



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 2015

Engineers Without Borders Australia

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For the Year Ended 30 June 2015

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Directors' Report

30 June 2015

Your directors present their report, together with the financial statements of the consolidated Group (EWB), being Engineers Without Borders Australia Limited (the Company) and its controlled entity Engineers Without Borders Foundation, for the financial year ended 30 June 2015.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Appointed/Resigned
Samuel Redmond	Resigned 3 July 2015
Joanne Marriott	Resigned 4 July 2014
Phil Clark	
Carolyn Oldham	Resigned 2 February 2015
Peter Plecher	Resigned 21 July 2014
Kaj Lofgren	
Catherine Pepper	
James Fitzgerald	Resigned 17 September 2014
Alexandra Randall-L'Estrange	Appointed 4 July 2014
Gavin Ross Blakey	Appointed 4 July 2014
Corinne Wallis	Appointed 3 July 2015
Kenneth Peter Bowtell	Appointed 17 August 2015
Stephen May	Appointed 2 September 2015

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

Information on directors

Samuel Redmond	
Qualifications	B. Engineering (Aerospace), B. Business (Administration)
Joanne Marriott	
Qualifications	B Bus Admin (Hons), Cert IV in Workplace Training and Assessment
Phil Clark	
Qualifications	B.Eng, MBA, MAICD
Carolyn Oldham	
Qualifications	BSc (Chem), PhD (Env. Eng), MIE Aust.
Peter Plecher	
Qualifications	B. Business (Accounting), CA, MAICD
Kaj Lofgren	
Qualifications	B. Eng (Civil), BA
Catherine Pepper	
Qualifications	B.Eng(Environmental) Hons, BA, Grad Dip Urban & Regional Planning, Cert IV TAE, GAICD, MIEAust

Engineers Without Borders Australia

Directors' Report

30 June 2015

Information on directors continued

James Fitzgerald

Qualifications

BCivEng/BA/Diploma of Applied Language (Spanish)

Alexandra Randall-L'Estrange

Qualifications

B.Eng (Environmental) Hons, Cert IV in BusAdmin

Gavin Ross Blakey

Qualifications

BE (Hons), MBA (Technology Management), FIEAust, CPEng, RPEQ

Corinne Wallis

Qualifications

MBA, AdvDipEng(Elec), AAIPM

Kenneth Peter Bowtell

Qualifications

B. Eng (Hons), FIEAust, MAICD

Stephen May

Qualifications

B Ed. MBA

Principal activities

The principal activities of the consolidated Group during the financial year were [enter details here].

- 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 change in the nature of these activities occurred during the year.

Short-term and long-term objectives

Mission statement

We connect, educate and empower people through humanitarian engineering.

Vision statement

Everyone has access to the engineering knowledge and resources required to lead a life of opportunity, free from poverty.

Directors' Report

30 June 2015

Strategic aims and objectives

1) Facilitate meaningful and lasting change; Together with our community partners, we strive to facilitate meaningful and lasting change through excellent development practices.

- i) Objective 1.1: Increase capacity and resilience in the communities we work with, so they no longer need our technical assistance.
- ii) Objective 1.2: Develop long term relationships with our community partners based on mutual trust and respect.
- iii) Objective 1.3: Support our community partners to share knowledge and resources with other organisations.
- iv) Objective 1.4: Deepen and expand Engineers Without Borders's (EWB) impact in the regions in which we work, through placements and initiatives.

2) Engage individuals and organisations in meaningful volunteerism; We aim to engage individuals and organisations in community development by creating and promoting diverse opportunities for them to contribute effectively.

- i) Objective 2.1: Create new pathways for individuals and organisations to participate in EWB's work.
- ii) Objective 2.2: Increase the diversity of EWB's active membership.
- iii) Objective 2.3: Support and promote volunteering with EWB.

3) Improve development engineering practices; We aspire to improve development engineering practices by bringing together the development and engineering sectors and sharing our knowledge broadly.

- i) Objective 3.1: Reflect on and learn about development engineering from our own practices and the practices of others.
- ii) Objective 3.2: Share our knowledge, skills and resources within the engineering and development sectors.
- iii) Objective 3.3: Enable and promote 'development engineering' as a stream of engineering education and practice.

4) Nurture development leaders; We aim to inspire, educate and train a community of advocates and leaders in development through creative and engaging initiatives.

- i) Objective 4.1: Facilitate member education and leadership development through an EWB journey.
- ii) Objective 4.2: Create an energised community of leaders who are well connected and supported in their work.
- iii) Objective 4.3: Celebrate success and acknowledge the achievements and contributions of EWB's volunteers, partners and supporters.

Directors' Report

30 June 2015

Strategic aims and objectives continued

5) Be a small giant; We strive to act with integrity; upholding our values of community, sustainability, quality and respect in our governance, operations, relationships and culture.

- i) Objective 5.1: Maintain a diverse support base which is resilient to external events.
- ii) Objective 5.2: Practice environmental stewardship in all aspects of our work.
- iii) Objective 5.3: Nurture the EWB culture and values.
- iv) Objective 5.4: Achieve quality in our operations and transparency in our governance.

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. EWB is currently implementing a formal monitoring, evaluation, reporting and improvement (MERI) framework across all EWB programs and initiatives.

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 each towards meeting any outstanding obligations of the Company. At 30 June 2014, the maximum amount that members of the Company are liable to contribute if the Company is wound up is \$ 2,462 (2014: \$ 2,604).

Meetings of directors

During the financial year, 7 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Samuel Redmond	7	3
Joanne Marriott	1	1
Phil Clark	7	7
Carolyn Oldham	4	1
Peter Plecher	1	-
Kaj Lofgren	7	5
Catherine Pepper	7	5
James Fitzgerald	2	2
Alexandra Randall-L'Estrange	6	5
Gavin Ross Blakey	6	5
Corinne Wallis	-	-
Kenneth Peter Bowtell	-	-
Stephen May	-	-

Directors' Report

30 June 2015

Auditor's independence declaration

The lead auditor's independence declaration as required under s.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2015 has been received and can be found on page 6 of the financial statements.

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

Director:
Phil Clark

Director:
Kaj Lofgren

Dated this^{10th} day of*November* 2015

Engineers Without Borders Australia


Auditors Independence Declaration to the Directors of Engineers Without Borders Australia

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of the consolidated Group for the year ended 30 June 2015,

I declare that, to the best of my knowledge and belief there have been no contraventions of:

- (i) 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.

LOWE LIPPMANN
CHARTERED ACCOUNTANTS
Level 7, 616 St Kilda Road.
Melbourne, Victoria 3004



TONY TASSONE
Partner

Signed at Melbourne on 10 November 2015

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Statement of Surplus and Deficit and Other Comprehensive Income

For the Year Ended 30 June 2015

		2015	2014
	Note	\$	\$
Revenues	2	2,609,645	2,237,122
Administration		(70,343)	(42,934)
Advertising and promotion		(35,673)	(24,232)
Employee related expenses		(1,333,637)	(863,333)
Information, communications and technology		(99,974)	(58,540)
Initiatives		(460,493)	(291,941)
Insurance		(80,813)	(70,651)
Merchandise		(3,947)	(10,808)
Occupancy costs		(20,707)	(27,390)
Professional development		(45,023)	(24,097)
Travel		(706,882)	(602,540)
Volunteer allowance		(6,150)	(10,010)
Surplus / (Deficit) for the year		(253,997)	210,646
Other comprehensive income:			
Items that may be reclassified subsequently to surplus and deficit		-	-
Items that will not be reclassified subsequently to surplus and deficit		-	-
Total comprehensive surplus / (deficit) for the year		(253,997)	210,646

Consolidated Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,729,933	916,524
Trade and other receivables	5	131,597	209,999
Other assets	6	200,740	98,239
TOTAL CURRENT ASSETS		2,062,270	1,224,762
NON-CURRENT ASSETS			
Property, plant and equipment	7	-	-
TOTAL ASSETS		2,062,270	1,224,762
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	221,429	122,547
Employee benefits	10	106,209	61,398
Other current liabilities	9	1,025,801	82,224
TOTAL CURRENT LIABILITIES		1,353,439	266,169
NON-CURRENT LIABILITIES			
Employee benefits	10	6,278	2,043
TOTAL NON-CURRENT LIABILITIES		6,278	2,043
TOTAL LIABILITIES		1,359,717	268,212
NET ASSETS		702,553	956,550
EQUITY			
Retained surplus		702,553	956,550
TOTAL EQUITY		702,553	956,550

The accompanying notes form part of these financial statements.

Engineers Without Borders Australia

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2014	956,550	956,550
Surplus / (deficit) for the year	(253,997)	(253,997)
Balance at 30 June 2015	<u>702,553</u>	<u>702,553</u>

2014

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2013	745,904	745,904
Surplus / (deficit) for the year	210,646	210,646
Balance at 30 June 2014	<u>956,550</u>	<u>956,550</u>

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Grant and other receipts from operating activities		3,801,542	2,146,010
Payments to suppliers and employees		(3,014,143)	(2,070,017)
Interest received		26,010	15,889
Net cash provided by operating activities	11	<u>813,409</u>	<u>91,882</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in cash and cash equivalents held		813,409	91,882
Cash and cash equivalents at beginning of year		916,524	824,642
Cash and cash equivalents at end of financial year	4	<u><u>1,729,933</u></u>	<u><u>916,524</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2015

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

1 Summary of Significant Accounting Policies

(a) Basis of preparation

Engineers Without Borders Australia Limited is a company limited by guarantee and applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-Profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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.

(b) Principles of 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.

Both Engineers Without Borders Australia Limited and Engineers Without Borders Foundation have a June financial year end.

(c) Income tax

The entities in the group are exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*. Accordingly, the Consolidated Group does not record any income tax expense nor deferred income tax balances.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(d) Revenue and other income

Revenue for grant and other reciprocal income is recognised as services are performed (via the proportionate delivery of services) or when conditions are fulfilled, and at year-end a liability is recognised for those amounts where conditions are not satisfied. Revenue for non-reciprocal income is recognised when the right to receive the revenue has been established.

In-kind donations and volunteer support are not included in the financial statements due to uncertainties relating to their reliable measurement which preclude meaningful disclosure.

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

(f) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(g) Financial instruments

The Group does not engage in complex or sophisticated financial instruments and do not warrant specific and detailed explanatory notes.

(h) Impairment of assets

At the end of each reporting period, the Consolidated Group assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Accounting Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Accounting Standard.

(i) Comparative figures

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

(j) Property, Plant and Equipment

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

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments.

(l) Employee benefits

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

(m) Trade and other receivables

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(n) Provisions

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

(o) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(p) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Group.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(q) New accounting standards for application in future periods

Accounting Standard and Interpretations issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, is discussed below:

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$	\$
2 Revenue		
- Donations	235,441	204,605
- Earned income	633,520	358,908
- Grants	813,607	622,456
- Interest received	26,012	15,890
- Membership	52,963	57,818
- Sponsorship/Partners	848,102	977,445
Total Revenue	2,609,645	2,237,122
3 Result for the Year		
(a) Expenses		
Rental expense	9,580	16,183
Superannuation	110,469	71,758
4 Cash and Cash Equivalents		
Cash on hand	250	250
Cash at bank	1,729,683	916,274
	1,729,933	916,524
5 Trade and Other Receivables		
CURRENT		
Trade receivables	126,997	209,849
Other receivables	4,600	150
	131,597	209,999
6 Other assets		
CURRENT		
Prepayments	200,740	98,239

Notes to the Financial Statements
For the Year Ended 30 June 2015

	2015 \$	2014 \$
7 Property, Plant and Equipment		
Office equipment		
At cost	11,716	11,716
Accumulated depreciation	(11,716)	(11,716)
Total office equipment	-	-
8 Trade and Other Payables		
CURRENT		
Unsecured liabilities		
Trade payables	132,309	44,751
GST payable	51,813	56,784
Other payables	37,307	21,012
	221,429	122,547
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- total current	223,429	122,547
Less:		
Goods and services tax	(51,813)	(56,784)
12	171,616	65,763
9 Other Current Liabilities		
CURRENT		
Deferred income	1,025,801	82,224
10 Employee Benefits		
Current liabilities		
Provision for annual leave	89,314	46,894
Provision for long service leave	16,895	14,504
	106,209	61,398
Non-current liabilities		
Provision for long service leave	6,278	2,043

Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015 \$	2014 \$
11 Cash Flow Information		
Reconciliation of net income to net cash provided by operating activities:		
Surplus for the year	(253,996)	210,646
Non-cash flows in surplus / (deficit):		
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	78,402	(129,948)
- (increase)/decrease in other assets	(102,501)	(8,967)
- increase/(decrease) in trade and other payables	100,881	31,058
- increase/(decrease) in deferred income	941,577	(1,515)
- increase/(decrease) in employee benefits	49,046	(9,392)
Cashflow from operations	<u>813,409</u>	<u>91,882</u>

12 Financial Risk Management

Financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	4	1,729,933	916,524
Trade and other receivables	5	<u>131,597</u>	<u>209,999</u>
Total financial assets		<u>1,861,530</u>	<u>1,126,523</u>

Financial Liabilities

Financial liabilities at amortised cost			
Trade and other payables	8	<u>171,616</u>	<u>65,763</u>
Total financial liabilities		<u>171,616</u>	<u>65,763</u>

13 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.

Notes to the Financial Statements
For the Year Ended 30 June 2015

14 Related Party Transactions

Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel of the Consolidated Group during the year was \$89,297 (2014: \$87,598).

Transaction between related parties are on normal commercial terms and no more favourable than those available to other parties unless otherwise stated. Refer Note 13 Group Operations for further information.

15 Company Details

The registered office and place of business is:

Level 1 Engineering House
21 Bedford Street
North Melbourne VIC 3051

Deductible Gift Recipient

Engineers Without Borders Australia Limited operates the following funds. Gifts to these funds 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.

Engineers Without Borders Australia

Directors' Declaration

In accordance with a resolution of the directors of Engineers Without Borders Australia Limited, we declare that:

1. The consolidated financial statements and notes, as set out on pages 7 to 18, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012*; and
 - (b) and gives a true and fair view of the Consolidated Group financial position as at 30 June 2015 and of its performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Consolidated Group will be able to pay its debts as and when they become due and payable.

Director
Phil Clark

Director
Kaj Lofgren

Dated this 10th day of November 2015

Independent Audit Report to the members of Engineers Without Borders Australia

Report on the Financial Statements

We have audited the accompanying financial report of Engineers Without Borders Australia, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of surplus and deficit and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity.

Directors' Responsibility for the Financial Report

The directors of Engineers Without Borders Australia Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Consolidated Group's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-Profits Commission Act 2012*, which has been given to the directors of Engineers Without Borders Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Bases for Qualified Opinion

As is common for not-for-profit organisations, it is not practicable for the Consolidated Group to maintain an effective system of internal control over income including donations and other voluntary income, until their initial entry in the accounting records. Accordingly, our audit on the Consolidated Group's revenue was limited in this regard and therefore we are unable to express an opinion whether income including donations and other voluntary revenue is complete.

Independent Audit Report to the members of Engineers Without Borders Australia

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements of Engineers Without Borders Australia is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Consolidated Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012*.

LOWE LIPPMANN
CHARTERED ACCOUNTANTS
Level 7, 618 St Kilda Road,
Melbourne, Victoria 3004

TONY TASSONE
Partner

Signed at Melbourne on 10 November 2015

Liability limited by a scheme approved under Professional Standards Legislation