**Clean Audit Report** – Walsh O’Brien Harnett External Auditors

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>€5.68m</td>
<td>+4.4% v 2018</td>
</tr>
<tr>
<td>Expenditure</td>
<td>€4.93m</td>
<td>-0.7% v 2018</td>
</tr>
<tr>
<td>Capital investment</td>
<td>€328k</td>
<td>+28% v 2018</td>
</tr>
<tr>
<td>Cash Reserves</td>
<td>€4.91m</td>
<td>+4% v 2018</td>
</tr>
<tr>
<td>Operational surplus before Pension costs</td>
<td>€749k</td>
<td>+57% V 2018</td>
</tr>
</tbody>
</table>
Financial Performance 2019

Income

Engineers Ireland Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>€4,660,276</td>
</tr>
<tr>
<td>2014</td>
<td>€4,957,274</td>
</tr>
<tr>
<td>2015</td>
<td>€4,945,502</td>
</tr>
<tr>
<td>2016</td>
<td>€5,120,097</td>
</tr>
<tr>
<td>2017</td>
<td>€5,362,080</td>
</tr>
<tr>
<td>2018</td>
<td>€5,444,689</td>
</tr>
<tr>
<td>2019</td>
<td>€5,682,034</td>
</tr>
</tbody>
</table>

(Bar chart showing the income for each year from 2013 to 2019.)
Total income increased by €237k to €5.68m V €5.44m in 2018.

Professional Subscriptions increased by €91k (+2.3%) €3.95m in 2019 V €3.86m in 2018.

This is mainly due to an increase in membership and application fee income in 2019.

Total fee paying members in 2019 - 18504

Profit increased by €109k to €780K V €671K in 2018

**Investment Income** has increased by €77k due to an increase in the market value of the Appian Fund at December 2019

**Accreditation of Academic Courses** Income increased by €31k.

This is due to the varying size and profit ratio of the accreditations undertaken year on year.

**Consultancy and Ancillary Services** income increased by €5k from €104k in 2018 to €109k in 2019.

Increased advertising revenue – Engineers Journal
Total expenditure for the year, excluding defined benefit pension costs, decreased by €36k from €4.96m in 2018 to €4.93m in 2019.

Actuarial Loss on Pension scheme of €175k versus a gain in 2018 of €261k.

Personnel costs remained neutral at €2.6m

Occupancy costs increased by €44k

Café Clyde increase in VAT coupled with additional direct costs of catering for CPD Courses
Marketing, P.R. & Events expenditure has increased by €100k from €336k in 2018 to €440k 2019
- outsourcing of some services which were carried out in-house in 2018 and are now re-allocated in this line item
- Re-branding of merchandise and marketing content for the website.

Computer & IT Costs decreased by €41k.
2018 included front loaded costs for the Version 1 contract for shared services which didn’t apply in 2019
Total Net Assets 2013 - 2019

- 2013: €5,426,810
- 2014: €5,471,039
- 2015: €7,746,382
- 2016: €8,179,225
- 2017: €8,801,926
- 2018: €10,945,812
- 2019: €11,463,574
• **Capital Expenditure Program value for 2019 €328,000**
  • This included the following projects:–
  • **The Roof Project - €176k**
  • WIFI upgrade at Clyde Road
  • **Installation of an Avaya VOIP telephone system. €5,200**
  • Avaya Spaces - Cloud based video conferencing and meeting application that enables online collaboration.
  • Upgrade of AV antennae system in the Theatre
  • Upgrade – Projector in Conference Room
  • Significant progress has been made in the delivery of the website redevelopment.
    The new website went live in February 2020.

• **Tangible asset value at 31st December €7,046,530 of which Land & Buildings €6,776,087**
• Total Debtors and Prepayments of €904k of which Trade Debtors €794k. June 26th 2020 €429k is collected.

• Bad debt provision of €100k. Increased by €60k. Advice from auditors to take this measure as a precaution only in view of COVID 19
Appian Fund market value
€576,041.

Bank balances
€4,910,398
Creditors due within one year were €1,511,142.

Includes Deferred Income to be released to Income in 2020 of €777,116.

Creditors due after one year were €462,642. – Pension Liability €454,000

Finance lease liability of €8,642.
• Worldwide requirement to address COVID 19 as a post Balance Sheet event in compliance with FRS 102.

• All organisations who had not signed off their Financial Statements before the onset of COVID 19 must address the situation in their accounts.

• The Council Report refers to COVID 19, the measures taken to deal with the crisis and the impact on operations in Q2 2020.
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Income €5.68m (+4.4% v 2018)
Expenditure €4.93m (-0.7% v 2018)
Capital investment €328k (+28% v 2018)
Cash Reserves €4.91m (+4% v 2018)
Operational surplus €749k (+57% V 2018) Includes €153k reduction in Depreciation
Overall 2019 was a very successful year.
Our year end Balance Sheet is very strong and stable.
Provides a solid foundation ahead of the Covid 19 crisis.

3 task forces initiated to deal with the crisis
- Digital Task Force
- Member Engagement Task Force
- Finance Task Force

- Finance Committee meet regularly to monitor the Financial position
- Working closely with the Senior Management Team
- Objective to ensure good financial control measures are in place

- Management accounts to end of May report that the finances are in a positive position in relation to budget to end of May.
- Several projections to year end generated
- Most recent will be included in the Council brief this week.