and amending standards, which replaces AASB117 Leases.

Impact on Adoption of AASB 16

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases — Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the Reporting Unit is the lessor.

Reporting unit has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Reporting unit elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019.

Instead, Reporting unit applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application

Reporting unit has lease contracts for various items of land & building, plant, machinery, vehicles and other equipment. Before the adoption of AASB 16, Reporting Unit classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

a) Adoption of New and Revised Accounting Standards (continued)

Impact on Adoption of AASB 16 (continued)

Upon adoption of AASB 16, Reporting unit applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note (g) Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Association of Professional Engineers, Scientist & Managers, Australia.

Leases previously classified as finance leases

The Reporting unit did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under AASB 117). The requirements of AASB 16 were applied to these leases from 1 July 2019.

Leases previously accounted for as operating leases

The Reporting unit recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Reporting unit also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 July 2019:

- Right-of -use assets of \$524,526 were recognised and presented separately in the statement of financial position.
- Additional lease liabilities of \$524,526 (included in lease liabilities) were recognised.
- The net effect of these adjustments did not have a material impact and as such no adjustment to retained earnings has been posted.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

a) Adoption of New and Revised Accounting Standards (continued)

Leases previously accounted for as operating leases (continued)

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

Operating lease commitments disclosed as at 30 June 2019	736,598
Discounted using the Reporting Unit's weighted average incremental borrowing rate of 6.30%	(46,406)
Add: Finance lease liabilities recognised as at 30 June 2019	–
(Less): Short-term leases recognised on a straight-line basis as an expense	(30,308)
(Less): Low-value leases recognised on a straight-line basis as an expense	(15,153)
Add/(less): Adjustments as a result of a different treatment of extension and termination options	(120,205)
Add/(less): Adjustments relating to changes in the index or rate	–
Lease liability recognised as at 1 July 2019	524,526

b) 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 2020. 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 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

c) 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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

d) 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 in 2017 and sold 5% to Excelsior Ventures Pty Ltd effective 1 July 2018.

e) Property, Plant and Equipment

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

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

Depreciation

The depreciable amounts of all fixed assets including buildings, are depreciated over their estimated economic lives on a straight line method commencing from the time the assets are ready for use. Rates of depreciation vary from 2.5% per annum for buildings to 33.3% for 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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

e) Property, Plant and Equipment (continued)

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

f) 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.

g) Leases

The Reporting unit assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Reporting unit as a lessee

The Reporting unit applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Reporting unit recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

Right-of-use assets

The Reporting unit recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

If ownership of the leased asset transfers to the Reporting Unit at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

**Notes to the Consolidated Annual Accounts
For the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

g) Leases (continued)

Lease liabilities

At the commencement date of the lease, the Reporting unit recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Reporting Unit and payments of penalties for terminating the lease, if the lease term reflects the Reporting Unit exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Reporting unit uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

On transition the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 6.3%.

Short-term leases and leases of low-value assets

The Reporting unit's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases that are below \$5,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

h) 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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

h) Financial Instruments (continued)

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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.

Trade receivables

For trade receivables that do not have a significant financing component, the Reporting Unit applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

Financial liabilities

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Reporting Unit's financial liabilities include trade and other payables.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

h) Financial Instruments (continued)

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

i) 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.

j) 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.

**Notes to the Consolidated Annual Accounts
For the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

k) Revenue

The Reporting Unit enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations. The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Reporting Unit has a contract with a customer, the Reporting Unit recognises revenue when or as it transfers control of goods or services to the customer. The Reporting Unit accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Member services

The commission revenue and corporate program fees from member services, received by the subsidiary Member Advantage, are recognised over time, in line with the relevant performance obligation, being the provision of the service to members on a periodical basis (monthly or quarterly).

In line with AASB15, this revenue is recorded net of commission expenses as Member Advantage meets the definition of Agent. As such revenue received from commission on loyalty programs will be recognised as the net amount of consideration that the entity retains after paying the other party the consideration received in exchange for the services provided.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Reporting Unit.

If there is only one distinct membership service promised in the arrangement, the Reporting Unit recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Reporting Unit's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Reporting Unit allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Reporting unit charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Reporting Unit recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

**Notes to the Consolidated Annual Accounts
For the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

k) Revenue (continued)

Membership subscriptions (continued)

For member subscriptions paid annually in advance, the Reporting Unit has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Reporting Unit at their standalone selling price, the Reporting Unit accounts for those sales as a separate contract with a customer.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental income

Leases in which the Reporting unit as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

l) 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.

m) Comparative Figures

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

**Notes to the Consolidated Annual Accounts
For the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

n) 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.

o) 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.

p) 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.

q) 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 however it still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

q) Income Tax (continued)

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.

r) 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.

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

1. ACCOUNTING METHODS & POLICIES (CONT'D)

r) Fair Value of Assets and Liabilities (continued)

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.

s) 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.

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 1p, 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.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

	Note	Group		Chief Entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
2. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:--					
a) Crediting as Revenue					
Subscriptions		11,271,712	10,739,484	11,271,712	10,739,484
Member Services (Member Advantage Pty Ltd)		1,972,843	2,166,025	-	-
Licence Fees		-	-	468,751	468,750
Rental Income		28,959	139,527	28,959	139,527
Total other revenue		2,001,802	2,305,552	497,710	608,277
Interest		389,045	417,080	389,045	417,080
Trust Distributions		164,038	86,477	164,038	86,477
Increment in market value of investment		-	111,194	-	111,194
Profit/(loss) from Sale of Non-Current Asset		-	410,263	-	410,263
Donations		-	-	-	-
Gain on partial sale of Member Advantage		-	-	-	-
Revenue from recovery of wages activity		-	-	-	-
Other Income		421,086	316,732	421,086	316,732
Total other income		974,169	1,341,746	974,169	1,341,746
Total revenue		14,247,683	14,386,782	12,743,591	12,689,507
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		7,579,397	7,198,026	7,158,686	6,671,494
Annual Leave		672,676	629,259	637,687	586,966
Long Service Leave		243,061	67,424	210,278	64,875
Separation & Redundancy		26,142	26,142	14,050	14,050
Superannuation		814,472	773,705	758,763	714,881
Other Employment Costs		502,816	487,509	471,475	454,770
		9,838,564	9,182,065	9,250,939	8,507,036
Borrowing Costs		150,194	124,893	150,194	124,893
Professional Network Costs		-	-	-	-
Members' service and support		2,676,121	3,350,947	2,041,439	2,522,323

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

	Note	Group		Chief Entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
2. OPERATING RESULT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:- (CONT'D)					
Other Expenses					
Affiliation Fees	2(c)	263,991	236,255	263,991	236,255
Meeting Expenses		68,705	119,712	68,205	117,558
Audit & Accounting Fees		95,400	87,450	82,400	70,950
Legal Fees – Litigation		-	-	-	-
Legal Fees – Other Legal Matters		389,393	350,607	389,393	350,607
Depreciation & Amortisation		703,459	392,127	604,902	305,153
Fair Value Loss – Federal Office Building		-	-	-	-
Fair Value Loss – Investment		549,312	-	549,312	-
Compulsory Levies (ACTU Election Levy)		-	-	-	-
Consideration to Employers for Payroll Deductions		-	-	-	-
Fees/allowances – meetings and conferences		-	-	-	-
Conference and meeting expenses		-	-	-	-
Total paid to employers for payroll deductions of membership subscriptions		-	-	-	-
Penalties – RO Act or RO Regulations		-	-	-	-
		2,070,260	1,186,151	1,958,203	1,080,523
c) Affiliation Fees Paid					
Unions NSW		28,046	26,886	28,046	26,886
Unions ACT Trades and Labour Council of the ACT Inc.		4,600	4,600	4,600	4,600
ACTU		97,559	95,638	97,559	95,638
UNI Global Union		49,926	33,566	49,926	33,566
New Castle Trades Hall Council		-	969	-	969
NT Trades and Labour Council		-	-	-	-
SA Unions		7,855	7,751	7,855	7,751
Unions Tasmania		2,382	1,833	2,382	1,833
Victorian Trades Hall Council		40,163	37,087	40,163	37,087
Unions WA WA's Peak Union Body		6,080	5,961	6,080	5,961
Qld Council of Unions		25,711	20,454	25,711	20,454
Sydney May Day Committee		-	-	-	-
Federation of Vehicle Industry Unions (SA)		318	318	318	318
Union Aid Abroad - APHEDA		1,351	1,192	1,351	1,192
		263,991	236,255	263,991	236,255
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		-	-	-	-

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

	Group		Chief Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
4. CAPITATION FEES				
Capitation fees:				
Capitation fees APESMA	-	-	-	-
Total Capitation fees	-	-	-	-
5. LEVIES				
Compulsory or voluntary levies	-	-	-	-
Total levies	-	-	-	-
6. INCOME TAX EXPENSE				
Prima facie tax at 27.5% on Profit/(Loss)	46,676	149,250	-	-
Deferred income tax losses not brought to account	-	-	-	-
Exempt (Income)/Loss	-	(125,066)	-	-
Previously unrecognised tax losses to reduce current tax expense	-	-	-	-
Tax effect of over provision of income tax in prior year	-	-	-	-
Total Income Tax Expense/(Benefit)	46,676	24,184	-	-
The Chief Entity is a tax exempt entity				
7. CASH AND CASH EQUIVALENTS				
Cash at Bank	2,091,801	3,562,155	1,544,256	3,286,691
Short-term Deposits	-	-	-	-
Cash on Hand	2,800	2,800	2,800	2,800
Cash Management Account	13,512	13,409	13,512	13,409
	2,108,113	3,578,364	1,560,568	3,302,900
8. TRADE AND OTHER RECEIVABLES				
Current				
Sundry Receivables	677,847	556,984	574,605	382,389
Amounts Owed by Controlled Entities	-	-	-	-
Receivables from Other Reporting Units	-	-	-	-
Less allowance for expected credit losses	-	-	-	-
	677,847	556,984	574,605	382,389

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

8. TRADE AND OTHER RECEIVABLES (CONT'D)

Non Current

Sundry Receivables	-	-	-	-
Amounts Owed by Controlled Entities	-	-	-	-
	-	-	-	-

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.

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	
	2020	2019	2020	2019
	\$	\$	\$	\$
9. OTHER ASSETS				
Prepayments	342,006	269,766	340,028	267,046

10. FINANCIAL ASSETS

Current

Commonwealth Bank Term Deposits	8,003,631	7,785,242	8,003,631	7,785,242
Vanguard Index Funds-Unit Trust	3,409,394	1,933,420	3,409,394	1,933,420
Short Term Investments	4,820,054	5,004,888	4,820,054	5,004,888
	16,233,079	14,723,550	16,233,079	14,723,550

Non-Current

Shares in Controlled Entities	-	-	21	21
Shares in Other Entities	-	-	-	-
	-	-	21	21

Net Fair Values

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

Refer to Note 22 for details on restrictions on financial assets.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

11. PROPERTY, PLANT & EQUIPMENT	2020	2019	2020	2019
	\$	\$	\$	\$
Land and Buildings at National Board Valuation	11,386,656	12,340,530	11,386,656	12,340,530
Accumulated Depreciation	(198,156)	(102,552)	(198,156)	(102,552)
	11,188,500	12,237,978	11,188,500	12,237,978
Office Equipment at Cost	845,469	819,878	845,469	819,878
Accumulated Depreciation	(477,953)	(397,799)	(477,953)	(397,799)
	367,516	422,079	367,516	422,079
Total property, plant & equipment	11,556,016	12,660,057	11,556,016	12,660,057

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 2020. Independent valuations are obtained for all properties over a rolling three-year period.

It is noted that the market that the properties are valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Due to possible changes in market conditions and other circumstances the valuations below are regarded only as relevant as at 30 June 2020.

The property located at 152-160 Miller Street West Melbourne Victoria was independently valued as at 30 June 2020 by Mr. N Sinni and Mr. F Longden, both certified practicing valuers of M3 Property.

The property located at Level 1, 491 Kent Street Sydney NSW was independently valued as at 30 June 2020 by Mr. J Ruben, AAPI, certified practicing valuer of M3 Property.

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 last subject to independent valuation as at 30 June 2018 by Opteon and CBRE respectively. In the current year a directors valuation occurred as at 30 June 2020

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 2018	10,676,082	429,623	11,105,705
Additions/WIP	(47,083)	72,807	25,724
Revaluation	3,090,000	-	3,090,000
Disposals/Adjustments	(1,280,382)	-	(1,280,382)
Depreciation Expense	(200,639)	(80,351)	(280,990)
Balance 30 June 2019	12,237,978	422,079	12,660,057
Balance 1 July 2019	12,237,978	422,079	12,660,057
Additions/WIP	6,656	25,591	32,247
Revaluation	(830,048)	-	(830,048)
Disposals/Adjustments	-	-	-
Depreciation Expense	(226,086)	(80,154)	(306,240)
Balance 30 June 2020	11,188,500	367,516	11,556,016

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

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

Movements in Carrying Amounts (continued)

GROUP	Land & Buildings	Office Equipment	Total
Balance 30 June 2018	10,676,082	429,623	11,105,705
Additions/WIP	(47,083)	72,807	25,724
Revaluation	3,090,000	-	3,090,000
Disposals/Adjustments	(1,280,382)	-	(1,280,382)
Depreciation Expense	(200,639)	(80,351)	(280,990)
Balance 30 June 2019	12,237,978	422,079	12,660,057
Balance 1 July 2019	12,237,978	422,079	12,660,057
Additions/WIP	6,656	25,591	32,247
Revaluation	(830,048)	-	(830,048)
Disposals/Adjustments	-	-	-
Depreciation Expense	(226,086)	(80,154)	(306,240)
Balance 30 June 2020	11,188,500	367,516	11,556,016

12. LEASES

The Reporting Unit applied AASB16 using the modified retrospective approach, under which the cumulative effect of initial application would have been recognized in retained earnings at 1 July 2019 had it been material.

	2020 \$	2019 \$	2020 \$	2019 \$
Right of use assets	675,077	-	675,077	-
Accumulated Depreciation	(267,625)	-	(267,625)	-
	407,452	-	407,452	

Set out below are the carrying amounts of right-of-use assets recognized per assets and the movements during the period:

GROUP	Vehicles	Land & Building	Total
Balance 30 June 2018	-	-	-
Adoption of AASB 16 Leases	-	-	-
Additions	-	-	-
Depreciation Expense	-	-	-
Balance 30 June 2019	-	-	-
Balance 1 July 2019	-	-	-
Adoption of AASB 16 Leases	361,438	163,088	524,526
Additions/WIP	150,551	-	150,551
Depreciation Expense	(179,058)	(88,567)	(267,625)
Balance 30 June 2020	332,931	74,521	407,452

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

12. LEASES (CONT'D)

The table below describes the nature of the Reporting Unit's leasing activities by type of right-of-use asset recognised on balance sheet:

Right of use asset (ROA)	No of ROA	Range of remaining term	Average remaining lease term	No of leases with extensions	No of leases with option to purchase	No of leases with variable payments	No of leases with termination options
Office building	2	1-2 years	1.5 years	-	-	-	-
Motor vehicles	28	1-4 years	3 years	-	-	-	-

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Group		Chief Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Balance 1 Jul		-	-	-
Adoption of AASB 16 Leases	524,526	-	524,526	-
Additions	150,551	-	150,551	-
Accretion of interest	32,382	-	32,382	-
Payments	(292,775)	-	(292,775)	-
Balance 30 June	414,684	-	414,684	-
Current	219,021		219,021	
Non-current	195,663		195,663	

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	267,625	-	267,625	-
Interest expense on lease liabilities	32,382	-	32,382	-
Total amount recognised in profit or loss	300,007	-	300,007	-

No variable lease payments are recognized by the Reporting Unit.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

12. LEASES (CONT'D)

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2020 were as follows:

	Minimum lease payment due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
30 June 2020							
Lease payments	238,433	168,621	32,221	5,082	-	-	444,357
Finance charges	(19,412)	(9,073)	(1,102)	(86)	-	-	(29,673)
Net present values	219,021	159,548	31,119	4,996	-	-	414,684

No undisclosed potential future rental payments relating to periods following the exercise date of extension and termination options exists that have not been included in the lease terms.

Reporting Unit as a lessor

Amounts included in the income statement are as follows:

	Group		Chief Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Lease income	28,959	139,527	28,959	139,527
Balance 30 June	28,959	139,527	28,959	139,527

13. INTANGIBLE ASSETS

Balance 1 July	215,458	256,715	58,678	43,917
Additions/WIP	27,400	69,880	27,400	38,924
Disposals/Adjustments	-	-	-	-
Amortisation for the year	(129,596)	(111,137)	(31,038)	(24,163)
Balance 30 June	113,262	215,458	55,040	58,678

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

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

	Group		Chief Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
14. TRADE PAYABLES				
Current				
Trade and Sundry Creditors	1,689,740	1,556,261	1,429,399	1,251,721
Prepaid Subscriptions & Fees	1,904,015	1,869,961	1,906,785	1,869,961
Amounts Owed to Controlled Entities	-	-	635,866	632,246
Payable to Other Reporting Units	-	-	-	-
	3,593,755	3,426,222	3,972,050	3,753,928

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 2020/21 period.

15. OTHER PAYABLES

Current				
Legal costs –litigation and other legal matters	-	3,630	-	3,630
Payable to employers for making payroll deductions of membership subscriptions	-	-	-	-
	-	3,630	-	3,630

16. EMPLOYEE PROVISIONS

Current				
Office Holders	-	-	-	-
Annual Leave	-	-	-	-
Long Service Leave	-	-	-	-
Separation and Redundancies	-	-	-	-
Other Employee Benefits	-	-	-	-
Employees Other than Office Holders:				
Annual Leave	748,220	646,647	748,220	646,647
Long Service Leave	888,809	910,348	888,809	910,348
Separation and Redundancies	-	-	-	-
Other Employee Benefits	-	-	-	-
	1,637,029	1,556,995	1,637,029	1,556,995
Non-Current				
Office Holders				
Employees Other than Office Holders:				
Long Service Leave	180,689	70,497	180,689	70,497
	180,689	70,497	180,689	70,497

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 2020**

	Group		Chief Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
17. RESERVES				
Property Revaluation Reserve				
Balance at start of year	5,331,573	3,141,613	5,331,573	3,141,613
Transfer on sale of building	-	(966,800)	-	(966,800)
Revaluation during year	(830,048)	3,156,760	(830,048)	3,156,760
Balance as at end of year	4,501,525	5,331,573	4,501,525	5,331,573
The Property Revaluation reserve captures the increase/decrease value of property assets of the Association following revaluation.				
Innovation Reserve				
Balance as at start of year	239,633	239,633	239,633	239,633
Transfer to member funds	-	-	-	-
Balance as at end of year	239,633	239,633	239,633	239,633
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.				
Total Other Reserves	4,741,158	5,571,206	4,741,158	5,571,206

17A. OTHER SPECIFIC DISCLOSURES FUNDS

Compulsory levy/voluntary contribution fund

APESMA Legal Defence Fund

Balance as at start and end of year	528,464	528,464	528,464	528,464
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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	48,320	46,461	48,320	46,461
Transfer from member funds	1,933	1,859	1,933	1,859
Balance as at end of year	50,253	48,320	50,253	48,320

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	10,666,856	10,054,276	10,666,856	10,054,276
Reclassification from Organisation Funds	966,800	-	966,800	-
Transfer to Reserve	(87,304)	612,580	(87,304)	612,580
Balance as at end of year	11,546,352	10,666,856	11,546,352	10,666,856

The reclassification from Organisation Funds is in relation to a transfer made following the sale of the CSD Legal Defence Fund building to the Group's Organisational Funds. This has been reclassified in 2020 as the balance should be included in the Fund's reserve.

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

Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020

	Group		Chief Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
17A. OTHER SPECIFIC DISCLOSURES FUNDS (CONT'D)				
CSD Members Assistance Fund				
Balance at start of year	-	-	-	-
Transfer to reserve	112,550	-	112,550	-
Balance as at end of year	112,550	-	112,550	-
Total Compulsory levy/voluntary contribution fund	12,237,619	11,243,640	12,237,619	11,243,640
Total Reserves	16,978,777	16,814,846	16,978,777	16,814,846

18. 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	-	-	-	-

Future Operating Lease Payments are payable as follows:

< 1 year (short term and low value leases excluded from AASB 16)	15,154	219,550	15,154	219,550
1-5 years	-	517,048	-	517,048
Total Future Operating Commitments	15,154	736,598	15,154	736,598

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

19. CONTROLLED ENTITIES

	Chief Entity Investment		Equity Holding		Contributions to Group Profit or (Loss)	
	2020	2019	2020	2019	2020	2019
	\$	\$	%	%	\$	\$
Chief Entity						
Association of Professional Engineers, Scientists & Managers, Australia	-	-	-	-	(657,186)	454,732
Controlled Entities						
APESMA Lawyers Pty Ltd	10	10	100	100	-	-
APESMA Insurance Services Pty Ltd	10	10	100	100	-	-
Member Advantage Pty Ltd	0.75	0.75	75	75	123,054	63,810
	20.75	20.75				

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

20. 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	
	2020	2019	2020	2019
	\$	\$	\$	\$
Revenue received from controlled entities includes the following:				
Member Advantage				
Licence fee	468,750	468,750	468,750	468,750
Service fee	250,455	120,547	250,455	120,547
Expenses paid to controlled entities	-	-	-	-
Loans from controlled entities are disclosed in the notes to the financial report.	-	-	635,866	694,297

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	
	2020	2019	2020	2019
	\$	\$	\$	\$
Short-term employee benefits:				
Salary (including annual leave taken)	1,506,602	1,503,623	1,279,826	1,235,853
Annual leave accrued	(7,505)	16,823	(19,949)	8,455
Performance bonus	-	-	-	-
Total short-term employee benefits	1,499,097	1,520,446	1,259,877	1,244,308
Post-employment benefits:				
Superannuation	154,315	153,240	125,860	121,043
Total post-employment benefits	154,315	153,240	125,860	121,043
Other long-term benefits:				
Long service leave	(32,212)	(23,541)	(4,619)	(18,521)
Total other long-term benefits	(32,212)	(23,541)	(4,619)	(18,521)
Termination benefits	-	-	-	-
Total	1,621,200	1,650,145	1,381,118	1,346,830

Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020

	Group		Chief Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
21. REMUNERATION OF AUDITOR				
<i>Value of the services provided</i>				
Grant Thornton				
Financial statement and other audit services	49,500	49,500	40,500	40,500
Other services	8,750	7,250	7,250	5,750
	58,250	56,750	47,750	46,250
Daley Audit				
Financial statement audit and other audit services	12,000	-	12,000	-
	12,000	-	12,000	-
W. W. Vick & Co				
Financial statement audit and other audit services	-	14,000	-	14,000
	-	14,000	-	14,000
Total remuneration of auditor	70,250	70,750	59,750	60,250

22. FINANCIAL RISK MANAGEMENT

Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, investment portfolio, accounts receivable and payable and loans to entities.

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 and CSD Members Assistance Fund cash at bank balances of \$230,625 (2019: \$1,919,642) 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 \$11,413,024 (2019: \$9,718,662) 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 2020

22. 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-20							
Assets:							
Cash and Cash Equivalents	0.15	1,544,256	-	-	-	-	1,544,256
Financial Assets	2.50	-	8,003,631	-	-	8,229,448	16,233,079
Receivables	5.00	-	574,605	-	-	-	574,605
Total financial assets		1,544,256	8,578,236	-	-	8,229,448	18,351,940
Liabilities:							
Trade and Sundry Payables (including Legal Costs)	-	-	-	-	-	1,818,792	1,818,792
Lease Liability	-	-	-	-	-	414,684	414,684
Bank bills and Overdraft	-	-	-	-	-	-	-
Total financial liabilities		-	-	-	-	2,233,476	2,233,476
Net financial assets (liabilities)		1,544,256	8,578,236	-	-	5,995,972	16,118,464

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-19							
Assets:							
Cash and Cash Equivalents	0.15	3,286,691	-	-	-	-	3,286,691
Financial Assets	2.50	-	7,785,242	-	-	6,938,308	14,723,550
Receivables	5.00	-	382,389	-	-	-	382,389
Total financial assets		3,286,691	8,167,631	-	-	6,938,308	18,392,630
Liabilities:							
Trade and Sundry Payables (including Legal Costs)	-	-	-	-	-	1,225,350	1,225,350
Lease Liability	-	-	-	-	-	-	-
Bank bills and Overdraft	-	-	-	-	-	-	-
Total financial liabilities		-	-	-	-	1,225,350	1,225,350
Net financial assets (liabilities)		3,286,691	8,167,631	-	-	5,712,958	17,167,280

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 2020

22. 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-20							
Assets:							
Cash and Cash Equivalents	0.15	2,091,801	-	-	-	-	2,091,801
Financial Assets	2.50	-	8,003,631	-	-	8,229,448	16,233,079
Receivables	5.00	-	677,847	-	-	-	677,847
Total financial assets		2,091,801	8,681,478	-	-	8,229,448	19,002,727
Liabilities:							
Trade and Sundry Payables	-	-	-	-	-	2,079,133	2,079,133
Lease Liability	-	-	-	-	-	414,684	414,684
Bank bills and Overdraft	-	-	-	-	-	-	-
Total financial liabilities		-	-	-	-	2,493,817	2,493,817
Net financial assets (liabilities)		2,091,801	8,681,478	-	-	5,735,631	16,508,910

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-19							
Assets:							
Cash and Cash Equivalents	0.15	3,578,364	-	-	-	-	3,578,364
Financial Assets	2.50	-	7,785,242	-	-	6,938,308	14,723,550
Receivables	5.00	-	556,984	-	-	-	556,984
Total financial assets		3,578,364	8,352,226	-	-	6,938,308	18,868,898
Liabilities:							
Trade and Sundry Payables	-	-	-	-	-	1,559,891	1,559,891
Lease Liability	-	-	-	-	-	-	-
Bank bills and Overdraft	-	-	-	-	-	-	-
Total financial liabilities		-	-	-	-	1,559,891	1,559,891
Net financial assets (liabilities)		3,578,364	8,352,226	-	-	5,378,417	17,309,007

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 2020**

22. 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
	2020 \$	2020 \$	2019 \$	2019 \$
Group				
Receivables	677,847	-	566,984	-
Chief Entity				
Receivables	574,605	-	382,389	-

Ageing of financial assets that were not impaired

	<30 days \$	31 – 60 days \$	61 – 90 days \$	> 90 days \$	Total \$
2020					
Group					
Receivables	496,606	111,145	54,503	15,730	677,984
Chief Entity					
Receivables	408,164	106,299	44,412	15,730	574,605
2019					
Group					
Receivables	545,114	4,062	-	17,808	566,984
Chief Entity					
Receivables	382,389	-	-	-	382,389

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 2020.

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

22. 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
- The lease liability is determined by discounting the cash flows, at the incremental borrowing rate, to their present value.
- Other assets and liabilities approximate their carrying values

Net Fair Values of Financial Assets and Liabilities

GROUP

2020	Carrying Amount	Fair Value
	2020	2020
	\$	\$
Financial assets		
Cash & Cash Equivalents	2,091,801	2,091,801
Receivables	677,847	677,847
Investments	16,233,079	16,233,079
Financial liabilities		
Payables	1,689,740	1,689,740
Lease Liability	414,684	414,684
Borrowings	-	-
2019	Carrying Amount	Fair Value
	2019	2019
	\$	\$
Financial assets		
Cash & Cash Equivalents	3,562,155	3,562,155
Receivables	566,984	566,984
Investments	14,723,550	14,723,550
Financial liabilities		
Payables	1,559,891	1,559,891
Borrowings	-	-

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

22. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Liquidity Risk (continued)

Net Fair Values of Financial Assets and Liabilities

CHIEF ENTITY

2020	Carrying Amount	Fair Value
	2020	2020
	\$	\$
Financial assets		
Cash & Cash Equivalents	1,544,256	1,544,256
Receivables	574,605	574,605
Investments	16,233,079	16,233,079
Financial liabilities		
Payables	1,429,399	1,429,399
Lease Liability	414,684	414,684
Borrowings	-	-

2019	Carrying Amount	Fair Value
	2019	2019
	\$	\$
Financial assets		
Cash & Cash Equivalents	3,302,900	3,302,900
Receivables	382,389	382,389
Investments	14,723,550	14,723,550
Financial liabilities		
Payables	1,225,350	1,225,350
Borrowings	-	-

23. 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

2020

	Carrying amount at 30 June 2020	Date of valuation	Level 1	Level 2	Level 3
	\$		\$	\$	\$
Financial Assets					
Vanguard Index Fund – Unit Trust	3,409,394	30/06/2020	3,409,394		
Short-term investment	4,820,054	30/06/2020	4,820,054	-	-
Property					
Land & Buildings	11,188,500	30/06/2020	-	11,188,500	-

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

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

Group & Chief Entity

2019

	Carrying amount at 30 June 2019	Date of valuation	Level 1	Level 2	Level 3
	\$		\$	\$	\$
Financial Assets					
Vanguard Index Fund – Unit Trust	1,933,420	30/06/2019	1,933,420		
Short-term investment	5,004,488	30/06/2019	5,004,488	-	-
Property					
Land & Buildings	12,660,057	30/06/2019	-	12,660,057	-

	Group		Chief Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$

24. 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	2,091,801	3,562,155	1,544,256	3,286,691
Cash Management Account	13,512	13,409	13,512	13,409
Bank Overdraft	-	-	-	-
	2,108,113	3,578,364	1,509,568	3,302,900

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

Operating Profit/(Loss) after Income Tax	(534,132)	518,542	(657,186)	454,732
Non cash and investing items				
Asset Impairment/Write Offs	-	-	-	-
Depreciation and Amortisation	703,459	392,127	604,902	305,153
Interest Income	-	(167,304)	-	(167,284)
Rental Income	(28,959)	(139,527)	(28,959)	(139,527)
Doubtful Debts – Controlled Entities	-	-	-	-
Doubtful Debts - Other	-	-	-	-
Loans to Controlled entities forgiven	-	-	-	-
Net (Profit)/Loss on Sale of Fixed Assets	-	(410,263)	-	(410,263)
Increment/(Decrement) in value of investment	549,312	(197,671)	549,312	(197,671)
Interest on Lease Liabilities	32,380	-	32,380	-

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

	2020	Group 2019	Chief Entity 2020	2019
	\$	\$	\$	\$
24. 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	(110,861)	155,190	(192,219)	126,848
Prepayments	(72,240)	(23,447)	(72,981)	(24,826)
Employee Entitlements	190,226	(182,815)	190,226	(182,816)
Creditors and Other Payables	163,903	256,285	214,495	214,328
Provision for Income Tax	18,963	(38,302)	-	-
Net cash provided by/(used in) operating activities	912,051	162,815	639,970	(21,326)
iii) The Group has bank overdraft (\$0.5 million) facilities which were not utilised as at 30 June 2020. These facilities are subject to annual review.				
iv) Cash Flow Information				
Cash inflows				
• Media Entertainment and Arts Alliance	10,800	10,800	10,800	10,800
• LGEA of NSW	524,560	548,985	524,560	548,985
• Rail Tram and Bus Union - NSW Branch	-	-	-	-
• International Transport Federation	-	-	-	-
Total Cash inflows	535,360	559,785	535,360	559,785
Cash outflows				
• LGEA of NSW	500,230	486,084	500,230	486,084
• ACTU	107,515	103,987	107,515	103,987
• Newcastle Trades Hall Council	986	969	986	969
• QLD Council of Unions	25,711	23,103	25,711	23,103
• SA Unions	8,482	7,751	8,482	7,751
• UNI Global Union	38,904	33,566	38,904	33,566
• Union Aid Abroad - APHEDA	1,227	1,192	1,227	1,192
• Unions ACT	4,600	4,600	4,600	4,600
• Unions NSW	26,738	27,192	26,738	27,192
• Unions TAS	3,118	2,733	3,118	2,733
• Unions WA	6,801	6,747	6,801	6,747
• Victorian Trades Hall Council	40,151	39,051	40,151	39,051
• Australian Services Union (VIC)	5,379	5,848	5,379	5,848
• United Services Union	1,041	1,115	1,041	1,115
• SA May Day Collective	318	318	318	318
• Australian Services Union (TAS)	-	4,597	-	4,597
• Media Entertainment and Arts Alliance	-	2,095	-	2,095
• United (TAS)	-	2,000	-	2,000
Total Cash outflows	771,201	752,948	771,201	752,948

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

25. 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.

26. CONTINGENT ASSETS AND LIABILITIES

The National board are not aware of any other contingent assets or liabilities as at 30 June 2020.

27. COVID-19 AND SUBSEQUENT EVENTS

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Group is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Group.

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

28. 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 2020.

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.

29. 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).

**Notes to the Consolidated Annual Accounts
for the Year Ended 30 June 2020**

30. SECTION 272 FAIR WORKS (REGISTERED ORGANISATIONS) ACT 2009

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.

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

Information to be provided to members or Commissioner:

- 1) A member of a reporting unit, or the Commissioner, 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).

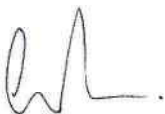
National Board Statement

On 19 September 2020 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 2020:

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: 19 September 2020
West Melbourne, Victoria

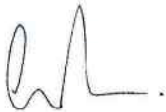
Dated: 19 September 2020
West Melbourne, Victoria

Officer Declaration Statement

I, Andrew Russack, being the National President and Olaf Reinhold, being the National Treasurer of the Association of Professional Engineers, Scientists & Managers, Australia, trading as Professionals Australia, declare that the following activities did not occur during the reporting period ending 30 June 2020.

The reporting unit did not:

- (a) agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount).
- (b) agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount).
- (c) acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission.
- (d) incur fees as consideration for employers making payroll deductions of membership subscriptions.
- (e) pay legal costs relating to litigation.
- (f) pay a penalty imposed under the RO Act or the Fair Work Act 2009.
- (g) have a payable to an employer for that employer making payroll deductions of membership subscriptions.
- (h) have a payable in respect of legal costs relating to litigation,
- (i) have another entity administer the financial affairs of the reporting unit.
- (j) make a payment to a former related party of the reporting unit.
- (k) provide cash flows to another reporting unit and/or controlled entity.



A. Russack
National President



O. Reinhold
National Treasurer

Dated: 19 September 2020
West Melbourne, Victoria

Dated: 19 September 2020
West Melbourne, Victoria

Independent Auditor's 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 report required under subsection 255 (2A), the officer declaration statement, the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management Statement.

In our opinion, the accompanying financial presents fairly, in all material aspects, the financial position of the Association of Professional Engineers, Scientists and Managers, Australia as at 30 June 2020, 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.

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 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 determines 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 objectives are 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 the 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 this 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 A J Pititto is an approved auditor, a member of the Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

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 2020. As such, no opinion is provided in relation to recovery of wages activity.



Grant Thornton Audit Pty Ltd
Chartered Accountants



A J Pititto
Partner – Audit & Assurance

Registration Number (as registered by the RO Commissioner under the RO Act): AA2017/86

Melbourne, 19 September 2020