



**engineers
without borders
australia**

Comprising:
Engineers Without Borders Australia Limited (ABN 13 103 896 920)
and
Engineers Without Borders Foundation (ABN 25 394 403 069)
a controlled entity

Financial Statements
For the Year Ended 30 June 2024

Engineers Without Borders Australia

ABN:13 103 896 920

Contents

For the Year Ended 30 June 2024

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Directors' Report

30 June 2024

The directors of Engineers Without Borders Australia Limited (Company) present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2024.

Information on directors

The names of each person who has been a director of the Company during the year and to the date of this report are:

Kelsie Clarke

Qualifications B.Eng (Civil) (Hons), Diploma Business (Governance)

Shane Kennelly

Qualifications Resigned 04/12/2023
B.Eng (Aeronautical), MBA

Michael McCreadie

Qualifications B.Bus (Accounting), B.Arts (Psychology), Australian Chartered Accountant, Certified Turnaround Practitioner, Certified Valuation Analyst, Graduate of the Australian Institute of Company Directors

Margarita Moya

Qualifications B.Eng (Industrial Chemistry) / B.Arts

Sonya Rand

Qualifications B.Eng (Chemical), M.EngSc, Post Graduate Diploma (Business Management), Graduate of the Australian Institute of Company Directors

Alesha Printz

Qualifications B.Eng (Civil) (Hons), B.Comm, M.EngSc (Project Management), FIEAust Eng Exec CPEng NER

Daniel Lambert

Qualifications B.Eng (Civil) (Hons), B.Sc, DipGovMgt, DipPersMgt, MBT, MEngSc FIEAust EngExec CPEng NER

Abhishek Singh

Qualifications Exec MBA, M.Technology, Graduate of the Australian Institute of Company Directors, B.Tech (Electrical Engineering)

Rebecca Watts

Qualifications B.Eng (Hons), B.Comm (Renewable Engineering/Finance)

Grant Maher

Qualifications Appointed 23/10/2023
B.Eng (Civil/Struct), B.Comm, Master of Design Science (Sustainable Design), FIEAust CPEng NER RPEQ APEC Eng IntPE (Aus))

Sheena Valenti

Qualifications Appointed 20/11/2023
B.Eng (Mechanical) (Hons.1) / B.Arts (Philosophy)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Report

30 June 2024

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were:

- Working in partnership to address a lack of access to basic human needs such as clean water, sanitation and hygiene, energy, basic infrastructure, waste systems, information communication technology and engineering education.
- Educating and training Australian students, engineers and the wider community on issues including sustainable development, appropriate technology, poverty and the power of humanitarian engineering.
- Leading a movement of like-minded people with strong values and a passion for humanitarian engineering within Australia and overseas.
- Fundraising to support the above activities.

No significant changes in the nature of the Company's activities occurred during the financial year.

SHORT AND LONG-TERM OBJECTIVES

Purpose

Harnessing the potential of engineering to create an equitable reality for the planet and its people.

Vision statement

A world where technology benefits all.

STRATEGIC AIMS AND OBJECTIVES

Mission statement

EWB Australia is redefining the purpose and impact of engineering as a critical enabler of sustainable development.

In 2030, more than 1,000,000 people have equitable access to technology to live well and pursue their aspirations sustainably, as a clear result of our work.

Recognising regional imperatives of:

- A fast changing climate
- Environment degradation
- Increasing people movement
- Increasing inequality

Focusing on:

- People who are at risk of being left behind by global development and negatively impacted by challenging global trends.

Promoting:

- Human dignity
- Diversity
- Indigenous wisdom
- Thriving ecosystems

Delivering:

- Future engineers who understand the potential of engineering for the planet and its people
- Emerging and practising engineers who have the skills, knowledge, motivation and mindset to deliver technology that benefits all
- Scalability through market-based approaches
- Influence for sector change

Directors' Report

30 June 2024

And knowing:

- That impactful outcomes take time and no one size fits all, as we work with local challenges and leverage knowledge, strengths and community aspirations.

We will work:

- In Australia increasingly
- Developing a regional footprint in the Pacific
- To localise country offices
- With agility including in Humanitarian contexts globally
- And through the EWB international network
- With reach far greater than ourselves through our chapters, volunteers and partnerships.

Underpinned by organisational values

- Collaboration
- Learning
- Success
- Bigger Picture Thinking
- Equity
- Innovation
- Courage
- Integrity

OUR IMPACT FRAMEWORK AND THE FIVE PILLARS

Pillar 1 - EWB Education

Engineers in Australia are capable of consistently designing, developing, implementing and enabling technology that benefits all.

Strategic Outcomes:

Outcome 1: Credibility – Education and Training

EWB Australia has a reputation for leading practice education and training programs that build the awareness, knowledge and skills of engineers in the development of technology that benefits all.

Outcome 2: Knowledge and Awareness

All Australian engineering students are graduating university with an understanding of how to develop technology that benefits all, and why this matters.

Outcome 3: Capability and Confidence

Professional engineers affiliated with the EWB Australia community have the skills, attributes and motivation required to develop technology that benefits all.

Pillar 2 - Our network

EWB is a network of values-aligned people, institutions and companies who educate, donate, volunteer and advocate for solutions that benefit all.

Strategic Outcomes:

Outcome 1: Mobilise

We have an extended bank of experienced alumni representing our approach, living our principles and advocating for the organisation.

Outcome 2: Influence

Individuals, institutions and companies in our community understand their sphere of influence, what they can influence and have the ability and courage to do this.

Directors' Report

30 June 2024

Outcome 3: Foster

People feel connected with EWB and likeminded others.

Outcome 4: Contribute

Our community are contributing regularly to EWB.

Outcome 5: Share

The EWB community is providing peer-to-peer learning opportunities.

Pillar 3 - Engineering Technology

The lives of more than 1,000,000,000 people have been improved through equitable, sustainable and scalable technology.

Strategic Outcomes:

Outcome 1: Equitable and Resilient

Communities are able to participate in successful technology projects such that technology can be accepted, developed and owned by communities.

Outcome 2: Appropriate

Technology developed are equitable and effective throughout the life-cycle and leads to increased positive social and economic outcomes.

Outcome 3: Scale

1,000,000,000 people are accessing EWB technology.

Outcome 4: Sustainable

All implemented technology is sustainable throughout its entire planned life-cycle

Outcome 5: Enabling Systems

Appropriate, equitable, scalable and sustainable technology development is effectively implemented by the national and local governments, NGOS and private sector.

Pillar 4 - Influence

Engineering is redefined as a socio-technical sector, which views delivering work which benefits all people and the planet as achievable and expected.

Strategic Outcomes:

Outcome 1: Sector Shift

The engineering sector in Australia is applying and embedding principles and approaches that lead to the creation of technology that benefits all in their work.

Strategic Outcomes related to Influence included in other Pillars:

P1. O1 Credibility – Education and Training

P2.O2 Influence

Pillar 5 - The Organisation

EWB is an agile, resilient organisation with a talented network of staff and volunteers.

Directors' Report

30 June 2024

Strategic Outcomes:

Outcome 1: Financial

EWB's funding base provides a foundation for agility, strategic investment in the organisation and the best decisions for impact.

Outcome 2: Systems

EWB's internal infrastructure and processes are future-ready and adaptive.

Outcome 3: Governance

EWB has a diverse board, who are ensuring solid governance and representation of the organisation.

Outcome 4: People and culture

EWB's staff, team and network are operating with purpose, passion and strategic results, regardless of where they are or what role they are in.

Outcome 5: Building Awareness

We have inspired a broad and strong community who are passionate about EWB's commitment to the development of technology that benefits all.

KEY PERFORMANCE MEASURES

EWB measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the organisation and whether the organisation's short term and long term objectives are being achieved.

MEMBERS' GUARANTEE

Engineers Without Borders Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2 for members, subject to the provisions of the company's constitution.

At 30 June 2024 the collective liability of members was \$158 (2023: \$172).

MEETINGS OF DIRECTORS

During the financial year, 24 meetings of directors (including sub-committees of directors) were held. Attendances by each director during the year were as follows:

Board member	Eligible	Attended
Margarita Moya (Chair)	19	19
Kelsie Clarke	14	11
Shane Kennelly (resigned 04/12/2023)	6	2
Michael McCreadie	14	12
Sonya Rand	12	11
Alesha Printz	14	13
Daniel Lambert	15	11
Abhishek Singh	14	12
Rebecca Watts	9	6
Grant Maher (appointed 23/10/2023)	8	5
Sheena Valenti (appointed 20/11/2023)	8	8

Directors' Report

30 June 2024


Auditor's independence declaration

The lead auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director 

Michael McCreadie

Director 

Margarita Moya

Dated this 14th day of October 2024

ENGINEERS WITHOUT BORDERS AUSTRALIA

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN
CHARITIES AND NOT-FOR PROFITS COMMISSION ACT 2012 TO THE BOARD MEMBERS OF
ENGINEERS WITHOUT BORDERS AUSTRALIA**

I declare that to the best of my knowledge and belief, in relation to the audit of Engineers Without Borders Australia for the year ended 30 June 2024 there have been:

- i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NOT FOR PROFIT ACCOUNTING SPECIALISTS

KESWICK SA 5035



Ian Mostert CPA
Registered Company Auditor No 539768

30 October 2024

Dated:

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	4	3,730,611	6,892,878
Administrative expenses		(126,320)	(87,964)
Consultancy expenses		(129,596)	(393,720)
Depreciation and amortisation expense		(20,029)	(29,175)
Employee related expenses	5	(2,847,876)	(3,259,409)
FX Gain/(Loss)		(14,372)	18,361
Information, communications and technology		(113,437)	(128,203)
Initiatives		(286,347)	(3,389,725)
Insurance		(119,790)	(116,977)
Lease liability interest expense		(10,918)	(7,260)
Marketing and promotion		(16,438)	(16,333)
Occupancy costs		(119,999)	(119,831)
Travel		(241,111)	(219,223)
Loss on disposal of fixed assets		(1,105)	(17,220)
Surplus / (Deficit) before income tax	6	(316,721)	(873,801)
Income tax expense	2(c)	-	-
Surplus / (Deficit) for the year		(316,721)	(873,801)
Other comprehensive income:			
Unrealised change in fair value of financial assets		1,486,774	-
Total comprehensive income for the year		1,170,053	(873,801)

Statement of Financial Position

As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	733,744	1,203,985
Trade and other receivables	8	280,034	323,530
Other assets	9	106,603	225,570
TOTAL CURRENT ASSETS		1,120,381	1,753,085
NON-CURRENT ASSETS			
Other assets	9	9,343	9,343
Other financial assets	10	1,487,274	500
Property, plant and equipment	11	15,174	33,213
Right-of-use assets	12	131,614	267,359
TOTAL NON-CURRENT ASSETS		1,643,405	310,415
TOTAL ASSETS		2,763,786	2,063,500
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	199,029	171,020
Lease Liabilities	12	68,927	90,365
Employee benefits	14	152,441	200,746
Other liabilities	15	422,218	735,988
TOTAL CURRENT LIABILITIES		842,615	1,198,119
NON-CURRENT LIABILITIES			
Lease liabilities	12	63,291	177,554
TOTAL NON-CURRENT LIABILITIES		63,291	177,554
TOTAL LIABILITIES		905,906	1,375,673
NET ASSETS		1,857,880	687,827
EQUITY			
Reserves		1,611,448	124,674
Retained Earnings		246,432	563,153
TOTAL EQUITY		1,857,880	687,827

Statement of Changes in Equity

For the Year Ended 30 June 2024

2024

	Retained Earnings	Innovation Reserve	Financial Asset Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2023	563,153	124,674	-	687,827
Valuation of Financial Asset	-	-	1,486,774	1,486,774
Deficit for the year	(316,721)	-	-	(316,721)
Balance at 30 June 2024	246,432	124,674	1,486,774	1,857,880

2023

	Retained Earnings	Innovation Reserve	Financial Asset Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022	1,436,954	124,674	-	1,561,628
Deficit for the year	(873,801)	-	-	(873,801)
Balance at 30 June 2023	563,153	124,674	-	687,827

Engineers Without Borders Australia (EWBA) has developed an internal funding mechanism to enable ideas with potential to be developed, tested and prepared for external funding.

The objectives of the Innovation Fund (the "Fund") are to enable innovative solutions that deliver the following for EWBA:

- Increased impact through developing technology that benefits all.
- Increased impact through new and innovative education and outreach approaches.
- Increased impact and innovation volunteering opportunities for our network.
- New sustainable business models and/or a new social enterprise.

The Fund is dependent on the result of the previous financial year's surplus. The Fund will initially be seeded by one off contribution from retained earnings of \$100,000. It will then be topped up based on each year's operating results with 20% of the operating surplus being added to the Fund. Any additional contribution to the Fund will require Board approval. The amount to be contributed to the Innovation Fund any financial year will be communicated by 31 December of each year, following completion of the audited accounts.

Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants and other receipts from operating activities		3,548,591	3,446,774
Payments to suppliers and employees		(3,927,881)	(8,404,880)
Interest received		30,713	62,135
Net cash provided by/(used in) operating activities	17	(348,576)	(4,888,711)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(4,390)	(19,554)
Proceeds from sale of plant and equipment		1,295	1,826
Net cash provided by/(used in) investing activities		(3,095)	(17,728)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease principal payments		(107,652)	(118,272)
Lease interest payments		(10,918)	(7,260)
Net cash provided by/(used in) financing activities		(118,570)	(125,532)
Net increase/(decrease) in cash and cash equivalents held		(470,241)	(5,031,971)
Cash and cash equivalents at beginning of year		1,203,985	6,235,956
Cash and cash equivalents at end of financial year	7	733,744	1,203,985

Notes to the Financial Statements

For the Year Ended 30 June 2024

These are the consolidated financial statements of Engineers Without Borders Australia (the Consolidated Group, EWB) comprising of Engineers Without Borders Australia Limited (ABN 13 103 896 920) a public company limited by guarantee incorporated and domiciled in Australia and Engineers Without Borders Foundation (ABN 25 394 403 069) a public benevolent institution which is a controlled entity. The Consolidated Group operates as a not-for-profit organisation.

The principal activities of the Group are:

- Working in partnership to address a lack of access to basic human needs such as clean water, sanitation and hygiene, energy, basic infrastructure, waste systems, information communication technology and engineering education.
- Educating and training Australian students, engineers and the wider community on issues including sustainable development, appropriate technology, poverty and the power of humanitarian engineering.
- Leading a movement of like-minded people with strong values and a passion for humanitarian engineering within Australia and overseas.
- Fundraising to support the above activities.

The financial report was authorised for issue by the Directors on 14 October 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1. BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities and the *Australian Charities and Not-for-profits Commission Act 2012*. The consolidated group operates as a not-for-profit group for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements are presented in Australian dollars which is the functional and presentation currency of the Company.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) BASIS FOR CONSOLIDATION

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

(b) REVENUE AND OTHER INCOME

REVENUE FROM CONTRACTS WITH CUSTOMERS

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there are less than 12 months between receipt of funds and satisfaction of performance obligations.

SPECIFIC REVENUE STREAMS

The revenue recognition policies for the principal revenue streams of the Group are:

GRANTS

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations is under AASB 1058.

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Group considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised, income is recognised for any remaining asset value at the time the asset is received.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

DONATIONS

Donations collected, including cash and goods for resale, are recognised as revenue when the Group gains control of the asset.

PARTNERSHIPS

The Group earns revenue from provision of professional services through partnership contracts, particularly with Australian Universities.

Fee arrangements on these contracts are fixed fee arrangements.

For these arrangements, revenue is recognised based on the stage of completion with reference to the actual services provided as a proportion of the total services expected to be provided under the contract. Revenue is recognised over time in line with benefits of the contract being consumed by the customer. This is done as a proportion of the academic year that has been completed to date.

Estimates of revenues (including interim billing), costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The Group has determined that no significant financing component exists in respect of the professional services revenue streams since the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

A receivable in relation to these services is recognised when a bill has been invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

STATEMENT OF FINANCIAL POSITION BALANCES RELATING TO REVENUE RECOGNITION

CONTRACT ASSETS AND LIABILITIES

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Group presents the contract as a contract liability.

(c) **INCOME TAX**

The entities in the group are exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(d) **GOODS AND SERVICES TAX (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) VOLUNTEER SERVICES

No amounts are included in the financial statements for services donated by volunteers.

(f) 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.

PLANT AND EQUIPMENT

Plant and equipment are measured using the cost model.

DEPRECIATION

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	10%
Computer Equipment	33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) FINANCIAL INSTRUMENTS

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

FINANCIAL ASSETS

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

CLASSIFICATION

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

AMORTISED COST

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity instruments

The Group has one strategic investment in an unlisted entity over which they do not have significant influence nor control. The Group have made an irrevocable election to classify this equity investment as fair value through other comprehensive income as it is not held for trading purposes.

This investment is carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in Other Comprehensive Income.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

FINANCIAL LIABILITIES

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables.

(h) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value..

(i) LEASES

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

LESSEE ACCOUNTING

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

EXCEPTIONS TO LEASE ACCOUNTING

The Group has elected to apply the exceptions to lease accounting for short-term leases (i.e. leases with a term of less than or equal to 12 months). The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) EMPLOYEE BENEFITS

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(k) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Group has adopted all standards which became effective for the first time at 30 June 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

KEY ESTIMATES - IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

KEY ESTIMATES - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

KEY ESTIMATES - RECEIVABLES

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2024

4. REVENUE AND OTHER INCOME

	2024	2023
	\$	\$
Donations	1,242,775	1,030,951
Sponsorship/Partners	-	41,286
Earned Income	808,054	647,303
Grants	1,648,055	5,109,713
Interest Received	30,713	62,133
Other Income	1,014	1,492
	3,730,611	6,892,878

Included in Revenue & Other Income is the following income received from Government:

	2024	2023
	\$	\$
Federal:		
- Department of Foreign Affairs and Trade	986,935	4,866,659
- Department of Industry Science and Resources	-	24,923
State:		
Office of the Queensland Chief Scientist	13,615	-
Local:		
None	-	-
Foreign Governments Income	31,081	0
	1,031,631	4,891,582

The liabilities recognized for unexpended grants and income received in advance as at 30 June 2024 are reported in note 15.

5. EMPLOYEE BENEFITS

	2024	2023
	\$	\$
Salaries & Wages	2,583,327	3,001,789
Workers Compensation Insurance	8,994	7,487
Superannuation	222,553	242,281
Employee Benefit Provision Movement	(48,214)	(26,276)
Other Employee Benefits	81,215	34,128
	2,847,876	3,259,409

The liabilities recognized for employee benefits are reported in Note 14.

Notes to the Financial Statements

For the Year Ended 30 June 2024

6. AUDITOR'S REMUNERATION

	2024	2023
	\$	\$
Audit Fees	14,750	13,000
Fees for the Preparation of Financial Statements	-	-
Total Auditor Remuneration	14,750	13,000

7. CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Cash on hand	27,189	15,008
Cash at bank	706,555	1,188,977
	733,744	1,203,985

8. TRADE AND OTHER RECEIVABLES

	2024	2023
	\$	\$
CURRENT		
Trade receivables	280,034	305,452
Other Receivables	-	18,078
	280,034	323,530

9. OTHER ASSETS

	2024	2023
	\$	\$
CURRENT		
Prepayments	97,464	225,570
Accrued Revenue	9,139	-
	106,603	225,570
NON-CURRENT		
Deposits	9,343	9,343

10. OTHER FINANCIAL ASSETS

	2024	2023
	\$	\$
NON-CURRENT		
Equity securities - at fair value through		
Other Comprehensive Income	1,487,274	500

The investment represents a minority (10.1%) interest held in ATEC Australia-International Pty Ltd, a company incorporated in Australia.

Notes to the Financial Statements

For the Year Ended 30 June 2024

11. PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	\$	\$
Motor Vehicles at cost	-	4,647
Accumulated depreciation	-	(1,855)
	<u>-</u>	<u>2,792</u>
Computer equipment at cost	79,903	75,513
Accumulated depreciation	(64,729)	(45,092)
	<u>15,174</u>	<u>30,421</u>
Total Property, Plant and Equipment	<u>15,174</u>	<u>33,213</u>

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

2024	Motor Vehicles	Computer Equipment	Total
	\$	\$	\$
Balance at 1 July 2023	2,792	30,421	33,213
Additions	-	4,390	4,390
Disposals	(2,401)	-	(2,401)
Depreciation Expense	(391)	(19,638)	(20,029)
Balance at 30 June 2024	<u>-</u>	<u>15,174</u>	<u>15,174</u>

2023	Motor Vehicles	Computer Equipment	Total
	\$	\$	\$
Balance at 1 July 2022	28,960	32,921	61,881
Additions	-	19,554	19,554
Disposals	(16,491)	(2,556)	(19,047)
Depreciation Expense	(9,677)	(19,498)	(29,175)
Balance at 30 June 2023	<u>2,792</u>	<u>30,421</u>	<u>33,213</u>

Notes to the Financial Statements

For the Year Ended 30 June 2024

12. LEASES

	2024	2023
	\$	\$
Right-of-use Assets - Office leases		
Right-of-use asset carried forward	267,359	194,278
Additions/(reductions)	(28,048)	185,674
Depreciation Charge	(107,697)	(112,593)
Carrying amount of lease asset	131,614	267,359
Lease Liabilities - Office leases		
Lease liabilities carried forward	267,919	200,517
Additions/(reductions)	(28,049)	185,674
Add interest expense	10,918	7,260
Less lease payments	(118,570)	(125,532)
Carrying amount of lease liability	132,218	267,919
Lease Liabilities:		
Current	68,927	90,365
Non-current	63,291	177,554
	132,218	267,919

Right of Use assets consists of office leases in Australia, Timor Leste and Cambodia. Office space in Vanuatu is leased on a short-term basis, ie less than 12 months, and accordingly, rent paid for this lease is recognised as an expense over the period of the lease.

A new lease was entered into for the Australian office. The term of the lease is two years, ending 30th June 2026.

The Timor Leste office lease is a three-year lease, ending 31 July 2025.

The Cambodia office lease is a two-year lease, ending 15 June 2025.

Maturity - office leases		
Within 1 year	74,506	113,606
More than 1 year but less than 5 years	65,613	176,819
	140,119	290,425

The maturity analysis of lease liabilities is based on contractual undiscounted cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2024

13. TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Trade payables	82,748	45,585
GST Payables	11,893	4,901
Other Payables	104,388	120,534
	199,029	171,020

All above liabilities are short term. The carrying values are considered to be a reasonable approximation of fair value.

14. EMPLOYEE ENTITLEMENTS

	2024	2023
	\$	\$
CURRENT		
Provision for Annual Leave	152,441	171,751
Provision for Long Service Leave	-	28,995
	152,441	200,746

15. OTHER LIABILITIES

	2024	2023
	\$	\$
Deferred Government Grants	-	13,615
Deferred non-Government Grants	65,000	170,778
Deferred Income	357,218	551,595
	422,218	735,988

16. FINANCIAL RISK MANAGEMENT

2024	Note	Amortised Costs	FVPL	FVOCI	Total
ASSETS					
Current					
Cash and Cash Equivalent	7	733,744	-	-	733,744
Trade and other receivables	8	280,034	-	-	280,034
		1,013,778	-	-	1,013,778
Non-current					
Investments	10	-	-	1,487,274	1,487,274
Total Financial Assets		1,013,777	-	1,487,274	2,501,051
LIABILITIES					
Current					
Trade and Other Payables	13	199,029	-	-	199,029

Notes to the Financial Statements

For the Year Ended 30 June 2024

16. FINANCIAL RISK MANAGEMENT (CONT)

2023	Note	Amortised Costs	FVPL	FVOCI	Total
ASSETS					
Current					
Cash and Cash Equivalent	7	1,203,985	-	-	1,203,985
Trade and other receivables	8	323,530	-	-	323,530
		1,527,515	-	-	1,527,515
Non-current					
Investments	10	-	-	500	500
Total Financial Assets		1,527,515	-	500	1,528,015
LIABILITIES					
Current					
Trade and Other Payables	13	171,020	-	-	171,020

17. CASH FLOW INFORMATION

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
Surplus/(Deficit) for the year	(316,721)	(873,801)
Non-cash flows and non-operating in profit:		
- depreciation	127,725	141,768
- net loss on disposal of property, plant and equipment	1,105	17,220
- Lease interest	10,918	7,260
Changes in assets and liabilities		
- decrease/(increase) in trade and other receivables	43,497	(82,511)
- decrease/(increase) in other assets	118,966	(56,488)
- increase/(decrease) in trade and other payables	28,009	(473,512)
- increase/(decrease) in deferred income	(313,770)	(3,542,372)
- increase/(decrease) in employee benefits	(48,305)	(26,275)
Cashflows from operations	(348,576)	(4,888,711)

Notes to the Financial Statements

For the Year Ended 30 June 2024

18. GROUP OPERATIONS

Engineers Without Borders Australia is an operating name and reference for two legal entities, Engineers Without Borders Australia Limited, and Engineers Without Borders Foundation. Engineers Without Borders Australia Limited is a company limited by guarantee and is the corporate trustee of Engineers Without Borders Foundation.

The objectives of each entity align and reflect common and similar purposes.

Both entities are commonly managed and share resources. While protocols exist for the practical application of resource allocations to be made between the entities, the consolidated financial statements reflect operations within this group and the outcomes of the decisions designed to achieve Engineers Without Borders Australia objectives as a group.

19. FAIR VALUE MEASUREMENT

The Group measures the following assets and liabilities at fair value on a recurring basis:

Financial Assets

- Unlisted Shares

This investment is measured at fair value through other comprehensive income. The fair value is determined using valuation techniques that incorporate observable market data, where available, and other relevant information.

There are no non-financial instruments that are carried at fair value as at 30 June 2024.

20. CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the Group in relation to 2024 or 2023.

21. RELATED PARTY TRANSACTIONS

The Group's main related parties are its Key Management Personnel and ATEC Australia-International Pty Ltd.

Total remuneration of key management personnel - refer to Note 20.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties other than loan forgiveness. Refer to Note 16.

Engineers Without Borders Australia Limited has a minority interest in the shares of ATEC Australia-International Pty Ltd. EWB has contributed \$4,502 to ATEC under an auspicing agreement, where the funds must be used to support the installation of a biodigester to support rural families in Cambodia.

22. KEY MANAGEMENT PERSONNEL REMUNERATION

The key management personnel (KMP) of Engineers Without Borders Australia Limited are the Directors of the Company, the CEO and the head of departments. The KMP is paid by the related entity, except for the Directors, who receive no remuneration for their services as Directors. The total remuneration paid to the key management personnel of Engineers Without Borders Australia Limited during the year are as follows:

The total remuneration paid to key management personnel of the Company is \$718,712 (2023: \$610,165).

Notes to the Financial Statements

For the Year Ended 30 June 2024

23. EVENTS AFTER THE END OF THE REPORTING PERIOD

The financial report was authorised for issue on 14 October 2024 by the Board of Directors.

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

24. STATUTORY INFORMATION

The registered office and principal place of business of the company is:

552 Victoria Street

North Melbourne, VIC, 3051

Deductible Gift Recipient

Engineers Without Borders Australia Limited operates the following fund. Gifts to the fund may be tax deductible to the provider of the gift.

- Engineers Without Borders Overseas Aid Gift and Relief Fund.

Engineers Without Borders Foundation is endorsed as a Deductible Gift Recipient.

25. MEMBERS GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2.00 each towards meeting any outstanding obligations of the Company. At 30 June 2024, the total amount that members of the Company are liable to contribute if the Company wound up is \$158 (2023: \$172).

26. CAPITAL COMMITMENTS

As at the reporting date the Group did not commit any funds towards assets expected to be received on a future date.

Directors' Declaration

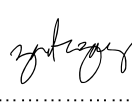
The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8-27, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulations 2022, and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulations 2022.

Director 

Michael McCreadie

Director 

Margarita Moya

Dated this 14th day of October 2024

INDEPENDENT AUDITOR'S REPORT FOR ENGINEERS WITHOUT BORDERS AUSTRALIA

Auditor's Opinion

We have audited the financial report, being a general purpose financial report, of Engineers Without Borders Australia, comprising the statement of financial position and statement of changes in equity as at 30 June 2024, the statement of profit or loss and other comprehensive income and statement of cash flows for the year then ended, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration. The financial report is a consolidated report that includes Engineers Without Borders Australia Limited and Engineers Without Borders Foundation.

In our opinion, the financial report of Engineers Without Borders Australia (Group) has been prepared in accordance with the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the registered Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- complying with *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 Group in accordance with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 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 Board Members of the Group are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we will communicate the matter to the Board Members.

The Responsibility of the Board Members for the Financial Report

The Board Members of the Group are responsible for the preparation and fair presentation of the financial report and have determined that the financial report has been prepared in accordance with the requirements of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Board Members' responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board Members are responsible for assessing the Group'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 Board Members either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so. The Board Members are responsible for overseeing the Group's financial reporting process.

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Committee website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

NOT FOR PROFIT ACCOUNTING SPECIALISTS

KESWICK SA 5035



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Ian Mostert CPA
Registered Company Auditor No 539768

Dated: 30 October 2024