

**ENGINEERING AID AUSTRALIA
ABN 27 136 806 025
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

CONTENTS

	Page No.
Directors' Report	1 - 4
Auditor's Independence Declaration	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10-14
Directors' Declaration	15
Independent Auditor's Report to the Directors	16-17

**ENGINEERING AID AUSTRALIA
ABN 27 136 806 025**

DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2014.

DIRECTORS

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

Dr James Gregg-Mantle
Mr Peter Berry
Dr Jeff McMullen, AM
Mr John McKillop
Ms Laura Berry (Resigned 26 November 2013)
Ms Anne Vans-Colina
Ms Larissa Andrews
Ms Catherine Pooley
Emeritus Professor John Carter, BE PhD DEng AM FAA

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

The principal activities of the entity during the year ended 30 June 2014 were to raise funds for, promote and participate in the conduct of the Indigenous Australian Summer Schools hosted by the Engineering Faculties within the University of Sydney and Curtin University of Technology.

The entity's short term objectives are to:

- promote and facilitate the conduct of summer schools or similar educational courses hosted by a University for the purpose of encouraging disadvantaged Indigenous youth to consider a career as a professional engineer;
- provide financial and non financial assistance to disadvantaged Indigenous youth for the purpose of assisting and encouraging them to (a) complete their secondary school studies, (b) undertake engineering or related studies at a University and (c) become a professional engineer;
- obtain financial and non financial assistance from donors and sponsors for the purpose of achieving these objectives.

The entity's long term objectives are to be a successful medium which assists and encourages Indigenous youth to study engineering or a related course at University and become a professional engineer.

To achieve these objectives, the entity has adopted the following strategies:

- the entity seeks to retain and attract directors and members who, on a voluntary basis, are willing to assist the entity to achieve its objectives;
- the entity seeks to maintain relationships with Universities which are willing to host a summer school or similar educational course attended by disadvantaged Indigenous secondary school students with the aim of encouraging the students to consider a career as a professional engineer;
- the entity seeks to retain and attract donors and sponsors who are willing to provide financial and non financial assistance to enable the entity to achieve its objectives.

The entity measures its performance by reference to (a) the level of interest in becoming a professional engineer and enjoyment displayed by the Indigenous students who attend a

ENGINEERING AID AUSTRALIA
ABN 27 136 806 025

participating engineering summer school, (b) the number of Indigenous students who attended a summer school and go on to study engineering or a related course at University, and (c) the ongoing interest of the entity's stakeholders in its activities and objectives.

INFORMATION ON DIRECTORS

Dr James Gregg-Mantle	Chairman
Qualifications	BSc (Hons), PhD, Fellow Engineers Australia
Experience	Chairman since incorporation
Special Responsibilities	The entity's governance
Mr Peter Berry	Director
Qualifications	BE, MES, Former Royal Australian Engineers Army Officer
Experience	Director since 31 August 2010
Special Responsibilities	Chief Executive Officer
Dr Jeff McMullen, AM	Director
Qualifications	BA, Doctor of Journalism, Honorary Doctor of Letters (Newcastle), Honorary Doctor of Letters (Macquarie)
Experience	Director since 4 August 2009
Special Responsibilities	Media Relations and Relationships with other entities interested in the education of Indigenous youth
Mr John McKillop	Director
Qualifications	LLB, Retired Solicitor
Experience	Director since incorporation and Secretary since 31 August 2010
Special Responsibilities	Secretarial functions
Ms Laura Berry	Director
Qualifications	Grad Cert in Mgmt
Experience	Resigned as Director on 26 November 2013
Special Responsibilities	Relationships with major sponsors
Mrs Anne Vans-Colina	Director
Qualifications	Dip Ed, Cert Gifted Children
Experience	Director since incorporation and Secretary from incorporation to 31 August 2010
Special Responsibilities	Public Relations
Ms Larissa Andrews	Director
Qualifications	BSc Psychology
Experience	Director since 5 June 2012
Special Responsibilities	Relationships with universities and sponsors in Western Australia
Ms Catherine Pooley	Director
Qualifications	Grad Diploma in Business and Management
Experience	Director since 13 December 2012
Special Responsibilities	Relationships with Sponsors

ENGINEERING AID AUSTRALIA
ABN 27 136 806 025

Emeritus Professor John Carter Director
Qualifications BE PhD DEng AM FAA
Experience Director since 02 July 2013
Special Responsibilities Relationships with Universities

INDEMNITY GUARANTEE

Under its Constitution, the Company indemnifies directors and officers and undertakes to pay premiums in respect of a contract insuring all the Directors and officers of EAA against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director other than conduct involving wilful breach of duty.

The amount paid on Association Liability Insurance was \$2,374.38 and this included the insurance contract premium in respect of the abovenamed directors and officers' liability insurance.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

DIRECTORS' BENEFITS

The Director did not receive any remuneration for their services. Some directors incurred home office expenses in carrying their duties and are reimbursed by the company.

MEETINGS OF DIRECTORS

During the financial period, 3 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr James Gregg-Mantle	4	3
Mr Peter Berry	4	4
Dr Jeff McMullen, AM	4	4
Mr John McKillop	4	4
Ms Laura Berry	2	2
Ms Anne Vans-Colina	4	4
Ms Larissa Andrews	4	3
Ms Catherine Pooley	4	3
Emeritus Professor John Carter	4	4

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20.00 each towards meeting any outstanding obligations of the entity. At 30 June 2014 the collective liability of members was \$160.00.

ENGINEERING AID AUSTRALIA
ABN 27 136 806 025

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the period ended 30 June 2014 has been received and can be found on page 5 of the directors' report.

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


Mr Peter Berry
Director

Dated this 14th day of October 2014



Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Engineering Aid Australia

In relation to our audit of the financial report of Engineering Aid Australia for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Mark Conroy
Partner
Sydney
14 October 2014

ENGINEERING AID AUSTRALIA
ABN 27 136 806 025

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
Revenue	2	259,854	245,523
Other Income	2	8,224	10,385
Accounting, Legal and Consultancy Expense		(13,610)	(10,870)
Administration Expense		(4,188)	(4,200)
Management Fees		(18,750)	-
Mentoring Fees		(6,300)	(8,200)
Scholarship		(36,600)	(41,040)
Summer School		(159,606)	(143,533)
Other Expenses		(29,876)	(47,190)
(Loss)/Profit for the year		(853)	874
Total comprehensive income/(loss) attributable to members of the entity		(\$853)	\$874

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

ENGINEERING AID AUSTRALIA
ABN 27 136 806 025

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	382,210	306,595
Trade and Other Receivables	4	10,091	9,800
Prepayments		1,840	1,752
TOTAL CURRENT ASSETS		394,141	318,147
TOTAL ASSETS		394,141	318,147
CURRENT LIABILITIES			
Trade and Other Payables	5	88,617	11,771
TOTAL CURRENT LIABILITIES		88,617	11,771
TOTAL LIABILITIES		88,617	11,771
NET ASSETS		\$305,524	\$306,376
EQUITY			
Retained Earnings		305,524	306,376
TOTAL EQUITY		\$305,524	\$306,376

The above statement of financial position should be read in conjunction with the accompanying notes.

ENGINEERING AID AUSTRALIA
ABN 27 136 806 025

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2012	305,502	305,502
Total comprehensive income/(loss) attributable to members of the entity	874	874
Balance at 30 June 2013	<u>\$306,376</u>	<u>\$306,376</u>
Balance at 1 July 2013	306,376	306,376
Total comprehensive income/(loss) attributable to members of the entity	(853)	(853)
Balance at 30 June 2014	<u>\$305,524</u>	<u>\$305,524</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

ENGINEERING AID AUSTRALIA
ABN 27 136 806 025

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
Cash from operating activities			
Receipt of donations and gifts		259,854	245,523
Interest income		8,224	10,385
Payments to suppliers		<u>(192,463)</u>	<u>(353,438)</u>
Net cash generated/(used in) from operating activities	6b	75,615	(97,530)
Net increase/(decrease) in cash held		75,615	(97,530)
Cash and cash equivalents at beginning of the financial year		<u>306,595</u>	<u>404,125</u>
Cash and cash equivalents at end of the financial year	3	<u>\$382,210</u>	<u>\$306,595</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The financial statements are for Engineering Aid Australia as an individual entity, incorporated and domiciled in Australia. Engineering Aid Australia is a company limited by guarantee.

Engineering Aid Australia was incorporated on 28 April 2009. The financial statements have been prepared to cover the year ended 30 June 2014.

1. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are special purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*, the *NSW Charitable Fundraising Act 1991*, the *NSW Charitable Fundraising Regulations 2008*, the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*. The financial statements are required to be lodged with the Australian Charities and Not-for Profits Commissions (ACNC).

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 otherwise stated.

The financial statements 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 financial report is presented in Australian dollars.

The disclosure requirements of Accounting Standards and other financial reporting requirements in Australia do not have mandatory applicability to Engineering Aid Australia because it is not a 'reporting entity'. The entity is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. However, management have prepared the financial report in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia. Disclosure requirements have not been adopted with the exception of the following:

AASB 101: Presentation of Financial Statements

AASB 107: Statement of Cash Flows

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1031: Materiality

AASB 1048: Interpretation and Application of Standards

AASB 1054: Australian Additional Disclosures

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Accounting Policies

a. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Engineering Aid Australia (EAA) and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- (i) Cash contributions received or receivable are recognised as revenue when:
 - a. EAA obtains control of the contribution or the right to receive contribution
 - b. It is probable that the economic benefits comprising the contribution will flow to EAA, and
 - c. The amount of the contribution can be measured reliably.

Income is measured at the fair value of the contributions received or receivable.

- (ii) Income arising from the contribution of assets or services (gifts in kind) is recognised when all the following conditions have been satisfied:
 - a. EAA obtains control of the contribution or the right to receive the contribution;
 - b. It is probable that the economic benefits comprising the contribution will flow to EAA; and
 - c. The amount of the contribution can be measured reliably.

Income is measured at the fair value of the contributions received or receivable.

Interest revenue earned on bank accounts is recognised when EAA becomes entitled to receive the revenue.

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

c. Income Tax

No provision for income tax has been raised, as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables are stated with the amount of GST included.

The entity is not registered for GST, as such, it is not entitled to claim input tax credits.

ENGINEERING AID AUSTRALIA
ABN 27 136 806 025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Accounting Policies (continued)

d. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company 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.

e. Trade and Other Receivables

Trade and other receivables, which comprise donations receivable and prepayments made, are recognised and carried at original invoice amount. The carrying amount of the receivable is deemed to reflect fair value.

f. Economic Dependence

Engineering Aid Australia is dependent upon donations from its sponsors for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the sponsors will not continue to support Engineering Aid Australia.

g. Adoption of New and Revised Accounting Standards

During the current year the entity adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations, which became mandatory.

ENGINEERING AID AUSTRALIA
ABN 27 136 806 025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
2. Revenue		
Revenue from sponsors		
Gifts and donations	259,854	245,523
	<u>259,854</u>	<u>245,523</u>
Other Income		
Interest income	8,224	10,385
	<u>8,224</u>	<u>10,385</u>
Total Revenue	<u><u>268,077</u></u>	<u><u>255,908</u></u>
3. Cash and Cash Equivalents		
Cash at Bank	382,210	306,595
	<u>382,210</u>	<u>306,595</u>
4. Trade and Other Receivables		
Donations Receivable	10,091	9,800
	<u>10,091</u>	<u>9,800</u>
5. Trade and Other Payables		
Audit fees	11,100	10,870
IAESS at Curtin University	72,601	-
Management fees	4,917	-
Other payables	-	901
	<u>88,617</u>	<u>11,771</u>
6. Cash Flow Information		
a. Reconciliation of Cash		
Cash at Bank	382,210	306,595
	<u>382,210</u>	<u>306,595</u>
b. Reconciliation of Cashflow from Operations with Profit/(Loss)		
(Loss)/Profit	(853)	874
Changes in assets and liabilities		
Increase/(decrease) in trade and other payables	76,846	(123,098)
(Increase)/decrease in prepayments	(88)	(6)
(Increase)/decrease in trade and other receivables	(291)	24,700
Net cash (used in)/generated from operating activities	<u>75,615</u>	<u>(97,530)</u>

These notes form part of the financial statements

ENGINEERING AID AUSTRALIA
ABN 27 136 806 025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

7. Entity Details

The registered office of the entity is:

Engineering Aid Australia
Level 19, 88 Phillip Street
Sydney NSW 2000

The principal place of business is:

Engineering Aid Australia
6 Oxley Avenue
St Ives NSW 2075

8. Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any out standings and obligations of the entity. At 30 June 2014 the number of members was 8 (30 June 2013: 8 members).

9. Contingencies and Commitments

As at 30 June 2014 (30 June 2013: Nil) there were no commitments and contingencies.

10. Events after the Statement of Financial Position

There are no subsequent events to report.

11. Auditor's Remuneration

Amounts received or due and receivable by Ernst & Young for:

An audit or review of the financial report of the entity and any other entity in the consolidated group

- Audit Fee	\$8,450	\$8,200
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Other services in relation to the entity and any other entity in the consolidated group

- Compliance Fee	\$1,650	\$1,600
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**ENGINEERING AID AUSTRALIA
ABN 27 136 806 025**

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Engineering Aid Australia, I state that:

In the opinion of the directors:

- (a) the entity is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the entity are in accordance with the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the *Corporations Regulations 2001*;
- (c) there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Dr James Gregg-Mantle
Chairman
Sydney

Dated: *14 October*, 2014.

Independent auditor's report to the members of Engineering Aid Australia

We have audited the accompanying financial report, being a special purpose financial report, of Engineering Aid Australia, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and 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.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012 and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal controls as the directors determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report 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 entity's internal controls. 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 financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion the financial report of Engineering Aid Australia is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the financial position of Engineering Aid Australia at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and complying with the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2008 and the requirements of the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947)

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non compliance may occur and not be detected. An audit is not designed to detect all instances of non compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) the financial report of Engineering Aid Australia has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2014, in all material respects, in accordance with:
 - i sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*;
 - iii the *WA Charitable Collections Act (1946)*; and
 - iv the *WA Charitable Collections Regulations (1947)*.
- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2014 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.

Ernst & Young

Ernst & Young

Mark Conroy

Mark Conroy
Partner
Sydney
14 October 2014