



**ANNUAL CONSOLIDATED  
FINANCIAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**Engineers Australia**  
**National Office, Divisions and Subsidiary Companies**

**Directors' Report**

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The members of the Board of Engineers Australia present the annual financial report of The Institution of Engineers Australia ('Engineers Australia') and the consolidated entity for the financial year ended 30 June 2015.

**Board Members**

On 26 September 2015, the Engineers Australia Royal Charter was amended, the former Council has been renamed as the Board. Under the transitional provisions, members of the former Council continue to serve as directors on the Board until 31 December 2015.

The names and particulars of the members of the Board of Engineers Australia during or since the end of the financial year are:

<b>Name</b>	<b>Titles of Membership IE Aust</b>	<b>Period of Office</b>		<b>Board Membership</b>
D W Cruickshanks-Boyd	FIEAust CPEng EngExec	01-01-13	Ongoing	National President
J McIntosh	FIEAust CPEng EngExec	01-01-14	Ongoing	National Deputy President
A Baitch	HonFIEAust CPEng	25-11-09	Ongoing	Past National President (2014)
G P Walters	FIEAust CPEng EngExec	01-01-12	Ongoing	Director (formerly Councillor) National Vice President (Finance)
C Goh	FIEAust	01-01-15	Ongoing	Director (formerly Councillor)
A L Meldrum	FIEAust CPEng	01-01-14	Ongoing	Director (formerly Councillor)
J C Olson	FIEAust CPEng EngExec	01-01-15	Ongoing	Director (formerly Councillor)
S P Orton	FIEAust CPEng EngExec	01-01-13	Ongoing	Director (formerly Councillor)
M D Thompson	FIEAust	01-01-15	Ongoing	Director (formerly Councillor)
M Kanga	HonFIEAust CPEng	26-11-07	31-12-14	Past National President (2013)
C Cher	FIEAust	01-01-13	31-12-14	Councillor
B F Finlay	FIEAust CPEng	01-01-14	31-12-14	Councillor

**Principal Activities**

The principal activity of Engineers Australia during the financial year was to operate as the peak body of the engineering profession to advance the science and practice of engineering.

**Operating Result**

The net deficit of the consolidated entity for the year was \$3,310,000 (2014: net surplus \$2,694,000).

**Subsequent Events**

During the financial year, the consolidated entity made a decision to cease the trading activities of Engineers Australia Pty Ltd ('Engineers Media', a subsidiary of Engineers Australia). The business ceased trading on 31 August 2015.

Other than the above, there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**Changes in State of Affairs**

There was no significant change in the state of affairs of the consolidated entity during the financial year.

**Future Developments**

Engineers Australia will continue to review the consolidated entity's activities to ensure that the objectives of Engineers Australia are maintained in the best interests of members.

Signed at Canberra this 5 November 2015, in accordance with a resolution of the Board.



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National President



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Director, National Vice President (Finance)

**Directors' Declaration**

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The directors declare that:

- a) In the directors' opinion, there are reasonable grounds to believe that Engineers Australia will be able to pay its debts as and when they become due and payable; and
- b) In the directors' opinion, the attached financial statements, as set out on pages 6 to 34, are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of Engineers Australia and the consolidated entity as of 30 June 2015.

Signed at Canberra this 5 November 2015, in accordance with a resolution of the Board of Engineers Australia.



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National President



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Director, National Vice President (Finance)

## **Independent Auditor's Report to the members of The Institution of Engineers Australia**

We have audited the accompanying financial report of The Institution of Engineers Australia which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Board's declaration of the consolidated entity comprising The Institution of Engineers Australia and the entities it controlled at the year's end or from time to time during the financial year set out on page 2 and pages 6 to 34

### *Members of the Board's Responsibility for the Financial Report*

The members of the board are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Royal Charter and By-Laws of Engineers Australia and the *Australian Charities and Not-for-profit Commission Act 2012*, and for such internal control as the board determines is necessary to enable the preparation of the financial report that gives a true and fair view 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 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 judgement, 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 control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, 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.

*Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profit Commission Act 2012*.

*Opinion*

In our opinion, the financial report of The Institution of Engineers Australia is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2015 and their financial performance and cash flows for the year then ended; and
- (b) complying with the Australian Accounting Standards, the Royal Charter and By-Laws of Engineers Australia and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



DELOITTE TOUCHE TOHMATSU



Alexandra Spark

Partner

Chartered Accountants

Canberra, 11 November 2015

Members of Board  
The Institution of Engineers Australia  
11 National Circuit, Barton  
Canberra ACT 2600

5 November 2015

Dear Board Members

### **The Institution of Engineers Australia**

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of The Institution of Engineers Australia.

As the lead audit partner for the audit of the financial statements of The Institution of Engineers Australia for the financial year ended 30 June 2015, I declare 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) any applicable code of professional conduct in relation to the audit

Yours sincerely

  
DELOITTE TOUCHE TOHMATSU



Alexandra Spark  
Partner  
Chartered Accountants

Engineers Australia  
National Office, Divisions and Subsidiary Companies

Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the year ended 30 June 2015

	Notes	Consolidated		Engineers Australia	
		2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Income</b>					
Revenue	3(a)	48,387	45,810	38,523	36,714
Other Income	3(b)	7,417	7,194	7,286	6,936
<b>Total Income</b>		<b>55,804</b>	<b>53,004</b>	<b>45,809</b>	<b>43,650</b>
<b>Expenses</b>					
Employee Expenses		24,626	22,538	21,356	19,533
Consultancy Expenses		4,249	3,987	4,159	3,769
Administration, Publication and IT Expenses		8,584	8,835	6,931	7,793
Travel Expenses		1,981	2,012	1,954	2,001
Premises Expenses (Excl Depreciation)		2,077	2,057	1,808	1,788
Finance Costs	4(a)	-	-	72	84
Provision for Doubtful Debts	8	1	23	-	-
Depreciation & Amortisation	13(b),14(b)	2,188	1,803	1,965	1,713
Conference / Meeting Expenses		14,552	8,646	9,235	5,197
Impairment of Assets	13(b),14(b),16	420	-	-	-
Other Expenses		401	395	105	123
<b>Total Expenses</b>		<b>59,079</b>	<b>50,296</b>	<b>47,585</b>	<b>42,001</b>
<b>Net surplus/(deficit) before income tax expense</b>		<b>(3,275)</b>	<b>2,708</b>	<b>(1,776)</b>	<b>1,649</b>
Income tax expense		35	14	-	-
<b>Net surplus/(deficit) from operations</b>		<b>(3,310)</b>	<b>2,694</b>	<b>(1,776)</b>	<b>1,649</b>
<b>Other Comprehensive Income</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Gain/(Loss) on revaluation of properties		108	(733)	108	(733)
		108	(733)	108	(733)
<b>Total Comprehensive income/(Loss) for the year</b>		<b>(3,202)</b>	<b>1,961</b>	<b>(1,668)</b>	<b>916</b>
Total Comprehensive income/(Loss) attributable to members		(3,202)	1,961	(1,668)	916

Consolidated Statement of Financial Position  
as at 30 June 2015

	Notes	Consolidated 2015 \$'000s	Consolidated 2014 \$'000s	Engineers Australia 2015 \$'000s	Engineers Australia 2014 \$'000s
<b>Current Assets</b>					
Cash and Cash Equivalents	6	21,236	15,576	17,984	12,768
Other Financial Assets	7	-	2,000	-	2,000
Trade and Other Receivables	8	5,913	2,008	4,231	990
Inventories	9	17	62	-	-
Conference Work in Progress	15	-	1,279	-	1,279
Other Assets	10	1,388	1,134	1,159	842
		<u>28,554</u>	<u>22,059</u>	<u>23,374</u>	<u>17,879</u>
Assets Classified as Held for Sale	11	-	9,000	-	9,000
Total Current Assets		<u>28,554</u>	<u>31,059</u>	<u>23,374</u>	<u>26,879</u>
<b>Non-Current Assets</b>					
Other Financial Assets	7	-	-	650	650
Property, Plant and Equipment	13(b)	23,883	24,038	23,758	23,811
Intangible Assets	14(b)	10,446	8,585	9,709	7,614
Conference Work in Progress	15	58	56	58	56
Goodwill	16	320	572	-	-
Total Non-Current Assets		<u>34,707</u>	<u>33,251</u>	<u>34,175</u>	<u>32,131</u>
<b>Total Assets</b>		<u>63,261</u>	<u>64,310</u>	<u>57,549</u>	<u>59,010</u>
<b>Current Liabilities</b>					
Trade and Other Payables	17	8,397	6,099	4,665	4,080
Borrowings	18	-	-	2,115	2,342
Provisions	19	2,775	3,110	2,241	2,771
Other Liabilities	20	17,749	17,881	17,737	17,860
Total Current Liabilities		<u>28,921</u>	<u>27,090</u>	<u>26,758</u>	<u>27,053</u>
<b>Non-Current Liabilities</b>					
Provisions	19	716	261	716	214
Total Non-Current Liabilities		<u>716</u>	<u>261</u>	<u>716</u>	<u>214</u>
<b>Total Liabilities</b>		<u>29,637</u>	<u>27,351</u>	<u>27,474</u>	<u>27,267</u>
<b>Net Assets</b>		<u>33,624</u>	<u>36,959</u>	<u>30,075</u>	<u>31,743</u>
<b>Members' Funds</b>					
Reserves		13,451	20,561	13,451	20,561
Retained Earnings	21	20,173	16,398	16,624	11,182
		<u>33,624</u>	<u>36,959</u>	<u>30,075</u>	<u>31,743</u>
Equity Attributable to Members		33,624	36,959	30,075	31,743
<b>Total Members' Funds</b>		<u>33,624</u>	<u>36,959</u>	<u>30,075</u>	<u>31,743</u>



**Engineers Australia**  
**National Office, Divisions and Subsidiary Companies**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 30 June 2015**

	Notes	Retained Earnings \$'000s	Asset Revaluation Reserve \$'000s	Technical Initiatives Fund \$'000s	Attributable to owners	Total \$'000s
<b>Consolidated</b>						
<b>Balance 1 July 2013</b>		13,725	19,249	2,024	34,998	34,998
Surplus/(Deficit) attributable to members		2,694	-	-	2,694	2,694
Other comprehensive income for the year						
Gain/(Loss) on revaluation of property		-	(733)	-	(733)	(733)
Total comprehensive income/(loss) for the year		2,694	(733)	-	1,961	1,961
Net transfer to/(from) retained earnings		(21)	-	21	-	-
<b>Balance 30 June 2014</b>		<b>16,398</b>	<b>18,516</b>	<b>2,045</b>	<b>36,959</b>	<b>36,959</b>
Surplus/(Deficit) attributable to members		(3,310)	-	-	(3,310)	(3,310)
Difference arising from assets being reallocated to equity		(133)	-	-	(133)	(133)
Other comprehensive income for the year						
Gain/(Loss) on revaluation of property		-	108	-	108	108
Total comprehensive income/(loss) for the year		(3,443)	108	-	(3,335)	(3,335)
Net transfer to/(from) retained earnings		7,218	(7,591)	373	-	-
<b>Balance 30 June 2015</b>		<b>20,173</b>	<b>11,033</b>	<b>2,418</b>	<b>33,624</b>	<b>33,624</b>
<b>Engineers Australia</b>						
<b>Balance 1 July 2013</b>		9,554	19,249	2,024	30,827	30,827
Surplus/(Deficit) attributable to members		1,649	-	-	1,649	1,649
Other comprehensive income						
Gain/(Loss) on revaluation of property		-	(733)	-	(733)	(733)
Total comprehensive income/(loss)		1,649	(733)	-	916	916
Net transfer to/(from) retained earnings		(21)	-	21	-	-
<b>Balance 30 June 2014</b>		<b>11,182</b>	<b>18,516</b>	<b>2,045</b>	<b>31,743</b>	<b>31,743</b>
Surplus/(Deficit) attributable to members of parent entity		(1,776)	-	-	(1,776)	(1,776)
Other comprehensive income						
Gain/(Loss) on revaluation of property		-	108	-	108	108
Total comprehensive income/(loss)		(1,776)	108	-	(1,668)	(1,668)
Net transfer to/(from) retained earnings		7,218	(7,591)	373	-	-
<b>Balance 30 June 2015</b>		<b>16,624</b>	<b>11,033</b>	<b>2,418</b>	<b>30,075</b>	<b>30,075</b>

Consolidated Statement of Cash Flows  
for the year ended 30 June 2015

	Notes	Consolidated		Engineers Australia	
		2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Cash Flows from Operating Activities</b>					
Payments to Employees, Suppliers and Others		(51,102)	(48,005)	(41,992)	(38,586)
Receipts from Members, Customers and Others		45,539	53,816	36,292	44,285
Income Taxes Paid		(2)	10	-	-
<b>Net Cash (Used in)/Generated by Operating Activities</b>	27(a)	<u>(5,565)</u>	<u>5,821</u>	<u>(5,700)</u>	<u>5,699</u>
<b>Cash Flows from Investing Activities</b>					
Interest Received		318	581	249	487
Proceeds from Maturity of Investments		2,000	2,000	2,000	2,000
Purchase of Property, Plant, Equipment		(596)	(1,928)	(557)	(1,800)
Proceeds from Disposal of Property, Plant and Equipment		12,865	-	12,865	-
Purchase of Intangible Assets		(3,362)	(3,817)	(3,342)	(2,846)
<b>Net Cash (Used In)/Generated by Investing Activities</b>		<u>11,225</u>	<u>(3,164)</u>	<u>11,215</u>	<u>(2,159)</u>
<b>Cash Flows from Financing Activities</b>					
Repayment of Borrowings		-	-	(299)	(200)
<b>Net Cash (Used in)/Generated by Financing Activities</b>		<u>-</u>	<u>-</u>	<u>(299)</u>	<u>(200)</u>
Net (Decrease)/Increase in Cash and Cash Equivalents		5,660	2,657	5,216	3,340
Cash and Cash Equivalents at Beginning of Financial Year		<u>15,576</u>	<u>12,919</u>	<u>12,768</u>	<u>9,428</u>
Cash and Cash Equivalents at End of Financial Year	6	<u>21,236</u>	<u>15,576</u>	<u>17,984</u>	<u>12,768</u>

Notes to the Financial Statements  
for the year ended 30 June 2015

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**Note 1 Summary of Accounting Policies**

**Statement of Compliance**

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and Interpretations, Royal Charter and the 2011 By-Laws of Engineers Australia.

The financial report includes the separate financial statements of The Institution of Engineers Australia ('Engineers Australia') and the consolidated financial statements of the consolidated entity.

The consolidated entity incorporates Engineers Australia, the Australian Engineering Foundation Ltd, Engineers Australia Pty Limited and Engineering Education Australia Pty Limited and its subsidiary (The Moreland Group Pty Ltd).

Engineers Australia is a body incorporated in Australia by Royal Charter.

For the purpose of these financial statements, the entity is a not for profit.

The financial statements were authorised for issue by the Board members on 5 November 2015.

**Basis of Preparation**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars.

**Going Concern**

The financial report has been prepared on the going concern basis, which assumes that the Parent and the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

At 30 June 2015 the Group's current liabilities exceeded current assets by \$0.367m, the Group incurred a consolidated net loss of \$3.3m and had negative cash flows from operations of \$5.6m.

At 30 June 2015 the Parent's current liabilities exceeded current assets by \$3,384m, the Parent incurred a net loss of \$1.8m and had a negative cash flows from operations of \$5.7m. Overall the Parent's deficit from operations was in line with the budget approved by the Council.

The Board have considered the following facts and circumstances in forming a conclusion that it is appropriate for the Parent and the Group to continue to prepare the financial statements on the going concern basis:

- i) noting that the Parent and Group's cash position has improved markedly over the reporting period;
- ii) continued availability to the Parent of the Commonwealth Bank of Australia funding facility of \$0.6m;
- iii) the Group's consolidated net asset position of \$33m and the Parent's net asset position of \$30m;
- iv) the ability of both the Parent and Group to realise cash from the property portfolio;
- v) review of the Parent's budget and cash flow forecasts for the next 12 months from the date of this report, and long-term projections; and
- vi) implementation of effective management strategies to ensure the business model is sustainable and the group returns to an operating surplus in the medium-term.

The following is a summary of the material accounting policies adopted by Engineers Australia in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Accounting Policies**

**a) Principles of Consolidation**

The consolidated financial statements incorporate the financial statements of Engineers Australia and entities (including special purpose entities) controlled by Engineers Australia. Control is achieved where Engineers Australia has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities. A list of controlled entities is contained in Note 12 to the financial statements. All controlled entities have a 30 June financial year-end.

All inter-company balances, transactions, income and expenses are eliminated in full on consolidation.

**b) Inventories**

Inventories are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

Notes to the Financial Statements  
for the year ended 30 June 2015

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**Note 1 Summary of Accounting Policies (continued)**

**c) Property, Plant and Equipment**

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

**Property**

Land and buildings are measured at fair value (fair value is determined on the basis of an independent valuation prepared by external valuation experts, based on discounted cash flows or capitalisation of net income, as appropriate). It is the policy of Engineers Australia to have an independent valuation every year. Any revaluation increase arising on the revaluation of land and buildings is credited to a revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit and loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to that asset. In the event that there are revaluation increases and revaluation decreases relating to individual assets within land and buildings these are offset against one another. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve, is transferred directly to retained earnings.

**Plant and Equipment**

Plant and equipment are measured at cost less depreciation and impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the item.

**Depreciation**

The depreciable amounts of all fixed assets including buildings and capitalised leased assets, but excluding freehold land and works of art, are depreciated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements using the straight line method. Depreciation on revalued buildings is charged to profit or loss.

The following estimated useful lives are used in the calculation of depreciation:

<u>Class of Property, Plant and Equipment</u>	<u>Useful Life</u>
Buildings	50 years
Computer Hardware	3 -10 years
Plant, Furniture and Equipment	5 -10 years
Leasehold Improvements	5 -10 years
Lease Make Good	5 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date, with the effect of any changes recognised on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

**d) Intangible Assets**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment of losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimated being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**Internally-generated Intangible Assets - Computer Software**

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**"CREATE" Design**

"CREATE" design recognised by Engineers Australia has 5 year useful life and is amortised. Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support 5 year useful life assessment for the asset. The asset is tested for impairment in accordance with the policy stated in note g.

Notes to the Financial Statements  
for the year ended 30 June 2015

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**Note 1 Summary of Accounting Policies (continued)**

**d) Intangible Assets (con't)**

**Trademarks**

Trademarks recognised by Engineers Australia have an indefinite useful life and are not amortised. Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy stated in note g.

**e) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entities within the consolidated entity are classified as finance leases. All other leases are classified as operating leases.

Finance leases are capitalised, recording an asset at fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. A corresponding liability is included in the statement of financial position.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments are allocated between the reduction of the lease liability and the finance charges for the period.

Operating leases payments, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight line basis over the lease term.

Make good on commercial leases that can be reliably estimated result in their net present value being capitalised and amortised over the unexpired period of the lease.

**f) Financial Assets**

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the entity's financial statements.

Other financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or where appropriate, a shorter period.

**Loans and Receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the cost effective interest method less impairment.

Interest income is recognised by applying the effective interest rate.

**Impairment of financial assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

**g) Impairment of Assets**

At each reporting date, Engineers Australia reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and depreciated replacement cost, is compared to the asset's carrying value. Where it is not possible to estimate the recoverable amount of an individual asset, Engineers Australia estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income, unless the relevant asset is carried at fair value, in which case, the impairment cost is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. The reversal of an impairment loss is recognised in the statement of comprehensive income immediately, unless the relevant asset is carried at fair value, in which case, the reversal is treated as a revaluation increase.

Notes to the Financial Statements  
for the year ended 30 June 2015

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**Note 1 Summary of Accounting Policies (continued)**

**h) Conference Work in Progress**

Conference work in progress is measured at the lower of cost and net realisable value. Engineers Australia will be hosting a multi-conference event in Brisbane in November 2016. The expenditure directly attributed to Brisbane 2016 is recorded as work in progress until the event is held.

**i) Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any.

**j) 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. Bank overdrafts are shown within the short-term borrowings in current liabilities on the statement of financial position.

**k) 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 acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cashflows on a net basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**l) Provisions**

Provisions are recognised when Engineers Australia have 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 the outflow can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

**m) Revenue**

Membership Subscriptions:

Revenue from membership subscriptions is recognised evenly throughout the financial year. Membership subscriptions paid prior to year end to cover the next financial year are held in unearned income (a current liability). Membership subscriptions paid during the financial year to cover past financial years are recognised as income when received.

Revenue from Course Provided:

Course fees and charges are recognised as revenue over the period in which the service is provided. Fees and charges received that relate to the service to be rendered in future periods are treated as prepaid/accrued income.

Revenue from Publishing:

Revenue from publishing is recognised when the consolidated entity has transferred the risks and rewards of ownership of the goods and the amount of revenue can be measured reliably.

Assessment Fees:

Revenue from assessment services is recognised by reference to the stage of completion of the services members of the Group paid to receive. Revenue and costs are recognised by reference to the stage of completion of the service at the end of the reporting period, measured based on the proportion of service costs incurred for work performed to date relative to the estimated total service costs, except where this would not be representative of the stage of completion.

Events Income:

Conference revenue and expenditure is recognised when the conference has occurred.

Rental Income:

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Interest Revenue:

Interest revenue is recognised on a time basis taking into account the effective interest rates applicable to the financial assets. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**n) Government Grants**

Government grants are assistance by the government in the form of transfers of resources to the group in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sectors.

Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised as income of the period in which it becomes receivable.

Notes to the Financial Statements  
for the year ended 30 June 2015

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**Note 1 Summary of Accounting Policies (continued)**

**o) Income Tax**

Engineers Australia and its subsidiaries are not-for-profit entities and are exempt from the payment of income tax under Section 50-5 of the Income Tax Assessment Act 1997.

The Moreland Group Pty Ltd, a wholly owned subsidiary of Engineering Education Australia Pty Ltd, is a for profit entity and is not exempt from the payment of income tax under Section 50-5 of the Income Tax Assessment Act 1997.

**p) Foreign Currency Transactions and Balances**

The financial statements are presented in Australian dollars which is Engineers Australia's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

**q) Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probably that settlement will be required and they are capable of being measured reliably.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**r) Financial Liabilities: Borrowings**

Borrowings are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated further cash payments through the expected life of the borrowing, or where appropriate, a shorter period.

**s) Working Capital**

As detailed in note 20, other liabilities include membership subscriptions paid in advance as at 30 June 2015. As of 1 July 2015, this liability will cease to exist and this will have a significant positive impact on the working capital position.

**t) Borrowing Costs**

Borrowing costs are recognised in the profit and loss in the period in which they are incurred.

**u) Technical Initiative Funds**

Technical Initiative Funds (TIF) represent surpluses from specific events or initiatives which are attributed to the efforts of groups within Engineers Australia. These funds are treated as reserves on the balance sheet awaiting future use. These funds can be used by these groups to undertake activities consistent with their purpose and are subject to utilisation within the ordinary budgetary processes of Engineers Australia.

**v) Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision if the revision affects both current and future periods.

**Key Sources of Estimation Uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revaluation of Land and Buildings

As described in Note 1(c), land and buildings are measured at fair value. Determining the fair value requires an estimation of the market value of the land and buildings. Management engages independent professional valuers to determine the market values. These valuations are undertaken on an annual basis and the carrying amount of land and buildings is adjusted to reflect these valuations. Details of the revaluation amounts are provided in Note 13.

Technical Societies

An assessment of control was completed under AASB 10. Control was based on whether Engineers Australia had the power and ability to influence variable returns from the Technical Societies. It was determined that Engineers Australia does not control the Technical Societies (unincorporated and incorporated). Therefore the financial results of the Technical Societies are not consolidated into the accounts of Engineers Australia.

Revenue for Technical Societies is received by Engineers Australia and distributed directly to the Technical Societies. Any undistributed Technical Society revenue at balance date is included as Sundry Creditors in the Balance Sheet.

The financial results of the Technical Societies are disclosed in the Technical Societies own audited financial statements.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Notes to the Financial Statements  
for the year ended 30 June 2015

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**Note 2 Application of new and revised Accounting Standards**

**a) Amendments to AASB's and the new Interpretation that are mandatorily effective for the current year**

In the current year, the Group has applied a number of amendments to AASB's and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

AASB 2013-8 'Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities

Provides significant guidance to assist not-for-profit entities in the private and public sector to apply AASB 10 Consolidated Financial Statements and AASB 12 Disclosure of Interests in Other Entities. The guidance confirms the principles underlying the Standards and illustrates the principles with a range of comprehensive examples.

AASB 1031 'Materiality' (2013)

Revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality.

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

Amendment addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 Financial Instruments: Presentation. The standard clarifies the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

Narrow-scope amendments to AASB 136 Impairment of Assets addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'

Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and minor editorial amendments to various standards.

Part C incorporates the IASB's Standard IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) released in November 2013.

- Introduces a new chapter to AASB 9 (2009 & 2010) on hedge accounting (refer above);
- Permits an entity to apply only the requirements introduced in AASB 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of AASB 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss.

AASB 2014-1 'Amendments to Australian Accounting Standards'  
- Part A: 'Annual Improvements 2010–2012 and 2011–2013 Cycles'

Part A makes various amendments to Australian Accounting Standards arising from the issuance by IASB of IFRSs Annual Improvements to IFRS 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.

Key amendments include:

- AASB 2 – definition of vesting condition;
- AASB 3 – accounting for contingent consideration in a business combination;
- AASB 8 – aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets;
- AASB 13 – short-term receivables and payables;
- AASB 116 – revaluation method: proportionate restatement of accumulated depreciation;
- AASB 124 – key management personnel;
- AASB 138 – revaluation method: proportionate restatement of accumulated amortisation;
- AASB 1 – meaning of 'effective IFRSs';
- AASB 3 – scope exceptions for joint ventures;
- AASB 13 – scope of paragraph 52 (portfolio exception);
- AASB 140 – clarifying the interrelationship between AASB 3 and AASB 140 when classifying property as investment property or owner occupied property

- Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'

Narrow scope amendments to AASB 119 Employee Benefits that apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- Part C: 'Materiality'

AASB 2014-1 Part C makes amendments to particular Australian Accounting Standards to delete references to AASB 1031.



Notes to the Financial Statements  
for the year ended 30 June 2015

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**Note 2 Application of new and revised Accounting Standards**

**b) Standards and Interpretations in issue not yet adopted**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

<b>Standard/Interpretation</b>	<b>Effective for Annual Reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
• AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
• AASB 15 'Revenue from Contracts with Customers'	1 January 2017	30 June 2018
• AASB 2014-1 'Amendments to Australian Accounting Standards' – Part D: 'Consequential Amendments arising from AASB 14'	1 January 2016	30 June 2017
• AASB 2014-1 'Amendments to Australian Accounting Standards' – Part E: 'Financial Instruments'	1 January 2016	30 June 2017



Notes to the Financial Statements  
for the year ended 30 June 2015

	Notes	Consolidated		Engineers Australia	
		2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Note 6 Cash and Cash Equivalents</b>					
Cash at Bank and on Hand		19,023	4,424	17,984	3,768
Short Term Bank Deposits		2,213	11,152	-	9,000
Total Cash Assets		21,236	15,576	17,984	12,768
The effective interest rate on short-term bank deposits was 1.61% (2014: 3.29%). These deposits have an average maturity of 90 days.					
<b>Reconciliation of Cash</b>					
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Statement of Financial Position as follows:					
Cash and Cash Equivalents		21,236	15,576	17,984	12,768
		21,236	15,576	17,984	12,768
<b>Note 7 Other Financial Assets</b>					
<b>Investments carried at cost:</b>					
<b>Current</b>					
Short Term Investments (i)		-	2,000	-	2,000
<b>Non-Current</b>					
Shares in Controlled Entities (ii)		-	-	650	650
		-	2,000	650	2,650
(i) Term deposits with banks with original maturities of more than three months.					
(ii) Refer to Note 12 for details of controlled entities.					
<b>Note 8 Trade and Other Receivables</b>					
<b>Current</b>					
External Trade and Other Debtors (i)		4,194	1,804	2,427	721
Less: Allowance for Doubtful Debts		(53)	(65)	-	-
		4,141	1,739	2,427	721
Goods and Services Tax Refundable		1,411	-	1,443	-
Accrued income		361	269	361	269
		5,913	2,008	4,231	990
(i) The average credit period is 30 days. No interest is charged on trade receivables. An allowance has been made for irrecoverable trade receivable amounts, determined by past experience. The movement in the allowance of \$11,865 (2014: \$24,311) was recognised in the profit and loss for the current financial year.					
<u>Ageing of receivable that are past due but not impaired</u>					
30-60 days		97	63	50	5
60-90 days		86	80	34	34
90 days +		151	298	75	127
		334	441	159	166
<u>Movement in the allowance for doubtful debts</u>					
Balance at the beginning of the year		(65)	(42)	-	-
Impairment losses recognised as receivables		-	-	-	-
Amounts raised during the year		(1)	(24)	-	-
Amounts written off as uncollectable		13	1	-	-
Balance at the end of the year		(53)	(65)	-	-
<u>Ageing of impaired trade receivables</u>					
90 days +		53	60	-	-
120 days +		-	5	-	-
		53	65	-	-

**Engineers Australia**  
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**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

	Notes	Consolidated		Engineers Australia	
		2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Note 9 Inventories</b>					
<b>Current</b>					
At cost:					
- publications and other finished goods		17	62	-	-
		<u>17</u>	<u>62</u>	<u>-</u>	<u>-</u>
<b>Note 10 Other Assets</b>					
<b>Prepayments</b>		<u>1,219</u>	<u>1,114</u>	<u>1,010</u>	<u>842</u>
Comprising					
Insurance		208	30	183	4
Conferences and Events		340	508	244	399
Other		233	211	171	149
Software licensing		438	365	412	290
		<u>1,219</u>	<u>1,114</u>	<u>1,010</u>	<u>842</u>
Money Held in Trust:					
- Other		149	-	149	-
<b>Income Tax Refund</b>		20	20	-	-
		<u>1,388</u>	<u>1,134</u>	<u>1,159</u>	<u>842</u>
<b>Note 11 Assets Classified as Held for Sale</b>					
<b>Assets Classified as Held for Sale</b>					
Land and Building Held for Sale		<u>-</u>	<u>9,000</u>	<u>-</u>	<u>9,000</u>
		<u>-</u>	<u>9,000</u>	<u>-</u>	<u>9,000</u>

**Engineers Australia**  
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**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

		<b>Equity Holding</b>		
		<b>Notes</b>	<b>2015 %</b>	<b>2014 %</b>
<b>Note 12</b>	<b>Controlled Entities</b>			
	<b>Parent Entity</b>			
	The Institution of Engineers Australia Incorporated in Australia as a result of the Royal Charter	12(a)		
	<b>Controlled Entities</b>			
	Subsidiaries:			
	Australian Engineering Foundation Ltd Incorporated in Australia	12(d)		
	Engineers Australia Pty Ltd Incorporated in Australia	12(b)	100	100
	Engineering Education Australia Pty Ltd Incorporated in Australia	12(c)	43	43
	The Moreland Group Pty Ltd	12(e)	43	43
(a)	The Institution of Engineers Australia is a body incorporated under Royal Charter issued on 10 March 1938 and comprises a National Office and Divisions.			
(b)	Engineers Australia Pty Ltd is directly controlled by The Institution of Engineers Australia.			
(c)	Engineering Education Australia Pty Ltd ("EEA"), which is 43% owned by The Institution of Engineers Australia and 57% owned by the Australian Engineering Foundation Ltd ("AEF"). Engineers Australia exercises control over AEF, a company limited by guarantee, through the appointment of its Board members and accordingly exercises control over EEA.			
(d)	Australian Engineering Foundation Ltd is a company limited by guarantee. Engineers Australia exercises control over AEF through the appointment of its Board members.			
(e)	The Moreland Group Pty Ltd ("TMG") was acquired on 1 August 2012, which is 100% owned and directly controlled by Engineering Education Australia Pty Ltd ("EEA"). Engineers Australia exercises control over EEA and accordingly exercises control over TMG.			

Notes to the Financial Statements  
for the year ended 30 June 2015

Notes	Land and Buildings at Fair Value \$'000s	Computer Hardware at Cost \$'000s	Plant, Furniture and Equipment at Cost \$'000s	Leasehold Improvement at Cost \$'000s	Lease Make Good at Cost \$'000s	Assets in Progress at Cost \$'000s	Total \$'000s
<b>Note 13 Property, Plant and Equipment</b>							
<b>(a) Gross Carrying Amount</b>							
<b>Consolidated Entity</b>							
<b>Balance 1 July 2013</b>	31,084	152	5,454	1,082	54	141	37,967
Additions	1,545	91	163	109	-	20	1,928
Transfer from WIP to Fix Assets Register	50	-	2	-	-	(52)	-
Disposals	-	-	(97)	(73)	(28)	-	(198)
Reclassified as Held for Sale (i)	(9,000)	-	-	-	-	-	(9,000)
Revaluation Increment/(Decrement)	(1,060)	-	-	-	-	-	(1,060)
<b>Balance 30 June 2014</b>	22,619	243	5,522	1,118	26	109	29,637
Additions	151	43	102	271	-	29	596
Transfer from WIP to Fix Assets Register	-	-	-	43	-	(43)	-
Disposals	-	-	(19)	-	-	-	(19)
Revaluation Increment/(Decrement)	(181)	-	-	-	-	-	(181)
<b>Balance 30 June 2015</b>	22,589	286	5,605	1,432	26	95	30,033
<b>Parent Entity</b>							
<b>Balance 1 July 2013</b>	31,084	62	5,092	918	28	141	37,325
Additions	1,545	-	126	109	-	20	1,800
Transfer from WIP to Fix Assets Register	50	-	2	-	-	(52)	-
Disposals	-	-	(57)	(72)	(28)	-	(157)
Reclassified as Held for Sale (i)	(9,000)	-	-	-	-	-	(9,000)
Revaluation Increment/(Decrement)	(1,060)	-	-	-	-	-	(1,060)
<b>Balance 30 June 2014</b>	22,619	62	5,163	955	-	109	28,908
Additions	151	4	102	271	-	29	557
Transfer from WIP to Fix Assets Register	-	-	-	43	-	(43)	-
Disposals	-	-	-	-	-	-	-
Reclassified as Held for Sale (i)	-	-	-	-	-	-	-
Revaluation Increment/(Decrement)	(181)	-	-	-	-	-	(181)
<b>Balance 30 June 2015</b>	22,589	66	5,265	1,269	-	95	29,284

Engineers Australia  
National Office, Divisions and Subsidiary Companies

Notes to the Financial Statements  
for the year ended 30 June 2015

Notes	Land and Buildings at Fair Value \$'000s	Computer Hardware at Cost \$'000s	Plant, Furniture and Equipment at Cost \$'000s	Leasehold Improvement at Cost \$'000s	Lease Make Good at Cost \$'000s	Assets in Progress at Cost \$'000s	Total \$'000s
<b>Note 13 Property, Plant and Equipment (continued)</b>							
<b>(b) Accumulated depreciation, amortisation and impairment</b>							
<b>Consolidated Entity</b>							
<b>Balance 1 July 2013</b>	-	(132)	(4,019)	(1,034)	(46)	-	(5,231)
Disposals	-	-	91	71	28	-	190
Revaluation Increment/(Decrement)	326	-	-	-	-	-	326
Depreciation Expense	(326)	(29)	(509)	(17)	(3)	-	(884)
<b>Balance 30 June 2014</b>	-	(161)	(4,437)	(980)	(21)	-	(5,599)
Disposals	-	-	15	-	-	-	15
Revaluation Increment/(Decrement)	289	-	-	-	-	-	289
Impairment Losses Recognised in Profit or Loss	-	-	(50)	(8)	-	-	(58)
Depreciation Expense	(289)	(35)	(397)	(71)	(5)	-	(797)
<b>Balance 30 June 2015</b>	-	(196)	(4,869)	(1,059)	(26)	-	(6,150)
<b>Parent Entity</b>							
<b>Balance 1 July 2013</b>	-	(55)	(3,769)	(918)	(28)	-	(4,770)
Disposals	-	-	56	72	28	-	156
Revaluation Increment/(Decrement)	326	-	-	-	-	-	326
Depreciation Expense	(326)	(7)	(474)	(2)	-	-	(809)
<b>Balance 30 June 2014</b>	-	(62)	(4,187)	(848)	-	-	(5,097)
Disposals	-	-	-	-	-	-	-
Revaluation Increment/(Decrement)	289	-	-	-	-	-	289
Depreciation Expense	(289)	(1)	(371)	(57)	-	-	(718)
<b>Balance 30 June 2015</b>	-	(63)	(4,558)	(905)	-	-	(5,526)
<b>Consolidated Entity</b>							
<b>Net Book Value</b>							
At 30 June 2014	22,619	82	1,085	138	5	109	24,038
At 30 June 2015	22,589	90	736	373	0	95	23,883
<b>Parent Entity</b>							
<b>Net Book Value</b>							
At 30 June 2014	22,619	-	976	107	-	109	23,811
At 30 June 2015	22,589	3	707	364	-	95	23,758

Notes to the Financial Statements  
for the year ended 30 June 2015

	Notes	Consolidated		Engineers Australia	
		2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Note 13 Property, Plant and Equipment (continued)</b>					
<b>(c) Asset Impairment</b>					
On 30 June 2015, assets other than Land and Buildings were reviewed to ensure that their recoverable amount did not exceed the carrying value. On the basis of this review no assets were revalued due to impairment.					
<b>(d) Aggregate depreciation</b>					
Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:					
Land and Buildings		289	326	289	326
Computers		35	29	-	7
Plant, Furniture and Equipment		397	509	372	474
Leasehold Improvements		71	17	57	2
Lease Make Good		5	3	-	-
		<u>797</u>	<u>884</u>	<u>718</u>	<u>809</u>



Notes to the Financial Statements  
for the year ended 30 June 2015

**Note 13 Property, Plant and Equipment (continued)**

**(e) Building Revaluation**

In accordance with Engineers Australia policy and AASB 13, the land and buildings were revalued by independent professional valuers to determine the fair value of the land and buildings. Land and buildings are situated throughout Australia and each valuation is performed by a different valuer.

**Fair Value of Land and Buildings by Location**

This note provides information about how EA determines fair values of land and building, the following table gives information about how the fair values of these land and buildings are determined (in particular, the valuation technique(s) and inputs used).

Land and buildings by Location	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30/06/15	30/06/14				
National Office Canberra	8,600,000	9,000,000	Level 2	Direct comparison and capitalisation approach	N/A	N/A
Sydney	2,790,000	2,540,000	Level 2	Direct comparison and capitalisation approach	N/A	N/A
Melbourne (i)	-	9,000,000	Level 2	Direct comparison and capitalisation approach	N/A	N/A
Newcastle	1,200,000	1,100,000	Level 2	Direct comparison and capitalisation approach	N/A	N/A
Adelaide	1,600,000	1,500,000	Level 2	Direct comparison and capitalisation approach	N/A	N/A
Brisbane	3,150,000	2,930,000	Level 2	Direct comparison and capitalisation approach	N/A	N/A
Perth	5,249,000	5,549,000	Level 2	Direct comparison, summation and capitalisation approach	N/A	N/A

(i) \$9,000,000 of land and building located at 21-23 Bedford Street, North Melbourne VIC was sold on 30 July 2014. The settlement of the property occurred on 31 April 2015.

Notes to the Financial Statements  
for the year ended 30 June 2015

	Intangibles Computer Software	"CREATE" Design	Trademarks	Intangible Assets WIP	Total
Notes	at Cost \$'000s	at Cost \$'000s	at Cost \$'000s	at Cost \$'000s	\$'000s

**Note 14 Intangible Assets**  
**(a) Gross Carrying Amount**

**Consolidated Entity**

<b>Balance 1 July 2013</b>	7,309	-	-	1,072	8,381
Additions	971	-	-	2,846	3,817
Transfer from WIP to Fix Assets Register	2,233	-	-	(2,233)	-
Disposals	(8)	-	-	-	(8)
<b>Balance 30 June 2014</b>	10,505	-	-	1,685	12,190
Additions	20	174	55	3,113	3,362
Transfer from WIP to Fix Assets Register	2,764	-	-	(2,764)	-
Disposals	-	-	-	-	-
<b>Balance 30 June 2015</b>	13,289	174	55	2,034	15,552

**Parent Entity**

<b>Balance 1 July 2013</b>	7,204	-	-	1,072	8,276
Additions	-	-	-	2,846	2,846
Transfer from WIP to Fix Assets Register	2,233	-	-	(2,233)	-
Disposals	(8)	-	-	-	(8)
<b>Balance 30 June 2014</b>	9,429	-	-	1,685	11,114
Additions	-	174	55	3,113	3,342
Transfer from WIP to Fix Assets Register	2,764	-	-	(2,764)	-
Disposals	-	-	-	-	-
<b>Balance 30 June 2015</b>	12,193	174	55	2,034	14,456

Notes to the Financial Statements  
for the year ended 30 June 2015

	Notes	Intangibles Computer Software at Cost \$'000s	"CREATE" Design at Cost \$'000s	Trademarks at Cost \$'000s	Intangible Assets WIP at Cost \$'000s	Total \$'000s
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**Note 14 Intangible Assets (continued)**  
**(b) Accumulated amortisation and impairment**

**Consolidated Entity**

<b>Balance 1 July 2013</b>		(2,692)	-	-	-	(2,692)
Disposals		6	-	-	-	6
Amortisation Expense		(919)	-	-	-	(919)
<b>Balance 30 June 2014</b>		(3,605)	-	-	-	(3,605)
Disposals		-	-	-	-	-
Impairment Loss		(110)	-	-	-	(110)
Amortisation Expense		(1,388)	(3)	-	-	(1,391)
<b>Balance 30 June 2015</b>		(5,103)	(3)	-	-	(5,106)

**Parent Entity**

<b>Balance 1 July 2013</b>		(2,602)	-	-	-	(2,602)
Disposals		6	-	-	-	6
Amortisation Expense		(904)	-	-	-	(904)
<b>Balance 30 June 2014</b>		(3,500)	-	-	-	(3,500)
Disposals		-	-	-	-	-
Amortisation Expense		(1,244)	(3)	-	-	(1,247)
<b>Balance 30 June 2015</b>		(4,744)	(3)	-	-	(4,747)

**Consolidated Entity**

<b>Net Book Value</b>						
At 30 June 2014		6,900	-	-	1,685	<b>8,585</b>
At 30 June 2015		8,186	171	55	2,034	<b>10,446</b>

**Parent Entity**

<b>Net Book Value</b>						
At 30 June 2014		5,929	-	-	1,685	<b>7,614</b>
At 30 June 2015		7,449	171	55	2,034	<b>9,709</b>

	Notes	Consolidated		Engineers Australia	
		2015	2014	2015	2014
		\$'000s	\$'000s	\$'000s	\$'000s
<b>(c) Aggregate amortisation</b>					
Computer Software		1,388	6,900	1,244	919
"CREATE" Design		3	-	3	-
Trademarks		-	-	-	-
Intangible Assets WIP		-	1,685	-	-
		<u>1,391</u>	<u>8,585</u>	<u>1,247</u>	<u>919</u>

**Engineers Australia**  
**National Office, Divisions and Subsidiary Companies**

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

	Notes	Consolidated		Engineers Australia	
		2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Note 15 Conference Work in Progress</b>					
<b>Current</b>					
At cost:					
- 2014 National Convention		-	1,279	-	1,279
<b>Non-Current</b>					
At cost:					
- 2014 National Convention		-	-	-	-
- Brisbane 2016		58	56	58	56
		<u>58</u>	<u>56</u>	<u>58</u>	<u>56</u>
		<u>58</u>	<u>1,335</u>	<u>58</u>	<u>1,335</u>

Work in progress represents the expenditure directly attributed to the 2016 multi-conference event in Brisbane.

**Note 16 Goodwill**

Cost	572	572	-	-
Accumulated impairment losses	(252)	-	-	-
	<u>320</u>	<u>572</u>	<u>-</u>	<u>-</u>
<b>Cost</b>				
Balance at beginning of the year	572	572	-	-
Amounts recognised from business purchase occurring during the year - The Moreland Group P/L	-	-	-	-
Balance at end of year	<u>572</u>	<u>572</u>	<u>-</u>	<u>-</u>
<b>Accumulated impairment losses</b>				
Balance at beginning of the year	-	-	-	-
Impairment losses recognised in the year	252	-	-	-
Balance at end of year	<u>252</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements  
for the year ended 30 June 2015

	Notes	Consolidated		Engineers Australia	
		2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Note 17 Trade and Other Payables</b>					
<b>Current</b>					
Trade Creditors and Accruals (i)		6,485	3,823	4,037	2,339
Sundry Creditors (i)		1,912	1,220	628	718
Goods and Services Tax Payable		-	1,056	-	1,023
		<u>8,397</u>	<u>6,099</u>	<u>4,665</u>	<u>4,080</u>
(i) The average credit period is 30 days. No interest is paid on trade creditors. There are payable procedures in place to ensure that all payables are paid within credit timeframes. Procedures include weekly payments of all debts received.					
<b>Note 18 Borrowings</b>					
<b>Unsecured at Amortised Cost</b>					
<b>Current</b>					
Amounts Payable to Wholly Owned Entities Unsecured		-	-	2,115	2,342
		<u>-</u>	<u>-</u>	<u>2,115</u>	<u>2,342</u>
<b>Note 19 Provisions</b>					
Employee Provisions (a)		3,340	3,302	2,929	2,957
Provision of Income Tax		32	-	-	-
Other Provisions (b)		119	69	28	28
		<u>3,491</u>	<u>3,371</u>	<u>2,957</u>	<u>2,985</u>
<b>Current</b>		2,775	3,110	2,241	2,771
<b>Non-Current</b>		716	261	716	214
		<u>3,491</u>	<u>3,371</u>	<u>2,957</u>	<u>2,985</u>
<b>Number of Employees at Year End</b>		<u>268</u>	<u>292</u>	<u>235</u>	<u>252</u>
<b>Other Provisions (b)</b>			<b>Lease Make Good \$'000s</b>	<b>Other Provisions \$'000s</b>	<b>Total \$'000s</b>
<b>Consolidated Entity</b>					
Balance as at 1 July 2014.			69	-	69
Additional provisions raised during the year			5	67	72
Amounts Used			(22)	-	(22)
Balance as at 30 June 2015			<u>52</u>	<u>67</u>	<u>119</u>
<b>Parent Entity</b>					
Balance as at 1 July 2014			28	-	28
Additional provisions raised during the year			-	-	-
Amounts Used			-	-	-
Balance as at 30 June 2015			<u>28</u>	<u>-</u>	<u>28</u>

Notes to the Financial Statements  
for the year ended 30 June 2015

**Note 19 Provisions (continued)**

- (a) The provision for employee benefits represents annual leave, long service leave and performance incentives. Performance incentives represents the present value of bonus payments due to staff under employment contracts. The bonus payments will be made in the next financial year.
- (b) The provision for Lease Make Good represents the present value of Council's best estimate of the future sacrifice of economic benefits that will be required to remove leasehold improvements from leased property.

	Consolidated		Engineers Australia	
	2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Note 20 Other Current Liabilities</b>				
Monies Held in Trust:				
- Funded Projects	372	579	372	570
- Other	55	55	43	43
Total Monies Held in Trust	427	634	415	613
Membership Subscriptions paid in advance	14,952	14,806	14,952	14,806
Other Unearned Revenue				
- Commonwealth Grant (Australian Rainfall & Runoff)	858	378	858	378
- Other Unearned Revenue	1,512	2,063	1,512	2,063
	17,749	17,881	17,737	17,860

Other unearned revenue consists of unprocessed assessment applications, sponsorship and entry fees for events which will take place in the 2015-16 financial year.

<b>Note 21 Retained Earnings</b>				
<b>Balance at beginning of financial year</b>	16,398	13,725	11,182	9,554
Surplus/(Deficit) attributable to members of parent entity	(3,310)	2,694	(1,776)	1,649
Difference arising from assets being reallocated to equity	(133)			
Aggregate of amounts transferred to reserves	(373)	(21)	-	(21)
Aggregate of amounts transferred from reserves	7,591	-	7,218	-
<b>Balance at end of the financial year</b>	20,173	16,398	16,624	11,182

**Note 22 Leases**

**(a) Operating Lease Commitments**

Leasing arrangements

Operating leases relate to leases of office equipment and software with lease terms between 3 to 5 years. All operating leases do not contain an option to extend nor purchase the leased asset at the expiry date of the lease period.

Non-cancellable operating lease commitments

Payable:

Not later than 1 year	1,258	615	1,214	439
Later than 1 year but not later than 5 years	6,122	1,227	6,113	1,024
Later than 5 years	8,173	299	8,173	299
	15,553	2,141	15,500	1,762

Notes to the Financial Statements  
for the year ended 30 June 2015

Notes	Consolidated		Engineers Australia	
	2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Note 22 Leases (continued)</b>				
<b>(b) Operating Lease Receivables</b>				
<u>Leasing arrangements</u>				
Operating leases relate to properties owned by Engineers Australia with lease terms between 1 to 5 years. All operating leases do not contain an option to extend nor purchase the property at the expiry of the lease period.				
<u>Non-cancellable operating lease receivables</u>				
Receivable:				
Not later than 1 year	232	389	232	389
Later than 1 year but not later than 5 years	409	427	409	427
	<u>641</u>	<u>816</u>	<u>641</u>	<u>816</u>

**Note 23 Contingent Liabilities**

Estimates of material amounts of contingent liabilities not provided for in the financial report arising from:

Other (i)	23	23	-	-
Contract Performance Guarantee (ii)	952	-	952	-
	<u>975</u>	<u>23</u>	<u>952</u>	<u>-</u>

(i) Bank guarantee in favour of the lessor of the premises at Crows Nest. (A term deposit is held as security for the guarantee)

(ii) Contract performance guarantee in favour of the lessor of the premises at Bourke Place. (First registered mortgage over non residential real property located at units 1-5 Engineering House 11 National Circuit Barton ACT 2600 is held as security for the guarantee)

**Note 24 Events after Balance Sheet Date**

During the financial year, the consolidated entity made a decision to cease the trading activities of Engineers Australia Pty Ltd ('Engineers Media', a subsidiary of Engineers Australia). The business ceased trading on 31 August 2015.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

**Note 25 Key Management Personnel Compensation**

**Key Management Personnel**

Directors and the following are key management personnel of Engineers Australia. Unless otherwise noted they have held that position for the full year.

S Durkin	Chief Executive Officer
M B Allen	Executive General Manager - Corporate Services
B Jackson	Executive General Manager - Public Affairs & Marketing
B Leaver	Executive General Manager - Member Delivery
R Watts	Executive General Manager - Prof Standards & Practice (Commenced 12 Jan 15)
C Argent	General Manager - Governance & Strategic Oversight (Commenced 16 Mar 15)
C Argent	General Manager - South Australia Division (Finished 15 Mar 15)
G Ewing	General Manager - Northern Division
S Finlay	General Manager - Sydney Division
V Gardiner	General Manager - Tasmania Division
G C Graham	General Manager - Victoria Division
L Hardwicke	General Manager - Western Australia Division (Finished 5 Sep 14)
S Kreemer Pickford	General Manager - Western Australia Division (Commenced 12 Jan 15)
R Leverenz	General Manager - South Australia Division (Commenced 16 Mar 15)
H Link	General Manager - Newcastle Division
I McEwan	General Manager - Queensland Division
V Strika	General Manager - Canberra Division
R Grayston	Executive General Manager - Prof Standards & Practice (Finished 27 Feb 2015)
J Anderson	General Manager - Engineering Practice and CPD (Finished 19 Dec 14)

Notes to the Financial Statements  
for the year ended 30 June 2015

	Notes	Consolidated		Engineers Australia	
		2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s

**Note 25 Key Management Personnel Compensation (continued)**

**Key Management Personnel Compensation**

The aggregated compensation of the key management personnel of Engineers Australia and the consolidated entity is set out below:

Short-term Employee Benefits	2,989	3,100	2,624	2,744
Post Employment Benefits	293	306	260	268
Other Long-term Benefits	-	-	-	-
Termination Benefits	315	253	315	253
	<u>3,597</u>	<u>3,659</u>	<u>3,199</u>	<u>3,265</u>

**Other Transactions of Members of Council and Members of Council Related Entities**

From time to time transactions are entered into with members of Council, their firms or associated entities. Such transactions are within normal customer employee relationships on terms and conditions no more favourable than those available to other members, customers or employees.

On 26 September 2015, the Engineers Australia Royal Charter was amended, the former Council has been renamed as the Board. Under the transitional provisions, members of the former Council continue to serve as directors on the Board until 31 December 2015.

**Loans**

Loans are made to and from controlled entities under normal commercial terms and conditions. Balances outstanding at 30 June are disclosed in note 18.

**Note 26 Related Parties**

The names of the members of Board in office during the reporting period:

Name	Period of Office	
D W Cruickshanks-Boyd	01-01-13	Ongoing
J McIntosh	01-01-14	Ongoing
A Baitch	25-11-09	Ongoing
G P Walters	01-01-12	Ongoing
C Goh	01-01-15	Ongoing
A L Meldrum	01-01-14	Ongoing
J C Olson	01-01-15	Ongoing
S P Orton	01-01-13	Ongoing
M D Thompson	01-01-15	Ongoing
M Kanga	26-11-07	31-12-14
C Cher	01-01-13	31-12-14
B F Finlay	01-01-14	31-12-14

**Remuneration and Retirement Benefits**

Members of Board of Engineers Australia and directors of subsidiary companies provided their services in a voluntary capacity. They receive no remuneration or retirement benefits. They are reimbursed for their out-of-pocket travel and related expenses.

During the reporting period the parent entity paid professional indemnity and directors and officer liability insurance in respect of its members of Board, company directors, officers and others, to offset the risk which may arise from claims made under By-Law 54 of the 2011 By-Laws. This insurance is not separately identifiable from the other insurances.

There are no loans made, guaranteed or secured to members of Board of Engineers Australia, or its company directors at the reporting date.



Notes to the Financial Statements  
for the year ended 30 June 2015

	Notes	Consolidated		Engineers Australia	
		2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Note 27 Cash Flow Information</b>					
<b>(a) Reconciliation of Cash Flow from Operating Activities</b>					
Surplus / (Deficit) for the year		(3,310)	2,694	(1,776)	1,649
Depreciation & Amortisation	13(b), 14(b)	2,188	884	1,965	1,713
Impairment of Assets		420	-	-	-
Interest received		(318)	(581)	(249)	(487)
(Gains)/Loss on sale of property, plant and Equipment		(3,861)	10	(3,865)	3
Finance costs paid		-	-	72	84
Changes in operating assets and liabilities:					
Increase/(Decrease) in payables		2,298	(514)	585	621
Increase/(Decrease) in provisions for employee benefits		(27)	70	(28)	2
Increase/(Decrease) in other provisions		114	(115)	-	-
Increase/(Decrease) in provision of income tax		33	-	-	-
(Increase)/Decrease in inventories		45	16	-	-
(Increase)/Decrease in conference work in progress		1,277	(1,016)	1,277	(1,016)
(Increase)/Decrease in receivables		(3,905)	235	(3,241)	(141)
(Decrease)/Increase in other current liabilities		(132)	2,845	(123)	2,928
(Increase)/Decrease in prepayments		(387)	349	(317)	343
(Increase)/decrease in income tax refund		-	25	-	-
Net cash provided by operating activities		<u>(5,565)</u>	<u>4,902</u>	<u>(5,700)</u>	<u>5,699</u>
<b>(b) Credit stand-by Arrangements with Banks</b>					
Bank overdraft facility		600	600	600	600
Amount utilised		-	-	-	-
Direct debit facilities		<u>350</u>	<u>300</u>	<u>350</u>	<u>300</u>
Unused overdraft facility		<u>950</u>	<u>900</u>	<u>950</u>	<u>900</u>

The bank overdraft facility may be drawn upon at any time and is repayable on demand, which the bank may make at any time subject to the Usual Terms and Conditions clause. Interest rates are variable. The facility is secured by a mortgage over Engineers Australia property.

Engineers Australia has a \$600,000 (2014: \$600,000) facility with the Commonwealth Bank of Australia which was not utilised.

**Note 28 Incorporation**

The registered office and principal place of business of Engineers Australia is:

Engineers Australia - National Office  
Engineering House  
11 National Circuit  
Barton, ACT, 2600

Engineers Australia is a body incorporated in Australia by Royal Charter. It is a member based national professional body whose objects are to promote the science and practice of engineering in Australia. As an extension of its objects Engineers Australia has established wholly owned subsidiaries which specialise in particular segments of the operations.

Notes to the Financial Statements  
for the year ended 30 June 2015

**Note 29 Financial Instruments**

Engineers Australia and the consolidated entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries.

Due to the small size of the group significant risk management decisions are taken by Council. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The group does not use derivative financial instruments to hedge these risk exposures.

**Risk Exposures and Responses**

**(a) Interest Rate Risk**

Engineers Australia and the consolidated entity's exposure to market interest rates relates primarily to the Group's cash holdings and short term deposits.

At balance date, Engineers Australia and the consolidated entity had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

Consolidated		Engineers Australia	
2015	2014	2015	2014
\$'000s	\$'000s	\$'000s	\$'000s

**Financial Assets**

Cash and cash equivalents	21,236	15,576	17,984	12,768
Other financial assets	-	2,000	-	2,000

Engineers Australia and the consolidated entity constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

**Interest rate sensitivity analysis**

Judgements of reasonably possible movements	Surplus Higher / (Lower)		Equity Higher / (Lower)	
	2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>Consolidated</b>				
+ 1% (100 basis points)	197	193	197	193
-0.5% (50 basis points)	(99)	(97)	(99)	(97)
<b>Engineers Australia</b>				
+ 1% (100 basis points)	152	148	152	148
-0.5% (50 basis points)	(76)	(74)	(76)	(74)

**(b) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to Engineers Australia or the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties which are continuously monitored.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international agencies.

Notes to the Financial Statements  
for the year ended 30 June 2015

**Note 29 Financial Instruments (continued)**

**(c) Liquidity risk management**

Engineers Australia and the consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk management rests with Council, who has built an appropriate risk management framework for the management of the consolidated group's short, medium and long term funding and liquidity requirements. The consolidated group manages liquidity by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and managing maturity profiles of financial assets.

**Liquidity and interest risk tables**

The following table details Engineers Australia and the consolidated entity's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where Engineers Australia or the consolidated entity anticipates that the cash flow will occur in a different period.

	<b>Weighted average effective interest rate %</b>	<b>Less than 1 month \$'000</b>	<b>1-3 months \$'000</b>	<b>3 months to 1 year \$'000</b>	<b>1-5 years \$'000</b>	<b>Total</b>
<b>Consolidated Entity</b>						
<b>2015</b>						
Non-interest bearing		385	8,086	47	-	8,518
Variable interest rate instruments	1.61%	880	17,752	52	-	18,684
		<b>1,265</b>	<b>25,838</b>	<b>99</b>	<b>-</b>	<b>27,202</b>
<b>2014</b>						
Non-interest bearing		-	6,062	-	-	6,062
Variable interest rate instruments	3.28%	3,234	9,972	2,118	-	15,324
		<b>3,234</b>	<b>16,034</b>	<b>2,118</b>	<b>-</b>	<b>21,386</b>
<b>Engineers Australia</b>						
<b>2015</b>						
Non-interest bearing		-	6,646	-	-	6,646
Variable interest rate instruments	1.64%	-	15,590	-	-	15,590
		<b>-</b>	<b>22,236</b>	<b>-</b>	<b>-</b>	<b>22,236</b>
<b>2014</b>						
Non-interest bearing		-	2,957	-	-	2,957
Variable interest rate instruments	3.29%	2,819	7,872	2,066	-	12,757
		<b>2,819</b>	<b>10,829</b>	<b>2,066</b>	<b>-</b>	<b>15,714</b>

**(d) Price risk**

Engineers Australia and the consolidated entity's exposure to commodity price risk is minimal.

Engineers Australia and the consolidated entity does not make investments in equity securities other than in its subsidiaries.

**(e) Foreign currency risk**

Engineers Australia and the consolidated entity's exposure to foreign currency risk is minimal as it undertakes less than ten transactions a year that are denominated in foreign currencies.

Engineers Australia and the consolidated entity does not make investments in forward foreign exchange contracts.