

National ELT Accreditation Scheme Limited (NEAS)

ABN: 29 003 980 667

Financial Statements

For the Year Ended 30 June 2019

National ELT Accreditation Scheme Limited (NEAS)

ABN: 29 003 980 667

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National ELT Accreditation Scheme Limited (NEAS)

ABN: 29 003 980 667

Directors' Report

30 June 2019

The directors present their report on National ELT Accreditation Scheme Limited (NEAS) for the financial year ended 30 June 2019.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Ms Denise Taylor

Qualifications MEd, Grad Dip Sch Lib, Dip Tch, Cert Tch, FAICD.

Experience Independent Director

Mr Seamus Fagan

Qualifications BA, Higher Dip Ed, MA

Experience Director, University of Newcastle Language Center
Ceased to be a director 18/10/2018

Mr Lawrence Davies

Qualifications BComm, MComm (Prelim)

Experience Independent Director
Ceased to be a director 31/05/2019

Ms Christine Bundesen AM

Qualifications BA, MA, MACE, MAICD

Experience Principal cmbGlobal Consultancy Services

Ms Heather Thomas

Qualifications Master of Applied Linguistics (Managing Language Programs)

Experience University of Woollongong College

Ms Katherine Olston

Qualifications Master of Learning Sciences & Technology, IDTLM, Master of Fine Arts

Experience University of Sydney Centre for English Teaching
Appointed 18/10/2018

Mr David Yoo

Qualifications Master of Education (International Education)

Experience Australian Pacific College
Appointed 18/10/2018

Ms Tanya Buchanan

Qualifications BA Honours (English and Theatre Double Major, 1st class), BSc, MBA

Experience Independent Director
Appointed 01/05/2019

National ELT Accreditation Scheme Limited (NEAS)

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Directors' Report

30 June 2019

1. General information

Information on directors

Dr James Langridge

Qualifications

BBus, GradDipTertEd, MEdAdmin, DBA, GAICD

Experience

Independent Director

Appointed 01/05/2019

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

Principal activities

The principal activity of National ELT Accreditation Scheme Limited (NEAS) during the financial year was providing quality assurance services to colleges and monitoring them for the maintenance of quality assurance in English Language Teaching.

No significant changes in the nature of the Company's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to \$ 115,350 (2018: loss of \$373,406).

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show that the Company has managed to reduce the year on year loss following a period of cost saving measures.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters or circumstances arising after the end of the year

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

There are no future developments.

Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

National ELT Accreditation Scheme Limited (NEAS)

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Directors' Report

30 June 2019

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Mr Patrick Pheasant (Master of Education, Graduate Certificate of Change Management) has been the company secretary since October 2016.

Meetings of directors

During the financial year, 7 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Board Meetings		Audit and Investment Committee		Board Recruitment and Selection Committee		CEO Performance Review Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ms Denise Taylor	7	7	2	1	2	2	2	1
Mr Seamus Fagan	2	2	-	-	-	-	-	-
Mr Lawrence Davies	6	5	2	2	2	2	-	-
Ms Christine Bundesen AM	7	7	-	-	-	-	2	2
Ms Heather Thomas	7	7	-	-	-	-	2	2
Ms Katherine Olston	5	4	-	-	2	2	-	-
Mr David Yoo	5	5	2	2	-	-	-	-
Ms Tanya Buchanan	1	1	-	-	-	-	-	-
Dr James Langridge	1	1	-	-	-	-	2	2

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of National ELT Accreditation Scheme Limited (NEAS).

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

Director:

Director:

Dated this day of 2019

National ELT Accreditation Scheme Limited (NEAS)

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	3	1,242,448	1,220,214
Employee benefits expense		(749,171)	(898,297)
Audit and accounting		(17,934)	(19,563)
Depreciation, amortisation and impairment expense		(21,268)	(15,556)
Advertising, promotional and marketing		(23,216)	(35,546)
Board fees		(58,104)	(73,638)
Conference expenses		(239,398)	(228,822)
Insurance		(7,185)	(6,348)
Rent		(88,212)	(84,263)
Travel and accomodation		(62,086)	(103,770)
Other expenses		(91,224)	(127,817)
Loss before income tax		(115,350)	(373,406)
Income tax expense		-	-
Loss for the year		(115,350)	(373,406)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(115,350)	(373,406)

The accompanying notes form part of these financial statements.

National ELT Accreditation Scheme Limited (NEAS)

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Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	179,714	218,817
Trade and other receivables	7	98,091	203,712
Other financial assets	8	966,926	1,012,626
Other assets	11	31,859	4,555
TOTAL CURRENT ASSETS		1,276,590	1,439,710
NON-CURRENT ASSETS			
Property, plant and equipment	9	17,492	33,402
Intangible assets	10	3,853	7,604
TOTAL NON-CURRENT ASSETS		21,345	41,006
TOTAL ASSETS		1,297,935	1,480,716
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	82,550	89,919
Employee benefits	14	63,143	55,112
Other financial liabilities	13	111,423	179,516
TOTAL CURRENT LIABILITIES		257,116	324,547
TOTAL LIABILITIES		257,116	324,547
NET ASSETS		1,040,819	1,156,169
EQUITY			
Retained earnings		1,040,819	1,156,169
TOTAL EQUITY		1,040,819	1,156,169

The accompanying notes form part of these financial statements.

National ELT Accreditation Scheme Limited (NEAS)

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Statement of Changes in Equity For the Year Ended 30 June 2019

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	<u>1,156,169</u>	<u>1,156,169</u>
Loss attributable to members of the parent entity	<u>(115,350)</u>	<u>(115,350)</u>
Balance at 30 June 2019	<u><u>1,040,819</u></u>	<u><u>1,040,819</u></u>

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	<u>1,529,575</u>	<u>1,529,575</u>
Loss attributable to members of the parent entity	<u>(373,406)</u>	<u>(373,406)</u>
Balance at 30 June 2018	<u><u>1,156,169</u></u>	<u><u>1,156,169</u></u>

The accompanying notes form part of these financial statements.

National ELT Accreditation Scheme Limited (NEAS)

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Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,296,119	1,280,690
Payments to suppliers and employees	(1,469,287)	(1,592,943)
Dividends received	31,961	6,573
Interest received	3,711	4,926
Net cash provided by/(used in) operating activities	18 <u>(137,496)</u>	<u>(300,754)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment	100,000	84,183
Purchase of property, plant and equipment	(1,607)	(4,778)
Net cash provided by/(used in) investing activities	<u>98,393</u>	<u>79,405</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(39,103)	(221,349)
Cash and cash equivalents at beginning of year	218,817	440,166
Cash and cash equivalents at end of financial year	6 <u>179,714</u>	<u>218,817</u>

The accompanying notes form part of these financial statements.

National ELT Accreditation Scheme Limited (NEAS)

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Notes to the Financial Statements For the Year Ended 30 June 2019

The financial report covers National ELT Accreditation Scheme Limited (NEAS) as an individual entity. National ELT Accreditation Scheme Limited (NEAS) is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of National ELT Accreditation Scheme Limited (NEAS) is Australian dollars.

The financial report was authorised for issue by the Directors on 05 September 2019.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Directors opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the Australian Charities and Not-for-Profits Commissions Act 2012.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from Income Tax under Section 50-5 of the Income tax Assessment Act 1997. It is noted that Company is also a charity registered with the ACNC.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(c) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

National ELT Accreditation Scheme Limited (NEAS)

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Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(c) Property, plant and equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	10%
Computer Equipment	25 - 33.33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

(e) Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(e) Intangibles

Amortisation

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Employee benefits

Provision is made for the Company'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.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

New Accounting Standard and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

(h) Revenue and other income

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 Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Application for accreditation and assurance fees

The accreditation and assurance application fees are recognised as revenue on receipt of the application and commencement of the assessment process.

Annual accreditation assurance fees

Annual accreditation fees are recognised as revenue when the annual renewal becomes due. Fees received in advance of the renewal date are carried forward in the statement of financial position as deferred income.

National ELT Accreditation Scheme Limited (NEAS)

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Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(h) Revenue and other income Membership fees

The membership subscription year runs from when the annual assurance renewal becomes due, and is included in the annual assurance fee. Membership fees are recognised as revenue in the period to which the fees related. Membership fees received in advance of the period to which they relate are carried forward in the statement of financial position as deferred income.

Interest revenue

Interest is recognised using the effective interest method.

Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

(i) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

3 Revenue and Other Income

	2019	2018
	\$	\$
Fees received	892,716	866,914
ELT management conference income	280,233	297,319
	<u>1,172,949</u>	<u>1,164,233</u>
Finance income		
- other interest received	3,711	4,926
- dividend income	31,961	6,573
- Net gain arising on financial assets designated as at FVTPL	33,827	44,452
	<u>69,499</u>	<u>55,951</u>
Finance income	<u>69,499</u>	<u>55,951</u>
Total Revenue	<u>1,242,448</u>	<u>1,220,184</u>

National ELT Accreditation Scheme Limited (NEAS)

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Notes to the Financial Statements For the Year Ended 30 June 2019

4 Result for the Year

The result for the year was derived after charging the following items:

	2019	2018
	\$	\$
Impairment of receivables:		
- Bad debts	4,327	-
	<u>4,327</u>	<u>-</u>
Other Expenses		
- Computer and IT Expenses	19,741	25,872
- Printing and Photocopying	18,848	40,569
- Telecommunications	10,655	12,054
- Office and General Expenses	13,358	25,848
- Electricity	3,834	3,615
- Bank Charges	20,461	18,389
- Legal Fees	-	970
- Donations	-	500
	<u>86,897</u>	<u>127,817</u>

5 Auditors' Remuneration

	2019	2018
	\$	\$
Remuneration of the auditor of the entity, Bentleys NSW Audit Pty Ltd, for:		
- auditing or reviewing the financial statements	16,300	16,000
	<u>16,300</u>	<u>16,000</u>

6 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	179,714	218,817
	<u>179,714</u>	<u>218,817</u>

7 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	95,863	203,712
GST receivable	2,228	-
	<u>98,091</u>	<u>203,712</u>

National ELT Accreditation Scheme Limited (NEAS)

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Notes to the Financial Statements For the Year Ended 30 June 2019

8 Other Financial Assets

(a) Financial assets at fair value through profit or loss

	2019	2018
	\$	\$
CURRENT		
Listed shares	920,553	903,442
Other financial assets	46,373	109,184
Total	966,926	1,012,626

9 Property, plant and equipment

Plant and equipment		
At cost	115,557	113,950
Accumulated depreciation	(100,179)	(92,886)
Accumulated impairment losses	(8,328)	-
Total plant and equipment	7,050	21,064
Leasehold Improvements		
At cost	18,998	18,998
Accumulated amortisation	(8,556)	(6,660)
Total leasehold improvements	10,442	12,338
Total property, plant and equipment	17,492	33,402

(a) 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 financial year:

	Plant and Equipment	Leasehold Improvements	Total
	\$	\$	\$
Year ended 30 June 2019			
Balance at the beginning of the year	21,064	12,338	33,402
Additions	1,607	-	1,607
Depreciation expense	(7,293)	(1,896)	(9,189)
Impairment loss	(8,328)	-	(8,328)
Balance at the end of the year	7,050	10,442	17,492

National ELT Accreditation Scheme Limited (NEAS)

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Notes to the Financial Statements For the Year Ended 30 June 2019

10 Intangible Assets

	2019	2018
	\$	\$
Computer software		
Cost	44,439	44,439
Accumulated amortisation and impairment	(40,586)	(36,835)
Total Intangibles	3,853	7,604

11 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	31,859	4,555
	31,859	4,555

12 Trade and Other Payables

	2019	2018
	\$	\$
Current		
Trade payables	54,410	56,038
GST payable	-	7,307
Other payables and accrued expenses	28,140	26,574
	82,550	89,919

13 Other Financial Liabilities

	2019	2018
	\$	\$
CURRENT		
Deferred income	111,423	179,516
Total	111,423	179,516

14 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Provision for long service leave	19,198	16,861
Provision for annual leave	43,945	38,251
	63,143	55,112

National ELT Accreditation Scheme Limited (NEAS)

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Notes to the Financial Statements For the Year Ended 30 June 2019

15 Leasing Commitments

(a) Operating leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	14,105	48,360
- between one year and five years	-	14,105
	<u>14,105</u>	<u>62,465</u>

16 Related Parties

(a) The Company's main related parties are as follows:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

Directors can be employees of the member organisations. These organisations paid their annual accreditation fees. The fees charged are on the same terms and conditions applicable to all other members.

The directors received fees totalling \$46,668 (2018: \$53,088) in the performance of their duties.

17 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstandings and obligations of the Company. At 30 June 2019 the number of members was 224 (2018: 53).

National ELT Accreditation Scheme Limited (NEAS)

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Notes to the Financial Statements For the Year Ended 30 June 2019

18 Cash Flow Information

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

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Loss for the year	(115,350)	(373,406)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	12,940	15,556
- impairment of property, plant and equipment	8,328	-
- fair value movements on investments	(33,827)	(44,452)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	107,849	28,440
- (increase)/decrease in other assets	(50,005)	6,683
- increase/(decrease) in income in advance	(68,093)	83,432
- increase/(decrease) in trade and other payables	(7,369)	(25,324)
- increase/(decrease) in employee benefits	8,031	8,317
Cashflows from operations	<u>(137,496)</u>	<u>(300,754)</u>

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018:None).

20 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

21 Company details

The registered office and principal place of business of the company is:

National ELT Accreditation Scheme Limited (NEAS)
Suite 202, Level 2,
213-219 Miller Street,
NORTH SYDNEY, NSW, 2060

National ELT Accreditation Scheme Limited (NEAS)

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Directors' Declaration

The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 of the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 17, are in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date and is in accordance with the accounting policy described in Note 2 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director

Director

Dated

National ELT Accreditation Scheme Limited (NEAS)

Independent Audit Report to the members of National ELT Accreditation Scheme Limited (NEAS)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of National ELT Accreditation Scheme Limited (NEAS) (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other 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 directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Division 60 of the *Australian Charities and Not-for-Profits Commissions Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-Profits Commissions Act 2012* 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commissions Act 2012* and is appropriate to meet the needs of the members. The directors' responsibilities also includes such internal control as the directors determine necessary to enable the preparation of the 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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

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up to the date of our auditor's report. However, future events or conditions may cause the Company 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 directors 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 our audit.

ROBERT EVETT
Director
Sydney

BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

Dated: