

# **The NILS Network of Tasmania Inc**

**Financial Report**

**For the Year Ended 30 June 2021**

# The NILS Network of Tasmania Inc

## Contents

For the Year Ended 30 June 2021

	Page
<b>Financial Statements</b>	
Board Report	1
Board Declaration	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Auditors' Independence Declaration	19
Independent Audit Report	20

# The NILS Network of Tasmania Inc

## Board Report

30 June 2021

Your Board members submit the financial report of the Association for the financial year ended 30 June 2021.

### 1. General Information

#### Board members

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Stuart Foster	Chair	
Marla Giacon	Secretary	
Nicolette Quinn	Treasurer	
John Rowland	Board member	
Grant Russell	Board member	
Leanne Doherty	Board member	Resigned September 2020
Rachael French	Board member	Appointed October 2020
Kate Mirowski	Board member	Resigned September 2020
Martin Crane	Board member	Appointed December 2020
Tracey Tasker	Board member	Resigned September 2020
Jonathan Bedloe	Board member	Appointed October 2020 - Resigned May 2021
Michael Bishop	Board member	Appointed June 2021

#### Principal Activities

The principal activities of Association during the financial year were:

- To improve the standard of living of low income Tasmanians 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 of the Association for the financial year amounted to \$ 288,718 (2020: \$655,986).

# The NILS Network of Tasmania Inc

Board Report

30 June 2021

### 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:

NILS

  
.....

Dated this 10<sup>TH</sup> day of SEPTEMBER 2021.

NILS

  
.....

Dated this 10<sup>TH</sup> day of SEPTEMBER 2021.

# 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.


NILS



.....

Dated this 10th day of September 2021.

NILS



.....

Dated this 10th day of SEPTEMBER 2021.

# The NILS Network of Tasmania Inc

## Statement of Comprehensive Income

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>Income</b>		
Aurora funds income	94,345	88,540
Corporate support	55,000	77,391
DSG grant to clear loans write off	36,179	35,057
DSG income to apply to loan	63,821	14,943
Grants - DCS	1,195,305	1,160,522
Grants - Good Shepherd	345,190	343,190
Interest	555	12,869
NAB bad debt subsidies	-	47,556
NILS membership fees	291	282
Sundry Income	46,468	31,143
<b>Total Income</b>	<u>1,837,154</u>	<u>1,811,493</u>
<b>Less: Expenses</b>		
Accounting services	40,625	28,820
Administration	29,399	35,581
Bad debt expense	20,703	6,064
Bank & interest charges	2,880	1,186
Cleaning and general expense	6,490	4,394
Depreciation & amortisation	41,961	44,997
Advertising & marketing	109,720	23,652
Consultant fees	119,569	9,137
Energy efficient appliances program - subsidies paid out	-	70,250
Electricity & telephone	17,151	23,217
Due & subscriptions	1,863	2,339
Delivery & partner expense	56,926	27,645
Insurance	14,399	9,912
IT expenses	52,455	48,357
Loan write offs	77,760	67,457
Motor vehicle expenses	2,493	1,460
Meeting expense	5,011	10,842
Office equipment expense	29,249	18,910
Sundry expenses	497	969
Rent	9,030	1,921
Staff training & amenities	6,785	8,249
Wages & salaries	903,470	710,148
<b>Total Expenses</b>	<u>1,548,436</u>	<u>1,155,507</u>
<b>Net surplus for the year</b>	<u>288,718</u>	<u>655,986</u>
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the year</b>	<u><u>288,718</u></u>	<u><u>655,986</u></u>

The accompanying notes form part of these financial statements.

# The NILS Network of Tasmania Inc

## Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
Cash and cash equivalents	2	9,401	569,522
Trade and other receivables		21,620	3,050
Rental bond	3	4,833	4,833
Prepayments		(10)	6,248
Financial assets - loan receivables	6	2,462,887	1,932,340
Property, plant and equipment	4	4,677	6,943
Right of use asset	5	107,831	11,084
Intangibles		206	793
<b>TOTAL ASSETS</b>		<u>2,611,445</u>	<u>2,534,813</u>
<b>LIABILITIES</b>			
Trade and other payables	7	493,040	376,206
Employee benefits	8	49,664	82,286
Lease liability	9	107,285	14,543
Other liabilities	10	21,582	410,622
<b>TOTAL LIABILITIES</b>		<u>671,571</u>	<u>883,657</u>
<b>NET ASSETS</b>		<u>1,939,874</u>	<u>1,651,156</u>
<b>EQUITY</b>			
Restricted reserve	1(n)	785,894	572,452
Accumulated surpluses		1,153,980	1,078,704
<b>TOTAL EQUITY</b>		<u>1,939,874</u>	<u>1,651,156</u>

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 2021

2021

	Restricted reserve Aurora subsidy funds	Department of Communities COVID -19 Restricted reserve	Accumulated surpluses	Department Community Services subsidy reserve	Total
<b>Balance at 1 July 2020</b>	88,540	483,912	1,078,704	-	1,651,156
Transfer to/(from) reserves	94,346	119,096	(213,442)	-	-
Net surplus for the year	-	-	288,718	-	288,718
<b>Balance at 30 June 2021</b>	<u>182,886</u>	<u>603,008</u>	<u>1,153,980</u>	<u>-</u>	<u>1,939,874</u>

2020

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

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 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Repayments of DSG loan	(430,658)	(138,377)
Receipts from government	1,339,603	1,829,269
Receipts from corporate support, sponsorship & donation	636,067	126,114
Payments to suppliers & employees	(1,660,937)	(1,157,473)
Interest received	554	12,869
Net movement of loans	(399,749)	(414,943)
Net cash provided by/ (used in) operating activities	11(b) <u>(515,120)</u>	<u>257,459</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Purchase of property, plant & equipment	-	(560)
Net cash provided by/ (used by) investing activities	<u>-</u>	<u>(560)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liability	(45,001)	(34,467)
Net cash used by financing activities	<u>(45,001)</u>	<u>(34,467)</u>
Net increase/(decrease) in cash and cash equivalents held	(560,121)	222,432
Cash and cash equivalents at beginning of year	569,522	347,090
Cash and cash equivalents at end of financial year	11(a) <u>9,401</u>	<u>569,522</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 2021

The financial statements cover The NILS Network of Tasmania Inc as an individual entity, incorporated and domiciled in Australia. The NILS Network of Tasmania Inc is an association incorporated in Tasmania.

#### 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.

These special purpose financial statements comply with all the recognition and measurement requirements in Australian Standards. 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 2021

### 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 2021 the expected credit losses provision for impairment of Micro Finance Loans is 6.47% of the loans balance, representing the portion of loans that are currently not paying the loans, representing a return in Micro Finance credit quality to previous levels (2020: 5.5%). The COVID-19 financial supplements paid to NILS clients during 19-20 caused a marked improvement in credit quality for the 19-20 year. 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 2021 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 11.70% of the total Micro Business loans receivable (2020: 25%).

#### (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:

<b>Class of fixed asset</b>	<b>Depreciation rate</b>
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 2021

#### 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

*The NILS Network of Tasmania Inc as a lessee*

At lease commencement, The NILS Network of Tasmania Inc recognises a right of use asset and associated lease liability for the lease term. The lease term includes extension periods where The NILS Network of Tasmania Inc believes it is reasonably certain that the option will be exercised. Finance leases are recognised at an amount equal to the present value of the minimum lease payments determined at the inception of the lease or initial recognition in the case of first application of AASB 16 Leases.

The right of use asset using the cost model where cost on initial recognition comprises; the lease liability, initial direct cost, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. 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 asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease.

##### (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). New accounting standards for interpretations

The Association has adopted all standards which became effective for the first time for the year ending 30 June 2021, all required changes in respect of adopting these standards. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

##### New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Standard AASB 2020-1 Amendments to Australian Accounting Standards Classification of Liabilities as Current or Non-current amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. This standard applied to annual reporting periods beginning on or after 1 January 2022. The Association has decided against early adoption of this Standard.

# The NILS Network of Tasmania Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (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:

##### *Operating Grants/Subsidies - 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 within 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/Subsidies - Under AASB 1058*

Assets arising from grants in the 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 significantly below its fair value.

The Association then considers whether there are any related liability or equity items 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 asset and liability.

##### *Interest Revenue*

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

##### *Donations*

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).

#### (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.

# The NILS Network of Tasmania Inc

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 1 Summary of Significant Accounting Policies

##### (n). Reserves

###### *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 2021 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 organisation. At the date of this report the Board have no reason to believe the funding providers will not continue to support The NILS Network of Tasmania Inc.

##### (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 Judgements

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 Association 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.

# The NILS Network of Tasmania Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (q). Critical Accounting Estimates and Judgements

##### *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 judgements 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.

### 2 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cheque account/admin	1,037,122	1,129,132
Cash at bank	676,469	676,028
Cheque account - WPAC	153,300	442,656
Cheque account - WPAC Micro Business loans	12,843	62,730
Cheque Account - NAB (subsidy)	298,211	3,864
Petty cash	31	113
Debit card NAB	34,219	43,792
Cheque account - NAB (Micro Finance)	(2,202,794)	(1,788,793)
	<u>9,401</u>	<u>569,522</u>

The National Australia Bank (NAB), through our participation agreement with Good Shepherd ANZ, provide the lending capital for our Micro Finance loans in the form of an overdraft. The total overdraft facility at June 30 2021 for Micro Finance totalled \$3,262,749 and at June 30 we had utilised \$2,168,575. This gives significant headroom in lending capital for the year ahead.

### 3 Other assets

	2021	2020
	\$	\$
Rental bond	4,833	4,833
	<u>4,833</u>	<u>4,833</u>

# The NILS Network of Tasmania Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 4 Property, Plant and Equipment

	2021	2020
	\$	\$
Furniture, fixtures and fittings		
At cost	15,227	15,227
Accumulated depreciation	(14,743)	(13,875)
Total furniture, fixtures and fittings	<u>484</u>	<u>1,352</u>
Motor vehicles		
At cost	18,759	18,759
Accumulated depreciation	(14,566)	(13,168)
Total motor vehicles	<u>4,193</u>	<u>5,591</u>
Computer equipment		
At cost	58,500	58,500
Accumulated depreciation	(58,500)	(58,500)
Total plant and equipment	<u>4,677</u>	<u>6,943</u>
<b>Total property, plant and equipment</b>	<u><u>4,677</u></u>	<u><u>6,943</u></u>

### 5 Right of Use Assets

	2021	2020
	\$	\$
Right of use asset - Buildings	138,640	48,032
Accumulated amortisation	(30,809)	(36,948)
	<u>107,831</u>	<u>11,084</u>



# The NILS Network of Tasmania Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 6 Financial Assets - Loans Receivable

	2021	2020
	\$	\$
<b>Expected to be settled within 12 months</b>		
Loans Micro Finance	1,998,036	1,572,604
Micro Finance provision current	(128,555)	(89,642)
Loans Micro Business	175,253	169,017
Provision for impairment Micro Business	(21,152)	(47,423)
	<u>2,023,582</u>	<u>1,604,556</u>
<b>Not expected to be settled within 12 months</b>		
Loans Micro finance	408,428	309,867
Provision for impairment Micro Finance	(26,278)	(14,751)
Loans Micro business	65,000	42,130
Provision Micro business - Non current	(7,845)	(9,462)
	<u>439,305</u>	<u>327,784</u>
	<u>2,462,887</u>	<u>1,932,340</u>

### 7 Trade and Other Payables

	2021	2020
	\$	\$
<b>Expected to be settled within 12 months</b>		
Expected to be settled within 12 months	369,594	284,848
GST net payable	123,446	91,358
	<u>493,040</u>	<u>376,206</u>

### 8 Employee Benefits

	2021	2020
	\$	\$
<b>Expected to be settled within 12 months</b>		
Annual leave	27,719	40,459
Long service leave	-	12,083
	<u>27,719</u>	<u>52,542</u>
<b>Not expected to be settled within 12 months</b>		
Long service leave	21,945	29,744
	<u>49,664</u>	<u>82,286</u>

# The NILS Network of Tasmania Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 9 Lease liabilities

	2021	2020
	\$	\$
<b>Expected to be settled within 12 months</b>		
Lease liability	33,243	14,543
	<u>33,243</u>	<u>14,543</u>
<b>Not expected to be settled within 12 months</b>		
Lease liability	74,042	-
	<u>74,042</u>	<u>-</u>
	<u>107,285</u>	<u>14,543</u>

### 10 Other Liabilities

	2021	2020
	\$	\$
Refund owing	7,957	7,955
Other liabilities	11,229	410
Loan from Department of State Growth	-	399,749
Amounts in dispute	2,396	2,508
	<u>21,582</u>	<u>410,622</u>

### 11 Cash Flow Information

#### (a). Reconciliation of cash

	2021	2020
	\$	\$
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 9,401	569,522
	<u>9,401</u>	<u>569,522</u>

# The NILS Network of Tasmania Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 11 Cash Flow Information

#### (b). Reconciliation of result for the year to cash flows from operating activities

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Surplus for the year	288,718	655,986
Non-cash flows in surplus/(deficit)		
- lease interest	1,888	976
- depreciation	41,961	44,997
Changes in assets and liabilities		
- (increase)/decrease in trade and other receivables	(18,570)	(2,450)
- (increase)/decrease in loans receivable	(399,749)	(414,943)
- (increase)/decrease in other assets	(524,399)	(194,628)
- increase/(decrease) in trade and other payables	127,653	207,679
- increase/(decrease) in employee benefits	(32,622)	(13,665)
- increase/(decrease) in other liabilities	-	(26,493)
Cash flow from operations	<u>(515,120)</u>	<u>257,459</u>

### 12 Capital and Leasing Commitments

The only leasing commitment for the year ended 30 June 2021 is the annual rent for lease of the building accounted for under AASB 16 leases - refer also note 1 (g).

There are no capital commitments at 30 June 2021 (30 June 2020: Nil).

# The NILS Network of Tasmania Inc

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 13 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor, Crowe Audit Australia - auditing or reviewing the financial statements	6,490	5,450

### 14 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 2021 (30 June 2020: None).

### 15 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.

### 16 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 2021 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 2nd day of September 2021.

Hobart, Tasmania.

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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 2021, 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 2021 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 2021, 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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# The NILS Network of Tasmania Inc

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

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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## The NILS Network of Tasmania Inc

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

- 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*

### Crowe Audit Australia



Alison Flakemore  
**Senior Partner**

Dated this 14th day of September 2021.

Hobart, Tasmania.

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