

The NILS Network of Tasmania Inc

Financial Report

For the Year Ended 30 June 2020

The NILS Network of Tasmania Inc

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For the Year Ended 30 June 2020

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The NILS Network of Tasmania Inc

Board Report

30 June 2020

Your Board members submit the financial report of the Association for the financial year ended 30 June 2020.

1. General Information

Board Members

The names of Board members throughout the year and at the date of this report are:

Stuart Foster	Chair
Leanne Doherty	Secretary
Nicolette Quinn	Treasurer
Kate Mirowski	Board member
John Rowland	Board member
Grant Russell	Board member
Tracey Tasker	Board member
Marla Giacon	Board member

Principal Activities

The principal activities of Association during the financial year were:

- To improve the standards of Tasmanians on low incomes by providing, affordable finance for essential goods and services, affordable finance for small business development, access to financial literacy support and information.

Significant Changes

No significant change in the nature of these activities occurred during the year.

2. Business Review

Operating Result

The net surplus/(deficit) of the Association for the financial year amounted to \$ 655,986 (2019: 46,229).

3. Other Items

Significant Changes in State of Affairs

No significant changes in the Association's state of affairs occurred during the financial year.

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

Board Member

.....

Dated this 17th day of September 2020.

Board Member

.....

Dated this 26th day of September 2020.

The NILS Network of Tasmania Inc

Board Declaration - per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

The Board declare that in the Board's opinion:

- there are reasonable grounds to believe that the Nils Network of Tasmania Inc. is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Signed in accordance with a resolution of the Board.

Board Member



.....

Board Member



.....

Dated this 17th day of September 2020.

Dated this 21st day of September 2020.

The NILS Network of Tasmania Inc

Statement of Comprehensive Income

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
Income		
Aurora funds income	88,540	-
Corporate support	77,391	60,000
DSG grant to clear loans write off	35,057	41,449
DSG income to apply to loan	14,943	8,551
Grants - DHHS	1,160,522	631,430
Grants - Good Shepherd	343,190	343,190
Interest	12,869	8,975
NAB bad debt subsidies	47,556	12,246
NILS membership fees	282	300
Sundry Income	31,143	8,100
	<hr/>	<hr/>
Total Income	1,811,493	1,114,241
	<hr/>	<hr/>
Less: Expenses		
Accounting services	28,820	18,459
Administration	35,581	28,367
Bad debt expense	6,064	28,254
Bank & interest charges	1,186	636
Cleaning and general expense	4,394	4,218
Depreciation & amortisation	44,997	15,415
Design & marketing	23,652	12,734
Consultant fees	9,137	37,907
Donations	969	-
EEAP - Subsidies paid out	70,250	84,748
Electricity	1,960	2,581
Due & subscriptions	2,339	2,053
Delivery & partner expense	27,645	17,730
Insurance	9,912	15,249
IT expenses	48,357	13,072
Loan write off's	67,457	69,333
Meeting expense	10,842	13,620
Motor vehicle expense	1,460	1,864
Office equipment expense	18,910	17,962
Rent	1,921	35,446
Staff training & amenities	8,249	2,730
Telephone & training	21,257	15,096
Wages & salaries	710,148	630,538
	<hr/>	<hr/>
Total Expenses	1,155,507	1,068,012
	<hr/>	<hr/>
Net surplus/(deficit) for the year	655,986	46,229
Other Comprehensive Income	-	-
	<hr/>	<hr/>
Total Comprehensive Income for the year	655,986	46,229

The accompanying notes form part of these financial statements.

The NILS Network of Tasmania Inc

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	569,522	347,090
Trade and other receivables		3,050	600
Other assets	3	2,325	3,293
Prepaid Eziway		6,248	-
TOTAL CURRENT ASSETS		581,145	350,983
NON-CURRENT ASSETS			
Property, plant and equipment	4	6,943	10,217
Right of use asset	5	11,084	-
Financial assets - loans receivable	6	1,932,340	1,742,995
Intangibles		793	5,009
TOTAL NON-CURRENT ASSETS		1,951,160	1,758,221
TOTAL ASSETS		2,532,305	2,109,204
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	376,206	168,528
Employee benefits	8	52,542	62,684
Refund owing		7,955	34,861
Other liabilities		410	-
Loan from DSG		399,749	400,000
Lease liability		14,543	-
TOTAL CURRENT LIABILITIES		851,405	666,073
NON-CURRENT LIABILITIES			
Employee benefits	8	29,744	33,269
Loan from DSG		-	414,692
TOTAL NON-CURRENT LIABILITIES		29,744	447,961
TOTAL LIABILITIES		881,149	1,114,034
NET ASSETS		1,651,156	995,170
EQUITY			
Restricted Reserve	1(n)	572,452	70,252
Accumulated Surpluses		1,078,704	924,918
TOTAL EQUITY		1,651,156	995,170

The accompanying notes form part of these financial statements.

The NILS Network of Tasmania Inc

Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Restricted Reserve Aurora subsidy funds	Department of Communities COVID -19 Restricted reserve	Accumulated surpluses	Department community services subsidy reserve	Total
Balance at 1 July 2019	-	-	924,918	70,252	995,170
Transfer to/(from) reserves	88,540	483,912	(502,200)	(70,252)	-
Net surplus/(deficit) for the year	-	-	655,986	-	655,986
Balance at 30 June 2020	88,540	483,912	1,078,704	-	1,651,156

2019

	Restricted Reserve Aurora subsidy funds	Department of Communities COVID -19 Restricted reserve	Accumulated surpluses	Department community services subsidy reserve	Total
Balance at 1 July 2018	-	-	948,941	-	948,941
Transfer to/(from) reserves	-	-	(70,252)	70,252	-
Net surplus/(deficit) for the year	-	-	46,229	-	46,229
Balance at 30 June 2019	-	-	924,918	70,252	995,170

The accompanying notes form part of these financial statements.

The NILS Network of Tasmania Inc

Statement of Cash Flows

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from loans	(138,377)	(2,683)
Receipts from government	1,829,269	1,072,082
Receipts from corporate support, sponsorship & donation	126,114	102,337
Payments to suppliers & employees	(1,157,473)	(1,195,795)
Interest received	12,869	8,974
Net movement of loans	(414,943)	(9,406)
Net cash provided by/ (used in) operating activities	9(b) <u>257,459</u>	<u>(24,491)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
purchase of property, plant & equipment	<u>(560)</u>	-
Net cash provided by/ (used by) investing activities	<u>(560)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liability	<u>(34,467)</u>	-
Net cash used by financing activities	<u>(34,467)</u>	-
Net increase/(decrease) in cash and cash equivalents held	222,432	(24,491)
Cash and cash equivalents at beginning of year	347,090	371,581
Cash and cash equivalents at end of financial year	9(a) <u>569,522</u>	<u>347,090</u>

The accompanying notes form part of these financial statements.

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial statements cover The NILS Network of Tasmania Inc as an individual entity.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*. The Board has determined that the Association is not a reporting entity. The Association is a not for profit entity for financial reporting purposes.

The financial statements have been prepared in accordance with the minimum requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and therefore comply with the following Australian Accounting Standards as issued by the Australian Accounting Standards Board:

- AASB 101 Presentation of Financial Statements;
- AASB 107 Statement of Cash Flows;
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors;
- AASB 1048 Interpretation of Standards; and
- AASB 1054 Australian Additional Disclosures.

No other Accounting Standards have been intentionally applied in the compilation of this financial report.

The financial report, except for the cash flow information, have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The amounts presented within the financial statements have been rounded to the nearest dollar.

(b) Comparative Figures

Where appropriate comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Cash and Cash Equivalents

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

(d) Trade and Other Receivables

The Association considers accounts receivable to be fully collectible, accordingly no allowance for doubtful accounts is required.

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(e). Loan Receivables

Loans are financial assets held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal amount outstanding, being no interest loans. Loans receivable are measured at amortised cost after assessing required provision for impairment.

Impaired loans are those loans receivable where the recovery of all principal is considered to be reasonably doubtful and hence provision for impairment is made. AASB 9's impairment requirement use more forward looking information to recognise expected credit losses – the 'expected credit loss model' (ECL). The Association considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the loans receivable.

In applying this forward looking approach a distinction is made between:

-Loans receivable that have not deteriorated significantly in credit quality since initial recognition or that have a low credit risk (performing loans); and

-Loans receivable that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.

At 30 June 2020 the expected credit losses provision for impairment of Micro Finance Loans is 5.5% of the loans balance, representing the portion of loans that are currently not paying the loans, representing an improvement in credit quality (2019: 6%). This provision is consistent with the historic trend in Micro Finance Loans and is expected to represent the future expected credit losses. As at 30 June 2020 the expected credit losses provision for impairment of Micro Business loans, having consideration for COVID-19 economic restrictions which are expected to have a higher impact on the Micro Business loans over the next 18 months than the previous long term trends, hence the provision is 25% of the total Micro Business loans receivable (2019: 18.5%).

(f). Property, Plant and Equipment

Plant and equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of plant and equipment is depreciated over the useful life of the assets to the Association commencing from the time the asset is held ready for use.

Depreciation Rates

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

Motor Vehicles	25% Straight Line
Furniture fittings and fittings	10% Straight Line
Computer equipment	20% - 40% Diminishing Value

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(g). Trade Payables

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities.

(h). Leases

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(i). Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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

(j). Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k). Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association or refer below for details of the changes due to standards adopted.

Revenue

AASB 15 Revenue from contracts with customers and AASB 1058 Income for not for profit entities became effective from 2020. These standards changed the timing of income recognition depending on whether transactions give rise to a liability or other performance obligation (a promise to transfer a good or service).

The impact in 2020 first time implementation resulted in the grants received by various grantors revenue being recognised when received as opposed to the previous deferral. There has been no impact for the year ended 30 June 2020.

Leases

AASB 16 Leases standard is applicable to annual reporting periods beginning on or after 1 January 2019. The Association applied the standard from 1 July 2019.

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(k). Adoption of new and revised accounting standards

AASB 16 Leases introduced a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value (lower than the asset capitalisation policy). A lessee is required to recognise a right-of-use asset representing its right to use the underlying asset and lease liability representing its obligations to make lease payments.

The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets is recognised and amortised over the term of the lease. Rent expense is no longer shown. The profit and loss impact of the leases is through amortisation and interest charges. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

The Association has one lease that must be accounted for being the building lease. The lease payments are shown as cash flows from financing activities instead of operating activities.

The impact in 2020 first time implementation was to recognise a right-of-use asset and corresponding liability totaling \$48,302 the impact on the statement of comprehensive income for 2020 was to reduce rent expense by \$34,465 and increase depreciation by \$36,947 and interest by \$976 cashflows relating to leases are classified as finance activities.

(l). Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable net of the amount of goods or services tax (GST) payable to the Australian Taxation Office. Revenue is measured on major income categories as follows:

Accounting policy from 1 July 2019

Interest revenue is recognised over the period for which the funds are invested.

Donation income is recognised when the Association obtains control over the funds, which is generally at the time of receipt.

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

Operating Grants - under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and with grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate method to reflect the transfer of benefit.

Operating Grants - Under AASB 1058

Assets arising from grants in scope of AASB 1058 (i.e agreements that are not enforceable or do not have sufficiently specific performance obligations) are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Association at significantly below its fair

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(l). Revenue and Other Income value.

The Association then considers whether there are any related liability or equity associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised, then income is recognised for any difference between the recorded assets and liability.

All revenue is state net of the amount of goods and services tax (GST)

Revenue - prior to July 2019

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, had been satisfied.

Interest revenue is recognised over the period in which the funds were invested.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Non-reciprocal grant revenue in surplus or deficit when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If condition are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods or services tax (GST).

(m). Income Tax

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

(n). Reserves

Department Community Services Subsidy Reserve

The Department Community Services Subsidy Reserve represents the surplus of energy efficient subsidies set aside to be spent on this purpose in the future.

Restricted Reserve

Restricted reserves represent amounts not otherwise recorded in the financial statement for which the Association has set aside accumulated surpluses for specific purposes being either internal or external restrictions. The amount as at 30 June 2020 represents the amount of unspent grant funds for which there is no present obligation or liability.

(o). Economic dependence

The NILS Network of Tasmania Inc is dependent on funding providers for the majority of its revenue used to operate the business. At the date of this report the Board have no reason to believe the funding providers will not continue to supportThe NILS Network of Tasmania Inc

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(p) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(q) Critical Accounting Estimates and Judgments

The Association evaluate estimates and judgments incorporated into the financial report are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Association. However as additional information is known then the actual results may differ from the estimates.

The Association has made estimates and judgements when applying the accounting policies with respect to:

Revenue recognition

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions, review of the grant documents and consideration of the terms and conditions. Grants received by the Association have been accounted for under AASB 15 and/or AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

Right of Use Assets Lease Term

The Board considered the extension option on the buildings and have determined that due to the market rent reviews and the remaining term of the non-cancelable lease term, it is reasonably certain that the company will choose to exercise the option and therefore the lease payments that would arise during the optional extension periods has been included in the lease liability.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Loans Receivable ECL

The provision for expected credit losses has been made based upon the available information in the current uncertain economic circumstances. Given the dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic on the preparation of these financial statements, changes to the estimates and judgments that have been applied in the measurement of impairment may arise in the future. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cheque Account/Admin	1,129,132	210,898
Cash at Bank	676,028	1,068,056
Cheque Account - WPAC Loans	442,656	395,133
Cheque account - WPAC Micro Business Loans	62,730	36,881
Cheque Account - NAB (Subsidy)	3,864	113,504
Debit Card Westpac	-	2,700
Petty Cash	113	136
Debit Card NAB	43,792	8,483
Cheque Account - NAB (NILS)	(1,788,793)	(1,488,701)
	<u>569,522</u>	<u>347,090</u>

3 Other assets

	2020	2019
	\$	\$
Amounts in dispute	(2,508)	(1,540)
Rental bonds	4,833	4,833
	<u>2,325</u>	<u>3,293</u>

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Property, Plant and Equipment

	2020	2019
	\$	\$
Furniture, fixtures and fittings		
At cost	15,227	15,227
Accumulated depreciation	(13,875)	(12,692)
Total furniture, fixtures and fittings	<u>1,352</u>	<u>2,535</u>
Motor vehicles		
At cost	18,759	18,759
Accumulated depreciation	(13,168)	(11,305)
Total motor vehicles	<u>5,591</u>	<u>7,454</u>
Computer equipment		
At cost	58,500	58,500
Accumulated depreciation	(58,500)	(58,272)
Total computer equipment	<u>-</u>	<u>228</u>
Total plant and equipment	<u>6,943</u>	<u>10,217</u>
Total property, plant and equipment	<u><u>6,943</u></u>	<u><u>10,217</u></u>

5 Intangible Assets

	2020	2019
	\$	\$
Right of use asset	48,032	-
Accumulated amortisation	(36,948)	-
	<u>11,084</u>	<u>-</u>

6 Financial assets - loans receivable

	2020	2019
	\$	\$
Loans Microfinance	1,892,127	1,659,226
Provision for impairment Micro finance	(104,393)	(100,869)
Loans Micro Business	227,539	292,041
Provision for impairment Micro Business	(56,885)	(54,344)
MicroFinance yet to draw down	(9,655)	(14,271)
Micro Business yet to draw down	(16,393)	(38,788)
	<u>1,932,340</u>	<u>1,742,995</u>

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

7 Trade and Other Payables

	2020	2019
Note	\$	\$
Creditors	284,848	153,810
GST collected and paid	91,358	14,718
	<u>376,206</u>	<u>168,528</u>

8 Employee benefits

	2020	2019
	\$	\$
CURRENT		
Annual leave	40,459	31,071
Long service leave	12,083	31,613
	<u>52,542</u>	<u>62,684</u>
NON CURRENT		
Long service leave	29,744	33,269
	<u>82,286</u>	<u>95,953</u>

9 Cash Flow Information

(a) Reconciliation of cash

	2020	2019
	\$	\$
Cash at the end of the financial year as shown in the is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	2 <u>569,522</u>	<u>347,090</u>

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Cash Flow Information

(b). Reconciliation of result for the year to cashflows from operating activities

	2020	2019
	\$	\$
Surplus for the year	655,986	46,229
Non-cash flows in surplus/(deficit)		
- lease interest	976	-
- depreciation	44,997	15,415
Changes in assets and liabilities		
- (increase)/decrease in trade and other receivables	(2,450)	21,690
- (increase)/decrease in loans receivable	(414,943)	(9,406)
- (increase)/decrease in other assets	(194,628)	(93,807)
- increase/(decrease) in trade and other payables	207,679	(48,590)
- increase/(decrease) in employee benefits	(13,665)	33,763
- increase/(decrease) in other liabilities	(26,493)	10,215
Cashflow from operations	<u>257,459</u>	<u>(24,491)</u>

The NILS Network of Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Capital and Leasing Commitments

The only leasing commitment for the year ended 30 June 2020 is the annual rent for lease of the building accounted for under AASB 16 leases - refer also note 1 (g).

11 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor, Crowe Audit Australia - auditing or reviewing the financial statements	5,450	5,300

12 Contingent Liabilities and Contingent Assets

The Association has received grant funds with associated agreements whereby unexpended funds may be repayable to the funding provider in the future in the event of either cessation of the funded service or upon triggering of a repayment clause in a funding agreement. Any unspent grant funds relating to current funding agreements are separately set aside as a Restricted Reserve in equity.

In the opinion of the Board, the Association did not have any other contingencies at 30 June 2020 (30 June 2019: None).

13 Events After Balance Date

The Coronavirus (COVID-19) pandemic continues to impact both communities and businesses throughout the world, including Australia and the community where the Association operates. The scale, timing and duration of the potential impacts on the Association is unknown, as are any future mitigating factors. The Board continues to closely monitor the impacts of COVID-19 and will respond as appropriate.

There are no other subsequent events as at reporting date to be disclosed or adjusted for.

14 Association Details

The PO box of the association is located at:
NILS Network of Tasmania Inc
PO Box 132
Battery Point Tas 7004

The NILS Network of Tasmania Inc

Auditors' Independence Declaration under 60-40 of the Australian Charities and not-for-profits Commission Act 2012 (Cth)

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Audit Australia



Alison Flakemore
Senior Partner

Dated this 14th day of September 2020.

Hobart, Tasmania.

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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The NILS Network of Tasmania Inc

Independent Audit Report to the members of The NILS Network of Tasmania Inc

Opinion

We have audited the financial report of The NILS Network of Tasmania Inc (the Association), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the members of the Board.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, including:

- giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Board are responsible for the other information. The other information comprises the Board's Report the year ended 30 June 2020, 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 do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

The Board are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 Association's internal control.

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- 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association 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.

We 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 we identify during the audit.



Crowe Audit Australia



Alison Flakemore
Senior Partner

Dated this 25th day of September 2020.

Hobart, Tasmania.

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