

The Environment Institute of Australia and New Zealand Inc.

ARBN 166 345 697

NZBN 9429041314777

Financial Report for the Year Ended 30 June 2018

The Environment Institute of Australia and New Zealand Inc.

ARBN 166 345 697

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Financial Statements

For the Year Ended 30 June 2018

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The Environment Institute of Australia and New Zealand Inc.

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BOARD REPORT

Your board members present this report on the Institute for the financial year ended 30 June 2018.

The principal activities of the Institute during the financial year were to:

- Facilitate interactions between environmental professionals and the community in the advancement of environmental conservation and management.
- Promote community and professional understanding and knowledge of good practice environment management standards.
- Advance ethical and competent good practice environmental management by environmental professionals.

Advisory council members – from July 2017

- | | |
|---|--------------------------------------|
| - Nathan Waltham | - Carolyn Cameron |
| - Mark Breidfuss (to October 2017) | - Kevin Tearney |
| - Mark Harris (from October 2017 to April 2018) | - Claire Berecny (to October 2017) |
| - Scott Hanna (Acting from April 2018) | - Andrea Zambolt (from October 2017) |
| - Martin Juniper | - Lachlan Wilkinson |
| - Maria Pedicini | - Dave Fleming (to March 2018) |
| - Jeff Richardson | - Richard Sharp |
| - Kathryn Pugh | - Rod Harwood |
| - Belinda Bastow | - Tor Hundloe |
| | - Shaun Canning (from March 2018) |

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

Meetings of the Advisory Council

During the financial year, 1 meeting of the Advisory Council were held (pre-AGM). Attendance by each advisory council member was as follows:

Number attended		Number attended	
Nathan Waltham		Kevin Tearney	1
Mark Breidfuss	1	Claire Berecny	
Mark Harris	1	Andrea Zambolt	1
Scott Hanna		Lachlan Wilkinson	1
Martin Juniper	1	Dave Fleming	1
Maria Pedicini	1	Richard Sharp	
Jeff Richardson	1	Rod Harwood	
Kathryn Pugh	1	Tor Hundloe	1
Belinda Bastow	1	Shaun Canning	1
Carolyn Cameron	1		

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Information on the Board – from July 2017

Bryan Jenkins (from October 2017	- President (Treasurer to October 2017)
Michael Chilcott (to October 2017)	- President
Vicki Brady	- Vice President (Australia)
Dianne Buchan	- Vice President (New Zealand)
Elizabeth Stark (from October 2017)	- Treasurer
Paul Keighley	- Secretary
David Johnson (from October 2017)	- Ordinary Member
Mark Breitfuss (from October 2017)	- Ordinary Member
Carolyn Brumley (to October 2017)	- Ordinary Member
Adam Smith (to October 2017)	- Ordinary Member

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

Meetings of the Board

During the financial year, 9 meetings of the Board were held (3 pre-AGM, 6 post-AGM). Attendance by each board member was as follows:

	Number attended
Bryan Jenkins	9
Michael Chilcott	3
Vicki Brady	9
Dianne Buchan	9
Elizabeth Stark	6
Paul Keighley	9
David Johnson	5
Mark Breitfuss	5
Carolyn Brumley	2
Adam Smith	3

Signed in accordance with a resolution of the Board

Signed:

Bryan Jenkins (President)

Dated: 10/10/2018

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue	2	1,155,857	1,083,578
Employee provision expenses	3	(478,706)	(371,305)
Depreciation and amortisation expenses	3	(8,946)	(6,888)
Event & Seminar expenses	3	(263,441)	(245,357)
Publications and information resource expenses	3	(19,087)	(26,720)
Other expenses		(316,519)	(242,142)
Current year surplus/(deficit) before income tax		69,158	191,166
Income tax expense		-	-
Net current year surplus/(deficit)		69,158	191,166
Total comprehensive income for the year, net of tax		69,158	191,166
Total comprehensive income attributable to members of the entity		69,158	191,166

The accompanying notes form part of these financial statements.

The Environment Institute of Australia and New Zealand Inc.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash on hand and deposits	5	1,035,289	883,039
Accounts receivable and other debtors	6	44,703	106,711
Other current assets	7	52,297	46,290
TOTAL CURRENT ASSETS		1,132,289	1,036,040
NON-CURRENT ASSETS			
Property, plant and equipment	8	8,698	10,014
Website	8	8,086	11,742
TOTAL NON-CURRENT ASSETS		16,784	21,756
TOTAL ASSETS		1,149,073	1,057,796
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	123,835	114,094
Revenue received in advance	10	223,376	210,998
TOTAL CURRENT LIABILITIES		347,211	325,092
TOTAL LIABILITIES		347,211	325,092
NET ASSETS		801,862	732,704
EQUITY			
Retained surplus		801,862	732,704
TOTAL EQUITY		801,862	732,704

The accompanying notes form part of these financial statements.

The Environment Institute of Australia and New Zealand Inc.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Retained Surplus \$	Total \$
Balance at 1 July 2016	541,538	541,538
Comprehensive income		
Net surplus for the year	191,166	191,166
Balance at 30 June 2017	732,704	732,704
Balance at 1 July 2017	732,704	732,704
Comprehensive Income		
Net surplus for the year	69,158	69,158
Balance at 30 June 2018	801,862	801,862

The accompanying notes form part of these financial statements.

The Environment Institute of Australia and New Zealand Inc.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and events		1,230,243	1,020,032
Payments to suppliers and employees		(1,078,858)	(921,088)
Interest received		4,840	6,134
Net cash provided by operating activities	11	156,225	105,078
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,975)	(4,098)
Net cash used in investing activities		(3,975)	(4,098)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash held		152,250	100,980
Cash on hand at beginning of financial year		883,039	782,059
Cash on hand at end of financial year	5	1,035,289	883,039

The accompanying notes form part of these financial statements.

The Environment Institute of Australia and New Zealand Inc.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The general purpose financial statements cover the Environment Institute of Australia and New Zealand Inc. as a single entity, including the financial operations of the Certified Environmental Practitioner Scheme (CEnvP) which were previously deconsolidated from the financial statements.

The Environment Institute of Australia and New Zealand Inc. is an incorporated association under the *Associations Incorporation Reform Act 2012* (Vic). It operates within the terms of the EIANZ Rules of Association and By-Laws that establish the Australian and New Zealand Chapters, Divisions, Special Interest Sections and the Certified Environmental Practitioner Scheme. The financial operations of the Australian Chapter Divisions and the New Zealand Chapter, the Special Interest Sections and the Certified Environmental Practitioner Scheme are consolidated in these financial statements.

The Environment Institute of Australia and New Zealand Inc. was registered under the *Corporations Act 2001* (Cwth) as a Registrable Australian Body on the 25 November 2014, allowing it to operate under the provisions of its Victorian incorporation in all Australian jurisdictions. The Institute sought registration under the *Companies Act 1993* (NZ) as a body corporate incorporated in Australia and carrying on business in New Zealand, which was granted on the 8 July 2016.

On 17 September 2016, at a duly constituted Special General Meeting, a resolution of the members of the Environment Institute of Australia and New Zealand Inc. was passed which had the effect of replacing the existing Rules of Association with new Rules of Association that comply with the *Associations Incorporation Reform Act 2012* (Vic). The new EIANZ Rules of Association were approved by the Victorian Department of Justice with effect from 30 September 2016.

These financial statements were authorised for issue on 1 October 2018 by the members of the Board.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The EIANZ is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

Accounting Policies

a. Income Tax

The EIANZ's profits in Australia are exempt from income tax under Section 50-45 of the *Income Tax Assessment Act 1997*. The EIANZ operations in New Zealand are subject to the taxation laws of that country and any profits are subject to income tax.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. **Property, Plant and Equipment**

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

Plant and equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (d) for details of impairment).

The cost of fixed assets constructed by the EIANZ includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the EIANZ and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	20%
Website Development	25%
Leased plant and equipment	35%
Office equipment	35%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

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

c. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Institute commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

The EIANZ does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Institute assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in the profit and loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. **Impairment of Assets**

At the end of each reporting period, the EIANZ assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e. **Employee Benefits**

Provision is made for the EIANZ's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits (other than termination 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.

Contributions are made by the EIANZ to an employee superannuation fund and are charged as expenses when incurred.

The EIANZ's obligations for short term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

f. **Cash and Cash Equivalents**

Cash and cash equivalents includes 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 borrowings in current liabilities in the statement of financial position.

g. **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivables after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the provision of membership subscriptions and conference is recognised on a straight-line basis over the financial year.

Change of Accounting Policy in recognising revenue

Previously the Institute has accounted for its CEnvP registration revenue on a cash basis. As the annual registration fee covers the calendar year it has been resolved to treat the percentage of the registration fee that relates to the period after 30 June as unearned income. This treatment is consistent with the recognition of revenue from membership subscriptions. As a result of the adoption of this new policy the figures for the 2017 financial year have required amendment and restatement (Refer Note 21).

All revenue is stated net of the amount of goods and services tax.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

h. **Goods and Services Tax (GST)**

Australian 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 Taxation Office (ATO). The EIANZ New Zealand operations are not registered for GST because they are below the threshold level for registration.

Australian receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The Australian GST components of cash flows arising from investing or financing activities which are recoverable from, or payable, to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

i. **Comparative Figures**

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

Where the EIANZ retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

j. **Accounts Payable and Other Payables**

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

k. **Critical Accounting Estimates and Judgements**

The EIANZ Board evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

(i) *Impairment*

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

NOTE 2: REVENUE AND OTHER INCOME

	2018 \$	2017 \$
Revenue:		
– membership subscriptions – EIANZ - AU	423,538	412,828
– membership subscriptions – EIANZ - NZ	41,447	59,209
– membership subscriptions - CEnvP	235,842	211,491
– conference and seminars	270,835	268,254
– journal	21,479	20,708
– interest received – EIANZ - AU	2,855	3,732

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NOTE 2: REVENUE AND OTHER INCOME	2018	2017
	\$	\$
– interest received – EIANZ - NZ	954	1,386
– interest received - CEnvP	1,031	1,016
– other	164,844	106,480
– foreign currency gain / (loss)	(6,968)	(1,526)
Total revenue	1,155,857	1,083,578

Note: EIANZ Membership subscriptions reflect where monies were received (ie in AU or NZ) and not necessarily where members are based.

NOTE 3: SURPLUS FOR THE YEAR	2018	2017
	\$	\$
a. Expenses		
Depreciation:		
– property, plant and equipment, website	8,946	6,888
Employee provisions	478,706	371,305
Event and seminar expense	263,441	245,357
Publication expense	19,087	26,720
Rental premises	41,025	33,595

	2018	2017
	\$	\$
NOTE 4: AUDITORS' FEES		
Remuneration of the auditor of the association for:		
– auditing or reviewing the financial report	12,000	12,000
– taxation services	-	-
– due diligence services	-	-
– taxation services provided by an associated entity of the auditor	-	-
	12,000	12,000

NOTE 5: CASH ON HAND	Note	2018	2017
		\$	\$
Cash at bank – unrestricted		977,760	829,223
Deposits at call		51,400	52,689
Cash on hand		6,129	1,127
	12	1,035,289	883,039

The Environment Institute of Australia and New Zealand Inc.

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NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS	Note	2018 \$	2017 \$
CURRENT			
Trade receivables		44,703	106,711
Total current accounts receivable and other debtors	12	44,703	106,711

Note: No impairment of the above was required at 30 June 2018 (2017 \$Nil)

NOTE 7: OTHER CURRENT ASSETS	2018 \$	2017 \$
Prepayments	45,920	39,892
Other assets	6,377	6,398
	52,297	46,290

NOTE 8: PROPERTY, PLANT AND EQUIPMENT	2018 \$	2017 \$
Property, plant and equipment:		
At cost	91,906	87,931
Accumulated depreciation	(75,122)	(66,175)
Total property, plant and equipment	16,784	21,756

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial years.

	Property, Plant and Equipment \$	Total \$
Balance at 1 July 2016	24,546	24,546
Additions	4,098	4,098
Disposals	-	-
Depreciation expense	(6,888)	(6,888)
Balance at 30 June 2017	21,756	21,756
Additions	3,975	3,975
Disposals	-	-
Depreciation expense	(8,946)	(8,946)
Carrying amount at 30 June 2018	16,784	16,784

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NOTE 9: ACCOUNTS PAYABLE AND OTHER PAYABLES	Note	2018 \$	2017 \$
CURRENT			
Unsecured liabilities:			
Accounts payable		63,830	63,830
Employee provisions	13	13,467	18,932
Sundry payables		46,538	31,332
		123,835	114,094

NOTE 10: REVENUE RECEIVED IN ADVANCE	2018 \$	2017 \$
Current		
Revenue received in advance - EIANZ	109,360	138,764
Revenue received in advance - CEnvP	114,016	72,234
Total revenue received in advance	223,376	210,998

NOTE 11: CASH FLOW INFORMATION	2018 \$	2017 \$
Reconciliation of cash flow from operating activities with net current year surplus		
Current year surplus after income tax	69,158	191,166
Cash flows excluded from current year surplus		
Non-cash flows in current year surplus:		
– depreciation expense	8,947	6,888
– net gain on disposal of property, plant and equipment	-	-
Changes in assets and liabilities:		
– (increase)/decrease in accounts receivable, other receivables	62,008	(76,562)
– decrease in prepayments	(6,007)	-
– increase/(decrease) in accounts payable and other payables	22,119	(16,414)
	156,225	105,078

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NOTE 12: FINANCIAL RISK MANAGEMENT

The EIANZ's financial instruments consist mainly of deposits with banks, local money market instruments, investments in listed shares, receivables and payables, and lease liabilities.

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

	Note	2018 \$	2017 \$
Financial assets			
Cash and cash equivalents	5	1,035,289	883,039
Loans and receivables	6	44,703	106,710
Total financial assets		<u>1,079,992</u>	<u>989,750</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– accounts payable and sundry payables	9	123,835	95,162
Total financial liabilities		<u>123,835</u>	<u>95,162</u>

NOTE 13: EMPLOYEE PROVISIONS

Analysis of Employee Provisions – Annual Leave Entitlements	\$
Opening balance at 1 July 2017	18,932
Additional provisions	8,260
Amounts used	<u>(13,725)</u>
Balance at 30 June 2018	<u><u>13,467</u></u>

Employee Provisions – Annual Leave Entitlements

The provision for employee benefits represents amounts accrued for annual leave.

Based on past experience, the EIANZ does not expect the full amount of annual leave to be settled wholly within the next 12 months. However, the amount must be classified as a current liability because the organisation does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

NOTE 14: LEASE LIABILITIES

The EIANZ entered in to a 5-year lease on June 1, 2017 with Fraser Campbell Hopkins, Dean Richard Gosper, & J K Hopkins Pty Ltd of 415 Riversdale Road, Hawthorn East, VIC 3123 to occupy the premises at Suite 3, 255 Whitehorse Road, Balwyn, VIC 3103 for a period of 5 years. Year 1 rental is \$27,310 plus GST with annual rental review of 3.5%. A separate licence to occupy exists for a single car parking bay at a cost of \$1,620 PA plus GST with an annual rental review of 3.5%

NOTE 15: SEGMENT REPORTING

The EIANZ operates in Australia and New Zealand. New Zealand operations are not considered material for separate disclosure.

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NOTE 16: CHAPTERS AND DIVISIONS

The EIANZ maintains its presence in Australia and New Zealand through a network of Chapters and Divisions. The EIANZ CEnvP Scheme is operated at arm's length by the independent Certification Board. The following is a list of the organisational units, the financial operations of which are consolidated in these financial statements:

- Environment Institute of Australia and New Zealand (FNQ)
- Environment Institute of Australia and New Zealand (SEQ)
- Environment Institute of Australia and New Zealand (NSW)
- Environment Institute of Australia and New Zealand (VIC)
- Environment Institute of Australia and New Zealand (SA)
- Environment Institute of Australia and New Zealand (WA)
- Environment Institute of Australia and New Zealand (TAS)
- Environment Institute of Australia and New Zealand (ACT)
- Environment Institute of Australia and New Zealand (NT)
- Environment Institute of Australia and New Zealand (NZ)
- Environment Institute of Australia and New Zealand (CEnvP Scheme)

Note: The parent body is "The Environment Institute of Australia and New Zealand Inc."

ABN: 39 364 288 752

NZBN: 9429041314777

NOTE 17: CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments that require disclosure within the financial statements.

NOTE 18: MEMBERS

At 30 June 2018, the number of financial members was 1,870 (2017: 1,857)

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

ATO general interest was calculated and remitted as a result of the transition of CEnvP ABN transition. The interest and remission of interest have not been included within the financial statements

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NOTE 20: ASSOCIATED ENTITIES

The financial performance of the Certified Environmental Practitioner Scheme has previously been reported as an un-audited note to the annual financial statements of the EIANZ. For the financial year ended 30 June 2017 and onwards, the financial performance of the Scheme has been consolidated with the financial statements of the EIANZ, in order to present an accurate picture of the trading position of the EIANZ, as an entity.

NOTE 21: REVISED MEMBERS FUNDS AND SURPLUS

The financial performance of the Certified Environmental Practitioner Scheme has previously been reported on a cash basis. This year the association has changed its accounting policy for this division so that registration fees received are brought to account as income in the period to which they relate. This has resulted in an increase of unearned income from that previously reported – as set out below.

Members fund brought forward 1 July 2016 as previously reported		623,701
Less unearned income on CEnvP registrations as at 1 July 2016		<u>82,163</u>
Revised members funds as at 1 July 2016		541,538
<u>Plus</u>		
Net surplus previously reported for 2017 year	181,237	
Plus unearned income 1 July 2016	82,163	
Less unearned income 30 June 2017	<u>(72,234)</u>	
		<u>191,166</u>
Revised members funds 2017		732,704
Plus surplus for year ended 30 June 2017		<u>69,158</u>
Revised Members Funds 30 June 2018		<u>801,862</u>

The Environment Institute of Australia and New Zealand Inc.

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NOTE 22: PERFORMANCE BY DIVISION

The figures in note 22 represent the performance by division. Table 1 profit and loss summary presents both a consolidated and deconsolidated result. The result tab presents the membership inclusive result whilst the consolidated net position tab eliminates the inter division transfers to present a consolidated position. Table 2 balance sheet summary presents actuals within the Net Assets tab which is inclusive of inter-entity balance sheet accounts. The consolidated net position presents performance by division after all inter-entity balance sheet items have been removed.

TABLE 1 – PROFIT AND LOSS SUMMARY

	Revenue	Expenses	Result	Consolidation Eliminations	Consolidated Net Position
Central Office	645,965	617,200	28,765	6,921	35,686
FNQ	2,528	4,609	(2,081)	(1,747)	(3,828)
SEQ	32,252	60,024	(27,772)	(7,716)	(35,488)
NSW	30,549	32,962	(2,413)	(5,753)	(8,166)
VIC	145,387	86,061	59,326	(8,078)	51,248
SA	4,077	4,062	15	(1,655)	(1,640)
WA	38,005	29,923	8,082	(3,065)	5,017
TAS	4,718	663	4,055	(4,573)	(518)
ACT	10,510	11,347	(837)	(2,030)	(2,867)
NT	978	1,084	(106)	(978)	(1,084)
NZ	79,637	50,965	28,672	28,674	57,346
CEnvP	236,634	263,182	(26,548)	-	(26,548)
TOTAL	1,231,240	1,162,082	69,158	-	69,158

TABLE 2 - BALANCE SHEET SUMMARY

	Assets	Liabilities	Net Assets	Consolidation Eliminations	Consolidated Net Position	Cash on Hand
Central Office	388,260	143,955	245,535	1,932	247,467	289,371
FNQ	8,366	88	8,278	(46)	8,232	8,186
SEQ	32,234	(412)	32,646	(2,070)	30,576	30,044
NSW	174,503	30,963	143,540	(2,188)	141,352	172,315
VIC	137,159	45,530	91,629	(1,513)	90,116	121,496
SA	9,834	(23)	9,857	(298)	9,559	9,536
WA	41,687	4,006	37,681	(10,483)	27,198	31,204
TAS	29,788	0	29,788	(54)	29,734	29,734
ACT	11,226	1,602	9,624	(294)	9,330	9,255
NT	25,062	(20)	25,082	(30)	25,052	25,032
NZ	98,204	13,779	84,425	13,778	98,203	97,018
CEnvP	224,311	140,534	83,777	1,266	85,043	212,098
TOTAL	1,080,634	380,002	801,862	-	801,862	1,035,289

As disclosed in Note 21 this year the Institute has changed its method of recording income on its CEnvP registrations. The effect on CEnvP's financial results for the year as follows:

	Old Method	New Method
2017 NET PROFIT FOR YEAR	36,081	46,009
2018 NET PROFIT (LOSS) FOR YEAR	15,234	(26,548)

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NOTE 23: INSTITUTE DETAILS

The registered office of the Institute is:

Suite 3, 255 Whitehorse Road

Balwyn VIC 3103

The principal place of business is:

Suite 3, 255 Whitehorse Road

Balwyn VIC 3103

The Environment Institute of Australia and New Zealand Inc.

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**ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND PERFORMANCE OF
INCORPORATED ASSOCIATION**

We, Bryan Jenkins and Elizabeth Stark, being members of the board of The Environment Institute of Australia and New Zealand Inc., certify that

- the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012;
 - the attached financial statements and notes thereto comply with Australian Accounting Standards;
 - the attached financial statements and notes thereto give a true and fair view of the financial position of the association as at 30 June 2018 and of its performance for the year ended on that date;
- and
- there are reasonable grounds to believe that the association will be able to pay its debts as become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-Profits Commission Regulation 2013


.....
Bryan Jenkins
President


.....
Elizabeth Stark
Treasurer

Date: 10 October 2018
Melbourne

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
ENVIRONMENT INSTITUTE OF AUSTRALIA AND NEW ZEALAND INC.**

Report on the audit of the financial report

Opinion

I have audited the financial report of Environment Institute Of Australia and New Zealand Inc. which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss or other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the certification by members of the Board.

In my opinion, the financial report of Environment Institute of Australia and New Zealand Inc. has been prepared 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 institute's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-Profits Commission Regulations 2013.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Report section in my report. I am independent of the institute in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon.

The Board is responsible for the other information. The other information comprises the information included in the institute's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we don't express any form of assurance conclusion thereon.

The Responsibility of the Board for the Financial Report

The Board of the institute are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal control as the Board determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the institute or to cease operations, or have no realistic alternative but to do so.

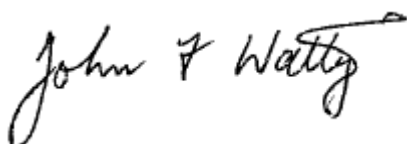
Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute's ability to continue as a going concern. If I conclude that a material uncertainty exists I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However future events or conditions may cause the institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



John F Watty

1 October 2018

**Proacct Pty Ltd
255 Whitehorse Road
Balwyn Vic 3103**

The Environment Institute of Australia and New Zealand Inc.

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INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
REVENUE		
Operating activities:		
– membership subscriptions	700,827	683,528
– Conference and events	270,835	268,254
– journal	21,479	20,708
– other	164,844	106,480
Non-operating activities:		
– interest	4,840	6,134
– foreign exchange gain	(6,968)	(1,526)
	<u>1,155,857</u>	<u>1,083,578</u>
EXPENDITURE		
Accounting and audit services	33,190	22,214
Bank charges and interest expense	2,533	1,721
Depreciation	8,946	6,888
General operation expenses	171,491	151,262
Publication costs	19,087	26,720
Conference and events	258,617	241,516
Superannuation	38,820	31,328
Wages	427,305	331,586
All other expenses	126,710	79,177
Total Expenditure	<u>1,086,699</u>	<u>892,412</u>
Current year surplus (deficit) before income tax	<u>69,158</u>	<u>191,166</u>
Income tax expense	<u>-</u>	<u>-</u>
Current year surplus (deficit) after income tax	<u>69,158</u>	<u>191,166</u>

The Environment Institute of Australia and New Zealand Inc.

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COMPILATION REPORT TO THE ENVIRONMENT INSTITUTE OF AUSTRALIA AND
NEW ZEALAND INC. – JUNE 2018

We have compiled the accompanying general purpose financial reports for the Environment Institute of Australia and New Zealand Inc., which comprise the Profit & Loss Statement & Balance Sheet. These have been prepared in accordance with the financial reporting framework described in note 1 to the financial statements.

The Responsibility of the Board

The Board of The Environment Institute of Australia and New Zealand Inc. is solely responsible for the information contained in the general purpose financial statements and has determined that the financial reporting framework used is appropriate to meet its needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Board we have compiled the accompanying general purpose financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements and APES 315: *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Board provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of the Board. We do not accept responsibility to any other person for the contents of the general-purpose financial statements.

Address: Suite 4, 15 Vere Street
Collingwood VIC 3066

Name of Firm: Mindful Business Partners Pty Ltd
BAN: 25426239

Date: 25th September 2018

A handwritten signature in blue ink, appearing to read "Matthew May".

Matthew May