UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-KSB

[X] Annual Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended September 30, 2005

[ ] Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-05707

GENERAL EMPLOYMENT ENTERPRISES, INC.
(Name of small business issuer in its charter)

Illinois	36-6097429
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

One Tower Lane, Suite 2200, Oakbrook Terrace, IL	60181
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number: (630) 954-0400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, no par value	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Check if disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [X]

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The issuer's revenues for the most recent fiscal year were $20,348,000.

The aggregate market value of the common stock held by non-affiliates as of October 31, 2005 was $9,257,000.

The number of shares outstanding of the issuer's common stock as of October 31, 2005 was 5,148,265.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the General Employment Enterprises, Inc. Proxy Statement for the annual meeting of shareholders to be held on February 27, 2006 are incorporated by reference into Part III of this Form 10-KSB.

Transitional small business disclosure format: Yes [ ] No [X]

PART I

Item 1, Description of Business.

General

General Employment Enterprises, Inc. (the "Company") was incorporated in the State of Illinois in 1962 and is the successor to employment offices doing business since 1893. In 1987 the Company established Triad Personnel Services, Inc., a wholly-owned subsidiary, incorporated in the State of Illinois. The principal executive office of the Company is located at One Tower Lane, Suite 2200, Oakbrook Terrace, Illinois.

Services Provided

The Company operates in one industry segment, providing professional staffing services. The Company offers its customers both placement and contract staffing services, specializing in the placement of information technology, engineering and accounting professionals.

The Company's placement services include placing candidates into regular, full-time jobs with client-employers. The Company's contract services include placing its professional employees on temporary assignments, under contracts with client companies. Contract workers are employees of the Company, typically working at the client location and at the direction of client personnel for periods of three months to one year. Management believes that the combination of these two services provides a strong marketing opportunity, because it offers customers a variety of staffing alternatives that includes direct hire, temporary staffing and a contract-to-hire approach to hiring. The percentage of revenues derived from these services is as follows:

	Year Ended September 30 2005	2004
Contract services	58%	65%
Placement services	42%	35%

Marketing

The Company markets its services using the trade names General Employment Enterprises, Omni One, Business Management Personnel, Triad Personnel Services and Generation Technologies. As of September 30, 2005, it operated 19 branch offices located in downtown or suburban areas of major U.S. cities in 10 states. The offices were concentrated in Illinois (4) and California (3), with two offices each in Arizona, Indiana, Massachusetts and Ohio, and one office each in Florida, Georgia, North Carolina and Texas.

The Company markets its services to prospective clients primarily through telephone marketing by its employment consultants and through mailing of employment bulletins listing candidates available for placement and contract employees available for assignment.

The Company has a diverse customer base, and no single customer accounted for more than 5% of its revenues during either of the last two fiscal years.

Recruiting

The success of the Company is highly dependent on its ability to obtain qualified candidates. Prospective employment candidates are recruited through telephone contact by the Company's employment consultants, through postings on the Internet, and through classified newspaper advertising. For Internet postings, the Company maintains its own web page at www.generalemployment.com and uses other Internet job posting bulletin board services. The Company uses a computer program to track applicants' skills and match them with job openings. The Company screens and interviews applicants who are presented to its clients.

Billing Practices

When applicants accept employment, the Company charges its clients a placement fee that is based on a percentage of the applicant's projected annual salary, and the Company provides its clients with a guarantee under which the fee is refundable if the applicant does not remain employed during a guarantee period. Fees for contract services are billed on an hourly basis each week. The Company expects payment by its customers upon receipt of its invoices. Typical of the staffing industry, working capital is required to finance the wages of contract workers before the related customer accounts are collected.

Competition

The staffing industry is highly competitive. There are relatively few barriers to entry by firms offering placement services, while significant amounts of working capital typically are required for firms offering contract services. The Company's competitors include a large number of sole-proprietorship operations, as well as regional and national organizations. Many of them are large corporations with substantially greater resources than the Company.

Because the Company focuses its attention on professional staffing positions, it competes by providing services that are dedicated to quality. This is done by providing highly qualified candidates who are well matched for the position, by responding quickly to client requests, and by establishing offices in convenient locations. As an added service, the Company provides reference checking, scrutiny of candidates' work experience and optional background checks. In general, pricing is considered to be secondary to quality of service as a competitive factor. During slow hiring periods, however, competition can put pressure on the Company's pricing.

Geographic diversity helps the Company to balance local or regional business cycles. Multiple offices in the Boston, Chicago, Columbus (Ohio), Indianapolis, Los Angeles and Phoenix markets help to provide better client services through convenient office locations and the sharing of assignments.

Employees

As of September 30, 2005, the Company had approximately 140 regular employees and 190 contract service employees.

Item 2, Description of Property.

The Company's policy is to lease commercial office space for all of its offices. The Company's headquarters are located in a modern 31-story building near Chicago, Illinois. The Company leases 8,200 square feet of space at that location, under a lease that will expire in 2015.

The Company's staffing offices are located in downtown metropolitan and suburban business centers in 10 states.

Established offices are operated from leased space ranging from 1,100 to 2,100 square feet, generally for periods of three to five years, with cancellation clauses after certain periods of occupancy in some cases. Management believes that existing facilities are adequate for the Company's current needs and that its leasing strategies provide the Company with sufficient flexibility to open or close offices to accommodate business needs.

Item 3, Legal Proceedings.

From time to time, the Company is subject to various legal proceedings and claims arising in the ordinary course of business. As of September 30, 2005, there were no material legal proceedings pending against the Company.

Item 4, Submission of Matters to a Vote of Security Holders.

Not applicable.

PART II

Item 5, Market for Common Equity and Related Stockholder Matters.

The Company's common stock is traded on the American Stock Exchange under the trading symbol JOB. The high and low common stock prices per share were as follows:

	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Fiscal 2005:				
Market price per share:				
High	$ 2.18	$ 1.67	$ 3.00	$ 3.05
Low	1.18	1.14	1.34	2.00
Fiscal 2004:				
Market price per share:				
High	$ 2.58	$ 1.90	$ 1.95	$ 1.79
Low	1.62	1.23	1.05	.87

There were 773 holders of record on October 31, 2005. The Company declared no cash dividends on its common stock during the last two fiscal years, and there are no intentions to do so in the foreseeable future.

Securities authorized for issuance under equity compensation plans were as follows as of September 30, 2005 (number of shares in thousands):

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by			

security holders	435	$1.07	416
Equity compensation plans not approved by security holders	--	--	--
Total	435	$1.07	416

Item 6, Management's Discussion and Analysis or Plan of Operation.

Overview of Operations

The Company provides contract and placement staffing services for business and industry, specializing in the placement of information technology, engineering and accounting professionals. As of September 30, 2005, the Company operated 19 offices located in 10 states.

The Company's business is highly dependent on national employment trends in general and on the demand for information technology and other professional staff in particular. The Company experienced an increase in the demand for its placement services during the year ended September 30, 2005, as the U.S. jobs market improved. The national unemployment rate decreased to 5.1% in September 2005 from 5.4% in September 2004.

As a result of the increased demand for the Company's services, consolidated net revenues for the year ended September 30, 2005 were up 13% compared with the prior year. Placement service revenues increased 38% due to increases in both the number of placements and the average placement fee, while contract service revenues were flat during the period. As a result of the change in the mix, placement service revenues increased to 42% of consolidated revenues from 35% last year.

Due to the growth in revenues, the Company achieved income from operations of $577,000 this year, which was a significant improvement compared with a loss from operations of $812,000 last year.

The Company had net cash flow of $799,000 for the 2005 fiscal year, and the balance of cash and cash equivalents was $5,236,000 as of September 30, 2005.

Results of Continuing Operations

A summary of operating data, expressed as a percentage of consolidated net revenues, is presented below.

	Year Ended September 30	
	2005	2004
Net revenues:		
Contract services	57.8%	65.3%
Placement services	42.2	34.7
Net revenues	100.0	100.0
Operating expenses:		
Cost of contract services	41.0	47.4
Selling	25.8	20.9
General and administrative	30.4	36.2
Total operating expenses	97.2	104.5
Income (loss) from operations	2.8%	(4.5)%

Net Revenues
Consolidated net revenues for the year ended September 30, 2005 were up $2,367,000 (13%) from the prior year. Placement service revenues increased $2,363,000 (38%), while contract service revenues were about the same as last year.

National employment levels increased during fiscal 2005. As a result of the stronger overall demand for placement services, together with more demand for services in higher-level positions, the Company experienced a 23% increase in the number of placements and a 10% increase in the average placement fee.

Contract service revenues were affected by a 5% decrease in contract hours that was offset by a 6% increase in the average hourly billing rate.

Operating Expenses
Total operating expenses for the year ended September 30, 2005 were up $978,000 (5%) compared with the prior year.

The cost of contract services was down $185,000 (2%), as a result of the lower volume of contract business. The gross profit margin on contract business increased to 29.1% for the year ended September 30, 2005, compared with 27.5% the prior year. There are no direct costs associated with placement service revenues.

Selling expenses increased $1,485,000 (39%) for the year. Commission expense was up 47% due to the higher placement service revenues, and recruitment advertising expense was 42% higher than the prior year. Selling expenses represented 25.8% of consolidated net revenues, which was up 4.9 points from the prior year because of the change in revenue mix.

General and administrative expenses decreased $322,000 (5%) for the year ended September 30, 2005. Office rent and occupancy costs were down 18% for the period, while other office operating costs declined 41%. These reductions are attributable to a combination of office closings, lease renegotiations, and

lower depreciation and amortization expense. Administrative compensation was up 17% because officer compensation programs were reinstated to 2002 levels. All other general and administrative expenses were about even with last year. General and administrative expenses represented 30.4% of consolidated revenues, and that was down 5.8 points from the prior year.

There was no provision for income taxes in fiscal 2005, because of the utilization of losses carried forward from prior years. There was no credit for income taxes as a result of the pretax losses in fiscal 2004, because the losses were carried forward and there was not sufficient assurance that a future tax benefit would be realized.

Discontinued Operations

In fiscal 2004, the Company completed a transaction to sell the assets and business operations of its Pittsburgh, Pennsylvania staffing business ("GenTech") for $705,000 in cash and recorded a loss on disposal of $553,000. The assets sold include GenTech's accounts receivable, office furniture and equipment and goodwill. The results of GenTech are reflected in the consolidated statement of operations as discontinued operations.

Outlook

The improvement in national hiring patterns and the increased demand for the Company's services resulted in improved operating performance for the Company in fiscal 2005. Management believes that the Company is well positioned for growth in the future. In recent years, many unprofitable branch operations were closed, and general and administrative expenses were reduced significantly. Existing branch offices have the capacity to accommodate additional consulting staff and higher volumes of business. Management believes that continued improvement for the Company will depend on continued improvement in the U.S. jobs market.

Financial Condition

As of September 30, 2005, the Company had cash and cash equivalents of $5,236,000, which was an increase of $799,000 from September 30, 2004. Net working capital at September 30, 2005 was $5,218,000, which was an increase of $588,000 from September 30, 2004, and the current ratio was 3.1 to 1. The Company had no long-term debt. Shareholders' equity as of September 30, 2005 was $5,850,000, which represented 70% of total assets.

During the fiscal year ended September 30, 2005, the net cash provided by operating activities was $857,000. Net income for the period, together with depreciation and other non-cash charges, provided $909,000, while working capital items used $52,000.

The Company's primary source of liquidity is normally from its operating activities. The Company's philosophy regarding the maintenance of cash balances reflects management's views on potential future needs for liquidity. Management believes that funds generated by operations, together with existing cash balances, will be adequate to finance current operations for the foreseeable future.

All of the Company's office facilities are leased, and information about future minimum lease payments is presented in the notes to consolidated financial statements.

As of September 30, 2005 there were approximately $4,000,000 of losses available to reduce federal taxable income in future years through 2024, and
there were approximately $6,800,000 of losses available to reduce state and local taxable income in future years, expiring from 2006 through 2024.

Off-Balance Sheet Arrangements

As of September 30, 2005, and during the year then ended, there were no transactions, agreements or other contractual arrangements to which an unconsolidated entity was a party, under which the Company (a) had any direct or contingent obligation under a guarantee contract, derivative instrument or variable interest in the unconsolidated entity, or (b) had a retained or contingent interest in assets transferred to the unconsolidated entity.

Critical Accounting Policies

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Management makes estimates and assumptions that can affect the amounts of assets and liabilities reported as of the date of the financial statements, as well as the amounts of reported revenues and expenses during the periods presented. These estimates and assumptions typically involve expectations about events to occur subsequent to the balance sheet date, and it is possible that actual results could ultimately differ from those estimates. If significant differences were to occur in a subsequent period, the Company would recognize those differences when they became known. Significant matters requiring the use of estimates and assumptions include deferred income tax valuation allowances, accounts receivable allowances, and valuations of property and equipment. Management believes that its estimates and assumptions are reasonable, based on information that is available at the time they are made.

The following accounting policies are considered by management to be "critical" because of the judgments and uncertainties involved, and because different amounts would be reported under different conditions or using different assumptions.

Income Taxes
Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences reverse. A valuation allowance is recorded to reduce deferred tax assets to the amount that is more likely than not to be realized as a tax benefit in the future. Judgment is required in assessing the likelihood that tax assets will be realized. These judgments are based on estimates about future taxable income, which is inherently uncertain. The Company recorded a valuation allowance as of September 30, 2005, because there was not sufficient assurance that future tax benefits would be realized.

Accounts Receivable Allowances
An allowance for placement falloffs is recorded, as a reduction of revenues, for estimated losses due to applicants not remaining employed for the Company's guarantee period. An allowance for doubtful accounts is recorded, as a charge to bad debt expense, where collection is considered to be doubtful due to credit issues. These allowances reflect management's estimate of potential losses inherent in the accounts receivable balances, based on historical loss statistics.

Property and Equipment
Property and equipment are recorded at cost. Depreciation expense is calculated on a straight-line basis over estimated useful lives of five years for computer equipment and two to ten years for office equipment, furniture and fixtures. The Company capitalizes computer software purchased or developed for internal use, and amortizes it over an estimated useful life of five years. The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that it may not be recoverable. If the carrying amount of an asset group is greater than its estimated future undiscounted cash flows, the carrying value is written down to the estimated fair value. These processes require the use of estimates and assumptions about the future that require a significant degree of judgment.

Forward-Looking Statements

As a matter of policy, the Company does not provide forecasts of future financial performance. However, the Company and its representatives may from time to time make written or verbal forward-looking statements, including statements contained in press announcements, reports to shareholders and filings with the Securities and Exchange Commission. All statements which address expectations about future operating performance and cash flows, future events and business developments, and future economic conditions are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's then-current expectations and assumptions. Actual outcomes could differ significantly. The Company and its representatives do not assume any obligation to provide updated information.

Some of the factors that could affect the Company's future performance include, but are not limited to, general business conditions, the demand for the Company's services, competitive market pressures, the ability of the Company to attract and retain qualified personnel for regular full-time placement and contract assignments, and the ability to attract and retain qualified corporate and branch management.

Item 7, Financial Statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEET

	As of September 30	
(In Thousands)	2005	2004
ASSETS		
Current assets:		
Cash and cash equivalents	$5,236	$4,437
Accounts receivable, less allowances (2005 -- $270; 2004 -- $281)	2,028	1,833
Other current assets	468	486
Total current assets	7,732	6,756
Property and equipment, net	632	538
Total assets	$8,364	$7,294
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accrued compensation	$1,834	$1,244
Other current liabilities	680	882
Total current liabilities	2,514	2,126
Shareholders' equity:		
Preferred stock; authorized -- 100 shares; issued and outstanding -- none	--	--
Common stock, no-par value; authorized -- 20,000 shares; issued and outstanding - 5,148 shares in 2005 and 5,136 shares in 2004	4,839	4,828
Retained earnings	1,011	340
Total shareholders' equity	5,850	5,168
Total liabilities and shareholders' equity	$8,364	$7,294

See notes to consolidated financial statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONSOLIDATED STATEMENT OF OPERATIONS

	Year Ended September 30	
(In Thousands, Except Per Share)	2005	2004
Net revenues:		
Contract services	$11,754	$11,750
Placement services	8,594	6,231
Net revenues	20,348	17,981
Operating expenses:		
Cost of contract services	8,335	8,520

Selling	5,250	3,765
General and administrative	6,186	6,508
Total operating expenses	19,771	18,793
Income (loss) from operations	577	(812)
Investment income	94	34
Income (loss) from continuing operations	671	(778)
Loss from discontinued operations	--	(619)
Net income (loss)	$ 671	$(1,397)
Average number of shares:		
Basic	5,142	5,131
Diluted	5,355	5,131
Per share - basic and diluted:		
Income (loss) from continuing operations	$ .13	$ (.15)
Loss from discontinued operations	--	(.12)
Net income (loss)	$ .13	$ (.27)

See notes to consolidated financial statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

(In Thousands)	Year Ended September 30 2005	2004
Operating activities:		
Net income (loss)	$ 671	$(1,397)
Loss on disposal of discontinued operations	--	553
Depreciation and amortization	210	524
Other noncurrent items	28	66
Changes in current assets and current liabilities, net of effects from disposal in 2004:		
Accounts receivable	(195)	149
Accrued compensation	590	190
Other current items, net	(447)	(252)
Net cash provided (used) by operating activities	857	(167)
Investing activities:		
Acquisition of property and equipment	(69)	(19)
Proceeds on disposal of discontinued operations	--	705
Net cash provided (used) by investing activities	(69)	686
Financing activities:		
Exercises of stock options	11	13
Net cash provided by financing activities	11	13
Increase in cash and cash equivalents	799	532
Cash and cash equivalents at beginning of year	4,437	3,905
Cash and cash equivalents at end of year	$5,236	$ 4,437

See notes to consolidated financial statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(In Thousands, Except Per Share)	Year Ended September 30 2005	2004
Common shares outstanding:		

Number at beginning of year	5,136	5,121
Exercises of stock options	12	15
Number at end of year	5,148	5,136
Common stock:		
Balance at beginning of year	$4,828	$ 4,787
Stock option expense	--	28
Exercises of stock options	11	13
Balance at end of year	$4,839	$ 4,828
Retained earnings:		
Balance at beginning of year	$ 340	$ 1,737
Net income (loss)	671	(1,397)
Balance at end of year	$1,011	$ 340

See notes to consolidated financial statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company

General Employment Enterprises, Inc. (the "Company") operates in one industry segment, providing staffing services through a network of branch offices located in major metropolitan areas throughout the United States. The Company specializes in providing information technology, engineering and accounting professionals to clients on either a regular placement basis or a temporary contract basis. The Company has a diverse customer base, and no single customer accounted for more than 5% of its revenues during either of the last two fiscal years.

Significant Accounting Policies and Estimates

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. The more significant accounting policies that are followed by the Company are summarized below.

Principles of Consolidation
The consolidated financial statements include the accounts and transactions of the Company and its wholly-owned subsidiary. All significant intercompany accounts and transactions are eliminated in consolidation.

Estimates and Assumptions
Management makes estimates and assumptions that can affect the amounts of assets and liabilities reported as of the date of the financial statements, as well as the amounts of reported revenues and expenses during the periods presented. These estimates and assumptions typically involve expectations about events to occur subsequent to the balance sheet date, and it is possible that actual results could ultimately differ from those estimates. If significant differences were to occur in a subsequent period, the Company would recognize those differences when they became known. Significant matters requiring the use of estimates and assumptions include deferred income tax valuation allowances, accounts receivable allowances, and valuations of property and equipment. Management believes that its estimates and assumptions are reasonable, based on information that is available at the time they are made.

Revenue Recognition
Placement service revenues are recognized when applicants accept offers of employment, less a provision for estimated losses due

to applicants not remaining employed for the Company's guarantee period. Contract service revenues are recognized when services are rendered.

Cost of Contract Services
The cost of contract services includes the wages and the related payroll taxes and benefits of the Company's employees while they work on contract assignments.

Income Taxes
Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that are expected to be in

effect when the differences reverse. A valuation allowance is recorded to reduce deferred tax assets to the amount that is more likely than not to be realized as a tax benefit in the future.

Income Per Share
Basic income per share is based on the average number of common shares outstanding. Diluted income per share is based on the average number of common shares and the dilutive effect of stock options.

Cash Equivalents
Highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Accounts Receivable Allowances
An allowance for placement falloffs is recorded, as a reduction of revenues, for estimated losses due to applicants not remaining employed for the Company's guarantee period. An allowance for doubtful accounts is recorded, as a charge to bad debt expense, where collection is considered to be doubtful due to credit issues. These allowances together reflect management's estimate of the potential losses inherent in the accounts receivable balances, based on historical loss statistics.

Property and Equipment
Property and equipment are recorded at cost. Depreciation expense is calculated on a straight-line basis over estimated useful lives of five years for computer equipment and two to ten years for office equipment, furniture and fixtures. The Company capitalizes computer software purchased or developed for internal use, and amortizes it over an estimated useful life of five years. The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that it may not be recoverable. If the carrying amount of an asset group is greater than its estimated future undiscounted cash flows, the carrying value is written down to the estimated fair value.

Disposal Activities
A liability is recorded for the cost of exit or disposal activities in the period when the liability is incurred.

Stock Options
Compensation expense is recorded for the fair value of stock options issued to employees. The expense is measured as the estimated fair value of the stock options on the date of grant and is amortized over the vesting periods.

Discontinued Operations

In fiscal 2004, the Company completed a transaction to sell the assets and business operations of its Pittsburgh, Pennsylvania staffing business ("GenTech") for $705,000 in cash. The assets sold include GenTech's accounts receivable, office furniture and equipment and goodwill. The results of GenTech are reflected in the statement of operations as discontinued operations. Summarized information for discontinued operations is as follows:

(In Thousands)	2004
Net revenues	$1,272
Loss from operations	$ (66)
Loss on disposal	(553)
Loss from discontinued operations	$ (619)

Income Taxes

There was no provision for income taxes in fiscal 2005, because of the utilization of losses carried forward from prior years. There was no credit for income taxes as a result of the pretax losses in fiscal 2004, because the losses were carried forward and there was not sufficient assurance that a future tax benefit would be realized.

The components of the provision for income taxes are as follows:

(In Thousands)	2005	2004
Deferred tax provision (credit) related to:		
Temporary differences	$ 143	$ (5)
Loss carryforwards	81	(546)
Valuation allowances	(224)	551
Provision for income taxes	$ --	$ --

The differences between income taxes calculated at the 34% statutory U.S. federal income tax rate and the Company's provision for income taxes are as follows:

(In Thousands)	2005	2004
Income tax provision (credit) at statutory federal tax rate	$ 228	$(475)
Federal valuation allowance	(217)	470
Other	(11)	5
Provision for income taxes	$ --	$ --

The net deferred income tax asset balance as of September 30 related to the following:

(In Thousands)	2005	2004
Temporary differences	$ 266	$ 409
Net operating loss carryforwards	1,727	1,808
Valuation allowances	(1,993)	(2,217)
Net deferred income tax asset	$ --	$ --

As of September 30, 2005, there were approximately $4,000,000 of losses available to reduce federal taxable income in future years through 2024, and there were approximately $6,800,000 of losses available to reduce state and local taxable income in future years, expiring from 2006 through 2024.

Property and Equipment

Property and equipment consisted of the following as of September 30:

(In Thousands)	2005	2004
Computer equipment and software	$ 2,266	$ 2,869
Office equipment, furniture and fixtures	1,684	1,943
Total property and equipment, at cost	3,950	4,812
Accumulated depreciation and amortization	(3,318)	(4,274)
Property and equipment, net	$ 632	$ 538

During fiscal 2005, the Company disposed of leasehold improvements, furniture and equipment having an original cost of $1,194,000 and negligible book value.

Other Current Liabilities

Other current liabilities consisted of the following as of September 30:

(In Thousands)	2005	2004
Accounts payable	$ 89	$209
Accrued expenses	329	621
Deferred rent	262	52
Total other current liabilities	$680	$882

Office Closings

The Company closed a number of branch offices in recent years due to unprofitable operations, and recorded a liability covering the lease obligations of those offices. The rent liability for closed offices, included in other current liabilities, was as follows:

(In Thousands)	2005	2004
Balance at beginning of year	$ 316	$ 657
Provision (credit) for office closings	(30)	42
Payments	(251)	(383)
Balance at end of year	$ 35	$ 316

The combined net revenues and the combined loss from operations of all offices that were closed as of September 30, 2004, included in continuing operations on the consolidated statement of operations, were as follows:

(In Thousands)	2004
Net revenues	$ 802
Income (loss) from operations	(343)

Lease Obligations

The Company leases space for all of its branch offices, which are located either in downtown or suburban metropolitan business centers, and space for its corporate headquarters. Branch offices are generally leased over periods from three to five years. Certain lease agreements provide for increased rental payments contingent upon future increases in real estate taxes, building maintenance costs and the cost of living index.

In fiscal 2005, the Company entered into an amendment of the lease agreement that covers office space for its corporate headquarters. The amended lease expires in 2015, and may be cancelled by the Company in 2012 under certain conditions. Under the amended lease, the Company's base annual rent expense is reduced by approximately $120,000. The Company received a non-cash allowance of $263,000 from the landlord for leasehold improvements and recorded a deferred rent credit, which is being amortized on a straight-line basis as a reduction of rent expense over the term of the lease.

Rent expense from continuing operations was $964,000 in fiscal 2005 and $1,179,000 in fiscal 2004. As of September 30, 2005, future minimum lease payments under lease agreements having initial terms in excess of one year, including closed offices, totaled $3,280,000, as follows: fiscal 2006 - $831,000, fiscal 2007 - $559,000, fiscal 2008 - $503,000, fiscal 2009 - $385,000, fiscal 2010 - $353,000 and thereafter - $649,000.

Retirement Plans

The Company has a 401(k) retirement plan in which all full-time employees may participate after one year of service. Under the plan, eligible participants may contribute a portion of their earnings to a trust, and the Company makes matching contributions, subject to certain limitations. In addition, the Company has a deferred compensation plan for certain officers. Under the plan, the Company contributes a percentage of each participant's earnings to a trust under a defined contribution arrangement. The participants direct the investments of the trust, and the Company does not guarantee investment performance. Participant account balances are payable upon retirement or termination from the Company, subject to certain vesting requirements. The investments in the trust are included in other current assets on the

consolidated balance sheet, and an offsetting obligation is included in accrued compensation. The cost of retirement plans was $129,000 in fiscal 2005 and $64,000 in fiscal 2004.

Stock Options

The Company has stock option plans that were approved by the shareholders for directors, officers and employees. As of September 30, 2005, there were stock options outstanding under the Company's 1999 Stock Option Plan, 1997 Stock Option Plan and 1995 Stock Option Plan. Under these plans, incentive or non-statutory stock options may be granted to officers and employees, and they may be exercisable for up to ten years. Outside directors were automatically granted non-statutory options to purchase specified numbers of shares under the terms of the plans. The Compensation and Stock Option Committee of the Board of Directors administers the plans and determines the terms of each option granted.

No stock options were granted during the two most recent fiscal years. A summary of stock option activity is as follows:

(Number of Shares in Thousands)	2005	2004
Number of shares outstanding:		
Beginning of year	458	552
Exercised	(12)	(15)
Terminated	(11)	(79)
End of year	435	458

Number of shares exercisable at end of year	435	458
Number of shares available for grant at end of year	416	406

Weighted average option prices per share:		
Exercised during the year	$ .86	$ .86
Terminated during the year	1.42	1.27
Outstanding at end of year	1.07	1.08
Exercisable at end of year	1.07	1.08

Stock options outstanding as of September 30, 2005 were as follows (number of shares in thousands):

Range of Exercise Prices	Number Outstanding	Weighted Number Exercisable	Average Average Price	Remaining Life (Years)
At $.86	353	353	$ .86	7
$1.25 to $2.45	82	82	2.00	6

Severance Arrangements

The Company has an employment agreement with the chief executive officer that provides for the continuation of salary and benefits for a period of three years following the officer's termination of employment by the Company for any reason other than "cause." The Company also has arrangements covering certain other officers and key employees that would become effective if their employment terminated under certain conditions following a change in control of the Company. Under these circumstances, the Company would be obligated to continue salary for a period of one year in certain cases, to make lump sum payments ranging from $20,000 to $50,000 in other cases, and to provide continued welfare plan benefits for up to two years. As of September 30, 2005, the potential, aggregate obligation under these arrangements, if all such officers and employees were terminated, was approximately $2,700,000.

Shareholder Rights Plan

On February 4, 2000, the Company adopted a shareholder rights plan, and the Board of Directors declared a dividend of one share purchase right for each share of outstanding common stock.

The rights will become exercisable if any person or affiliated group (other than certain "grandfathered" shareholders) acquires, or offers to acquire, 10% or more of the Company's outstanding common shares. Each exercisable right entitles the holder (other than the acquiring person or group) to purchase, at a price of $21.50 per share, common stock of the Company having a market value equal to two times the purchase price. The purchase price and the number of common shares issuable on exercise of the rights are subject to adjustment in accordance with customary anti-dilution provisions.

The Board of Directors may authorize the Company to redeem the rights at a price of $.01 per right at any time before they become exercisable. After the rights become exercisable, the Board of Directors may authorize the Company to exchange any unexercised rights at the rate of one share of common stock for each right. The rights are nonvoting and will expire on February 22, 2010.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
General Employment Enterprises, Inc.
Oakbrook Terrace, Illinois

We have audited the accompanying consolidated balance sheets of General Employment Enterprises, Inc. and subsidiary as of September 30, 2005 and 2004 and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of General Employment Enterprises, Inc. and subsidiary at September 30, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ BDO Seidman, LLP

Chicago, Illinois
November 9, 2005

Item 8, Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 8A, Controls and Procedures.

The Company evaluated, with the participation of its principal executive officer and its principal financial officer, the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act") as of the end of the period covered by this report. Based on that evaluation, the Company's principal executive officer and its principal financial officer
concluded that the Company's disclosure controls and procedures

were adequate to ensure that information required to be disclosed in reports filed or submitted by the Company under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

There was no change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 8B, Other Information.

Not applicable.

PART III

Item 9, Directors and Executive Officers of the Registrant.

Information concerning directors, executive officers, promoters and control persons, and compliance with Section 16(a) of the Exchange Act is set forth in the Company's Proxy Statement for the annual meeting of shareholders under the headings "Election of Directors" and "Directors and Executive Officers." That information is incorporated herein by reference.

The Company has adopted a code of ethics that applies to all of its directors and employees, including it principal executive officer, principal financial officer and principal accounting officer. A copy of the code of ethics is filed as an exhibit to this annual report.

Item 10, Executive Compensation.

Information concerning executive compensation is set forth in the Company's Proxy Statement for the annual meeting of shareholders under the heading "Compensation of Executive Officers and Directors." That information is incorporated herein by reference.

Item 11, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information concerning security ownership of certain beneficial owners and management is set forth in the Company's Proxy Statement for the annual meeting of shareholders under the heading "Security Ownership of Certain Beneficial Owners and Management." That information is incorporated herein by reference.

Information concerning securities authorized for issuance under equity compensation plans is presented in Item 5 of this annual report.

Item 12, Certain Relationships and Related Transactions.

Not applicable.

Item 13, Exhibits.

The following exhibits are filed as a part of this report:

No. Description of Exhibit

2.01 Asset Purchase Agreement Among Triad Personnel Services, Inc., Michael P. Verona and Generation Technologies, L.P. dated September 24, 2004. Incorporated by reference to Exhibit 2.01 to the Company's Form 8-K Current Report dated September 24, 2004. Commission File No. 1-05707.

3.01 Articles of Incorporation and amendments thereto. Incorporated by reference to Exhibit 3 to the Company's Quarterly Report on Form 10-QSB for the quarter ended March 31, 1996, Commission File No. 1-05707.

3.02 By-Laws. Incorporated by reference to Exhibit 3(b) of the Company's Annual Report on Form 10-KSB for the fiscal year ended September 30, 1997, Commission File No. 1-05707.

4.01 Rights Agreement dated as of February 4, 2000, between General Employment Enterprises, Inc. and Continental Stock Transfer and Trust Company, as Rights Agent. Incorporated by reference to Exhibit 1 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on February 7, 2000, Commission File No. 1-05707.

10.01* Key Manager Plan, adopted May 22, 1990. Incorporated by reference to Exhibit 10(h) to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1990, Commission File No. 1-05707.

10.02 Agreement with Sheldon Brottman dated October 3, 1991. Incorporated by reference to Exhibit 10(l) to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1991, Commission File No. 1-05707.

10.03* General Employment Enterprises, Inc. 1995 Stock Option Plan. Incorporated by reference to Exhibit 4.1 to the Company's Form S-8 Registration Statement dated April 25, 1995, Registration No. 33-91550.

10.04* General Employment Enterprises, Inc. 1997 Stock Option Plan. Incorporated by reference to Exhibit 10(n) to the Company's Annual Report on Form 10-KSB for the fiscal year ended September 30, 1998, Commission File No. 1-05707.

10.05* Resolution of the Board of Directors adopted September 28, 1998, amending the General Employment Enterprises, Inc. 1997 Stock Option Plan. Incorporated by reference to Exhibit 10(o) to the Company's Annual Report on Form 10-KSB for the fiscal year ended September 30, 1998, Commission File No. 1-05707.

10.06* General Employment Enterprises, Inc. 1999 Stock Option Plan. Incorporated by reference to Exhibit 10 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999, Commission File No. 1-05707.

10.07* Employment Agreement with Herbert F. Imhoff, Jr. effective as of August 1, 2001. Incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2001, Commission File No. 1-05707.

10.08* Chief Executive Officer Bonus Plan, adopted September 24, 2001. Incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2001, Commission File No. 1-05707.

10.09* The Corporate Plan for Retirement Select Plan Basic Plan

Document. Incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2001, Commission File No. 1-05707.

10.10* The Corporate Plan for Retirement Select Plan Adoption Agreement dated September 27, 2001. Incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2001, Commission File No. 1-05707.

10.11* First Amendment to the General Employment Enterprises, Inc. Executive Retirement Plan dated September 27, 2001. Incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2001, Commission File No. 1-05707.

10.12* Form of employment agreement with executive officers. Incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report of Form 10-Q for the quarterly period ended December 31, 2001, Commission File No. 1-05707.

10.13* Operational Vice President Bonus Plan effective for fiscal years beginning on or after October 1, 2004. Incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report of Form 10-QSB for the quarterly period ended December 31, 2004, Commission File No. 1-05707.

14.01 General Employment Enterprises, Inc. Code of Ethics for Directors, Officers and Employees, adopted as of August 16, 2004. Incorporated by reference to Exhibit 14.01 to the Company's Form 8-K Current Report dated August 16, 2004, Commission File No. 1-05707.

23.01 Consent of Independent Registered Public Accounting Firm.

31.01 Certification of the principal executive officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.

31.02 Certification of the principal financial officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.

32.01 Certifications required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code.

* Management contract or compensatory plan or arrangement.

Item 14, Principal Accountant Fees and Services.

Information concerning principal accountant fees and services is set forth in the Company's Proxy Statement for the annual meeting of shareholders under the heading "Relationship with Independent Auditors." That information is incorporated herein by reference.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENERAL EMPLOYMENT ENTERPRISES, INC.
(Registrant)

Date: November 21, 2005 By: /s/ Herbert F. Imhoff, Jr.
Herbert F. Imhoff, Jr.
Chairman of the Board, Chief
Executive Officer and President

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: November 21, 2005 By: /s/ Herbert F. Imhoff, Jr.
Herbert F. Imhoff, Jr., Director
Chairman of the Board, Chief
Executive Officer and President
(Principal executive officer)

Date: November 21, 2005 By: /s/ Kent M. Yauch
Kent M. Yauch, Director
Vice President, Chief Financial
Officer and Treasurer (Principal
financial and accounting officer)

Date: November 21, 2005 By: /s/ Dennis W. Baker
Dennis W. Baker, Director

Date: November 21, 2005 By: /s/ Sheldon Brottman
Sheldon Brottman, Director

Date: November 21, 2005 By: /s/ Delain G. Danehey
Delain G. Danehey, Director

Date: November 21, 2005 By: /s/ Joseph F. Lizzadro
Joseph F. Lizzadro, Director

EXHIBIT 23.01

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements Nos. 33-46124, 33-91550, 333-25129 and 333-76879 of General Employment Enterprises, Inc. Stock Option Plans, on Form S-8 of our report dated November 9, 2005, relating to the consolidated financial statements of General Employment Enterprises, Inc. and subsidiary included in the Annual Report (Form 10-KSB) for the years ended September 30, 2005 and 2004.

/s/ BDO Seidman, LLP

Chicago, Illinois
November 21, 2005

EXHIBIT 31.01

CERTIFICATION

I, Herbert F. Imhoff, Jr., certify that:

1. I have reviewed this Form 10-KSB annual report for the fiscal year ended September 30, 2005 of General Employment Enterprises, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 21, 2005 /s/ Herbert F. Imhoff, Jr.
Herbert F. Imhoff, Jr.
Chairman of the Board, Chief
Executive Officer, and President
(Principal executive officer)

EXHIBIT 31.02

CERTIFICATION

I, Kent M. Yauch, certify that:

1. I have reviewed this Form 10-KSB annual report for the fiscal year ended September 30, 2005 of General Employment Enterprises, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 21, 2005 /s/ Kent M. Yauch
Kent M. Yauch
Vice President, Chief Financial
Officer, and Treasurer
(Principal financial officer)

EXHIBIT 32.01

CERTIFICATIONS PURSUANT TO SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

In connection with the Annual Report of General Employment Enterprises, Inc. (the "Company") on Form 10-KSB for the fiscal year ended
September 30, 2005 filed with the Securities and Exchange Commission (the "Report"), each of the undersigned hereby certifies, in his capacity as an officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: November 21, 2005 By: /s/ Herbert F. Imhoff, Jr.
Herbert F. Imhoff, Jr.
Chairman of the Board, Chief
Executive Officer and President
(Chief executive officer)

Date: November 21, 2005 By: /s/ Kent M. Yauch
Kent M. Yauch
Vice President, Chief Financial
Officer and Treasurer
(Chief financial officer)