

NEAS AUSTRALIA ANNUAL REPORT 2020



NEAS AUSTRALIA GLOBAL LEADER

Since 1990, NEAS has advanced quality education through its quality assurance services and continues to lead the way in developing, supporting and promoting continuous improvement throughout the education community.

NEAS Australia is the global leader in quality assurance for the English Language Teaching community, quality assuring English language teaching provision across higher education, vocational education and training, high school and independent ELICOS providers. NEAS' approach to quality assurance is grounded in the NEAS Quality Assurance Framework, the standards that guide providers in meeting and exceeding their quality goals.

NEAS Australia's proven expertise in independent quality assurance is being embraced throughout the wider education community. Providers of ELT qualifications, education agents and a range of other service providers have engaged NEAS Australia as their independent quality assurer of choice.

In addition to the Quality Assurance Framework, NEAS' robust quality assurance process embeds stakeholder feedback, giving providers valuable feedback and assurance.

NEAS' quality assurance services include Quality Review Visits, professional development for all staff through NEAS Online, the Quality Learning Series of workshops and webinars, information, news and networking through NEAS News, the NEAS website and the NEAS Management Conference as well as a range of other services such as NEAS Assist and NEAS Premium Product Endorsement.

VISION NEAS IS THE GLOBAL LEADER IN QUALITY ASSURANCE FOR THE ENGLISH LANGUAGE TEACHING COMMUNITY.

MISSION NEAS ADVANCES EDUCATION BY PROVIDING QUALITY ASSURANCE SERVICES FOR EVERYONE IN THE ENGLISH LANGUAGE TEACHING COMMUNITY.

NEAS PRINCIPLES & GOALS

Quality Assurance

Principle: Quality is at the heart of everything we do.

Goal: Build industry capacity through strategic interventions that foster growth, sustainability, innovation and best practice in English Language Teaching.

Goal: Deliver a total customer satisfaction promise through a member oriented service culture.

Goal: Enhance service quality to ensure competitive advantage and complementary positioning with other Quality Assurance organisations.

Scope and Recognition

Principle: We are the global leaders and innovators in quality assurance.

Goal: Grow and maintain membership globally.

Goal: Grow and maintain the NEAS brand portfolio to encompass a depth and breadth of products and services, thereby increasing recognition, reputation and global awareness of NEAS.

Goal: Take a global leadership role in the driving of quality in teaching and learning.

Partnerships

Principle: Strategic engagement underpins our services. We position for purpose.

Goal: Engage in complementary relationships with Commonwealth and other government regulators for the benefit of learners and providers.

Goal: Achieve productive working relationships with complementary peak bodies.

Goal: Lead global network of quality assurance organisations.

People and Culture

Principle: We strive for excellence, we listen, we learn. We are here to make a difference.

Goal: Ensure all assets and resources within NEAS are aligned and support NEAS mission.

Goal: Empower stakeholders through professional development, continuous engagement, reflective practice and open communication.

Goal: Communicate and demonstrate international leadership in a culture of quality.

NEAS NOW

30 years celebrating independent and specialist Quality Assurance in ELT in Australia.

Globally Benchmarked Quality Assurance Framework required for all NEAS members.

167 member centres in Australia in all states and territories (except ACT).

Members in all international education sectors (ELICOS, Higher Education, VET, High School and Online).

57 Australian member or member-affiliated offshore centres in ASEAN and UAE.

50+ events, workshops, webinars and online courses available.

2019-2020 KEY ACHIEVEMENTS

NEAS Quality Assurance

NEAS advances education by providing independent quality assurance services to everyone in the English Language Teaching (ELT) community. The research report, Mapping of The English Language Teaching Landscape 2019, released in November, provides qualitative and quantitative analysis of the impact NEAS quality assurance has on the ELT sector and demonstrates the value NEAS Endorsement brings to teaching, learning and assessment and the student experience. The report highlights the significant role NEAS has played in promoting and stimulating best practices by ELT providers.

Not limiting its valuable contribution to ELT providers alone, NEAS recognises the vital role of a range of key stakeholders in the ELT community and has in 2019-20 continued to expand its Quality Assurance Framework to enable a wider range of stakeholders the opportunity to engage in independent quality assurance. The addition of new Quality Areas; Education Agents; Products and Services, and ELT Professionals strengthens the sector's ability to set, meet and exceed quality goals in the provision of services to international students.

NEAS Professional Development

NEAS supports continuing professional development for everyone in the ELT community by making NEAS PD relevant, accessible and supportive. NEAS has expanded its NEAS Online suite of core courses to seven, each aligning to a NEAS Quality Principle. NEAS Online core courses are free to NEAS members and offer the ELT community relevant information, useful resources and practical exercises in a self-paced mode which directly support the community's professional practices. By aligning to a NEAS Quality Principle, each core course supports the ELT professional in meeting and exceeding their quality assurance goals.

In addition, NEAS delivers webinars and workshops on contemporary areas of professional practice and interest. These are designed to promote and support continuous improvement across the range and scope of service delivery in the ELT sector as well as providing promoting engagement and networking opportunities amongst professional peers and communities of practice.

COVID-19 Response

NEAS' response to COVID-19 demonstrates its agility and resilience by continuing to provide world class quality assurance services whilst protecting the health and well-being of the ELT community.

The unprecedented impact of the COVID-19 coronavirus pandemic on the international education industry in the 2020 calendar year has seen worldwide impacts on health, the economy and society. As a result of the significant impacts on international education, particularly in terms of the consequences of widespread lockdowns on students' ability to travel to their education destination, NEAS developed and deployed its Respond, Revive and Thrive Plan. Phase one, Respond, was rolled out in the last quarter of the year, and saw NEAS transform its services to enable it to support a transformed education community through:

- streamlining its quality assurance processes into a user-friendly online format
- strengthening professional development through the development of a new series of specialised NEAS Online courses, each designed to support professional practice
- launching additional services for the wider ELT community.

NEAS IS
THE GLOBAL
LEADER IN
QUALITY
ASSURANCE
IN ELT



MESSAGE FROM THE CHAIR OF THE BOARD AND CHIEF EXECUTIVE OFFICER

As we celebrate 30 years of quality assurance services to the English Language Teaching (ELT) community, NEAS Australia continues to advance education despite the extraordinary challenges we have all faced in 2019-20.

Devastating bushfires followed by the unprecedented COVID-19 coronavirus pandemic have profoundly impacted the international education industry both in Australia and world-wide. Governments across the globe attempted to curtail the spread of COVID-19, preventing international students from commencing, continuing and completing their learning journeys, resulting in historic disruptions to the activities of the ELT community.

NEAS' response has been to ensure that the well-being of all its stakeholders remains at the core of its mission by continuing to support and empower everyone in the ELT community to advance their quality goals.

The foundation of the NEAS Quality Endorsement process is its stakeholder driven feedback model deriving inputs from students, teachers, marketing and professional staff through anonymous surveys and focus groups. At its very core, NEAS Quality Endorsement is grounded by the NEAS Quality Assurance Framework which evolves and expands to reflect the needs and innovations of the ELT community and education industry. This year, Quality Areas in Education Agents, Products and Services, and ELT Professionals were added to the Framework. By expanding the reach of quality areas, a wider range of stakeholders is given the opportunity to engage in independent quality assurance, thereby strengthening the international education sector as a whole.

At the very heart of NEAS Australia's approach to independent quality assurance is the provision of services that empower both people and organisations in the ELT community. NEAS quality assurance services comprise quality reviews, professional development and fit-for-purpose complementary services such as NEAS Assist, NEAS Health Checks, NEAS Benchmarking and NEAS Premium Product Endorsement. Annual quality reviews undertaken with NEAS Quality Assessors comprising real-time quality review visits or self-assessments numbered 84 in total prior

to the widespread lockdowns resulting from the pandemic.

Throughout 2019-20, NEAS continued to offer free professional development to its members through Quality Learning Series workshops, webinars and NEAS Online courses. Before the impact of COVID-19, NEAS delivered 12 face to face Quality Learning Series workshops to close to 200 participants. An equal number of online workshops and webinars, attended by 400 participants, were delivered throughout the year on a range of topics aligned to the NEAS Quality Assurance Framework.

NEAS' global activities continued throughout the year, witnessing a 6% increase in international centres achieving NEAS Quality Endorsement. NEAS actively participated in a range of international activities including the annual QALEN (Quality Assurance Language Education Network) symposium held in Manchester, UK, at which the nine specialist ELT quality assurance organisations benchmark their procedures and policies.

NEAS continues to work collaboratively and closely with Australian stakeholders such as English Australia, University English Centres Australia (UECA), the Independent Tertiary Education Council of Australia (ITECA), the International Education Association of Australia (IEAA) and the International Student Education Agents Association (ISEAA), and government departments and authorities such as the Australian Skills Quality Authority (ASQA) and the Tertiary Education Quality and Standards Agency (TEQSA).

Over its 30 years of operation, NEAS has earned an enviable reputation as a leader in the provision of quality assurance services. The November release of the research report, Mapping of The English Language Teaching Landscape 2019, highlighted the significant role NEAS has played in promoting and stimulating best practices by ELT providers. The report presents qualitative and quantitative analysis of the impact NEAS quality assurance has on the ELT sector and demonstrates the value NEAS Endorsement brings to teaching, learning and assessment and the student experience.

NEAS has not been immune to the unprecedented impacts of the COVID-19 coronavirus pandemic. NEAS demonstrated its agility and resilience by developing and deploying the Respond, Revive and Thrive

Plan. Phase one, Respond, was rolled out in the last quarter of the year, and saw NEAS transform its services to enable it to support a transformed education community through streamlining, adapting and expanding its services.

All of this has been possible through the dedication, hard work and resilience of the NEAS Executive Team and Assessors, the support of the NEAS Advisory Council and the governance of the NEAS Board of Directors.

On behalf of the Board and NEAS team, we thank the members of NEAS and the ELT community who continue to share our values in advancing quality goals, engage in our processes and support our continuing endeavours to advance and empower the ELT community and global education and training, particularly through the current challenging circumstances.



Tanya Buchanan
Chair



Patrick Pheasant
Chief Executive Officer

PEOPLE AT NEAS AUSTRALIA

Board of Directors



Tanya Buchanan
Chair



Christine Bundesen AM
Director



Heather Thomas
Director



David Yoo
Director



Katherine Olston
Director



Dr James Langridge
Director

Staff



Dr Patrick Pheasant
Chief Executive Officer



Ana Bratkovic
General Manager



Benjamin Colthorpe
Operations Manager



Cameron Heath
Member Services Officer



Jacky Ronan
Executive Assistant to the CEO

Quality Assessors



Darren Brookes
Quality Assessor



Debbie Kemish
Quality Assessor



Denver Craig
Quality Assessor



Rufus James
Quality Assessor



Dr Stephen Howlett
Quality Assessor



David Hill
Quality Assessor



Peetra Lechte
Quality Assessor



Lynda Beagle
Quality Assessor



Diane Price
Quality Assessor



Marion Bagot
Quality Assessor

Advisory Council



David Hill (Convenor)
ELT Support Services



Ivano Buoro
TAFE NSW



Heidi Reid
Times Academy



VISAL SOU
IDP Education Cambodia



Natalie Dipsellas
Academy of English



Michael Bos
Moreton Bay College



Kit Perry
Townsville International
English School



Dr Pamela Humphreys
Macquarie Uni Int. College and
English Language Centre



Jason West
UTS Insearch



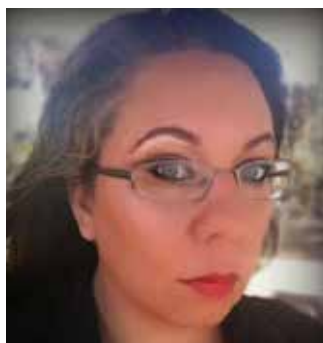
Jakki Postlethwaite
Explore English



Youngeun Song
Australian Pacific College



Dr Alexander Nanni
Mahidol University International
College



Nicki Blake
Kaplan International Languages

2019-2020 ACTIVITIES

NEAS Quality Assurance Framework and Activity Summary

NEAS provides Quality Assurance services and support through its unique stakeholder-driven feedback model of Quality Endorsement. The cornerstone of all Quality Assurance activities is the NEAS Quality Assurance Framework which has been expanded in response to the growth in online and blended learning and to reflect NEAS' extended support of the broader ELT community.

The Framework comprises the key areas:

- A. Teaching, Learning and Assessment
- B. The Student Experience
- C. Resources and Facilities
- D. Administration, Management and Staffing
- E. Promotion and Student Recruitment
- F. Welfare of Students Aged Under 18 Years
- G. Strategy, Risk and Governance
- H. Online Delivery
- I. ELT Qualifications
- J. Education Agents
- K. Products and Services
- L. ELT Professionals

Between 1 July 2019 and 18 March 2020, 46 Quality Review Visits for ELT Centres were conducted and 38 Self Assessments were completed. NEAS' Quality Review cycle was suspended from 18 March 2020 - 30 June 2020 to assist members with supporting their students and staff during the first wave of the COVID-19 pandemic.

The ongoing process for maintaining NEAS Quality Endorsement has been streamlined and made more agile to meet the diverse quality assurance needs of our members.

Providers participate in a biennial Quality Review cycle, alternating between two requisite activities; A Quality Review Visit, either onsite or virtual and an online Self Assessment. NEAS has developed a suite of Health Checks against each area of the Quality Assurance Framework, which may serve as quick and helpful diagnostic tools to support members with completing NEAS Quality Review activities and to serve as a guide for ongoing continuous improvement initiatives.

NEAS Quality Learning Series (QLS)

The NEAS Quality Learning Series (QLS) provides professional development and networking opportunities for the ELT community. In its sixth year and sponsored by IELTS and University of Queensland, the QLS provides face to face and online workshops in areas identified through NEAS' quality assurance activities.

QLS workshops align to the Quality Areas of the NEAS Quality Assurance Framework and offer solutions to professionals who are working towards developing and innovating their quality goals. The workshops are aimed at business owners, Principal Administrators, Academic Managers, Professional Staff and academic professionals. Feedback from participants was overwhelmingly positive with over 90% indicating that the sessions assist them in their day to day jobs as well as give them valuable networking and sharing opportunities.

QLS workshops are offered free to NEAS members thanks to the generosity of NEAS Endorsed centres who agree to host the workshops. This year, QLS workshops were delivered in Adelaide, Bangkok, Cairns, Hobart and Sydney and our thanks go to University of Adelaide College, James Cook University College, Deakin University English Language Institute, Mahidol University International College, University of Tasmania English Language Centre, Macquarie University English Language Centre.

NEAS Premium Product Endorsement

NEAS Premium Product Endorsement provides centres the opportunity to showcase and seek recognition for unique and innovative products and services.

Since its inception, NEAS Premium Product Endorsement has facilitated expert review and feedback and prestigiously recognised 16 individual products. Providers of these products receive the gold Premium Product logo and badge and are eligible for the NEAS Premium Product Showcase at the NEAS Management Conference.

Endorsed Premium Products include;

- CELT Academic English and Study Skills Bridging Course, University of Western Australia
- CET Connect, The University of Sydney Centre for English Teaching
- EAP Teacher Training, The University of Sydney Centre for English Teaching
- Academic Skills for University Success MOOC Specialization, The University of Sydney Centre for English Teaching
- Student Experience Passport, The University of Newcastle
- OET Preparation Course, Sydney College of English
- Tools for English (KITE), Kaplan International
- High School Preparation Program, John Paul College
- Cambridge English CELTA, International House Sydney
- English For Teens, International House Sydney
- International Diploma in Language Teaching Management (IDLTM), ICTE, University of Queensland
- Intrinsic's Eric the AI, Explore English
- Everyday English Course, English Unlimited
- OET Test Preparation Course, E2Language
- CPD Program, Curtin English
- Intensive English + Test Preparation (IETP) Course, Citipointe Christian College International

Advocacy

NEAS continues a strong collaborative relationship with regulatory authorities, ASQA and TEQSA, engaging in ongoing information sharing and dialogue. NEAS

provides audit services to ASQA as a member of the ASQA Panel of Audit Services. This involves conducting ELICOS audits on behalf of ASQA for vocational and stand-alone ELICOS registered providers. This year, NEAS advocacy has had a primarily government focus in order to open dialogue and raise awareness about issues faced in the Australian ELT sector. NEAS writes regularly to Members of Parliament, and will invite them to an industry roundtable event that is planned for the near future. We have partnered with and provided support to a number of peers in the ELT sector to deliver projects, provide counsel and develop frameworks. As a not-for-profit, NEAS continually seeks funding opportunities through a range of grants (government or otherwise), for which we submitted several applications this year.

NEAS International

As at 30 June 2020, NEAS had a total of 56 international Centres, representing around 28% of NEAS total Endorsed Centres.

	FY2019	FY2020
Vietnam	38	44
Cambodia	5	5
Indonesia	4	1
Singapore	1	1
UAE	1	1
Thailand	1	1
Malaysia	3	3

NEAS ELT Qualifications

Through the provision of its quality assurance services to ELT providers, NEAS has always had a role in assessing ELT qualifications and providing information and advice to a wide range of stakeholders regarding the quality of a variety of ELT Qualifications on offer both in Australia and internationally. NEAS continues to offer Quality Endorsement of TESOL programs and other ELT Qualifications, based upon the Quality Principles of Area I - ELT Qualifications.

Endorsement is offered to current NEAS members and affiliates as well as non-NEAS members delivering ELT qualifications globally. Providers offering Postgraduate programs in TESOL or Applied Linguistics, Undergraduate programs majoring in TESOL, Certificate IV or Diploma in TESOL, CELTA, Delta or other ELT qualifications are eligible to apply.

Current Endorsed ELT qualifications include;

- Master of TESOL, Griffith University Faculty of Humanities, Language and Social Science
- Graduate Certificate in TESOL, Macquarie University Department of Linguistics
- Master of Applied Linguistics and TESOL, Macquarie University Department of Linguistics
- Certificate IV in TESOL, TAFE Queensland
- Diploma in TESOL, TAFE Queensland
- Cambridge Certificate in Teaching English to Speakers of Other Languages (CELTA), The University of Queensland (ICTE-UQ)

NEAS Associate Membership

Associate Membership develops and inspires stakeholders in the community through building connections in the NEAS community. In 2019-20, 22 members from locations throughout Australia joined NEAS Australia as an Associate Member. These members enjoy the benefits of Associate Membership such as NEAS Online professional development and networking opportunities, and are beacons for others to join.

CONFERENCES

Dates	Conference	Presenter
17/7/2019	CISA CONFERENCE, Perth	Patrick Pheasant
26/7/2019	VUS TESOL Conference, HCMC, Vietnam	Ana Bratkovic
21/08/2019	ITECA Conference, Gold Coast	Patrick Pheasant
7/09/2019	Sydney TESOL Colloquium	Patrick Pheasant
16/09/2019	SYMPLED, Melbourne	Patrick Pheasant
18/09/2019	English Australia Conference, Melbourne	Patrick Pheasant
15/10/2019	AIEC, Perth	Patrick Pheasant, Ana Bratkovic
26/10/2019	UECA PD FEST, Melbourne	Ana Bratkovic
7/11/2019	QALen, Manchester, UK	Patrick Pheasant
3/11/2019	ICEF, Berlin, Germany	Patrick Pheasant
18/11/2019	Australia ASEAN Education Dialogue, Penang, Malaysia	Ana Bratkovic
27/11/2019	TEQSA Conference, Melbourne	Patrick Pheasant
30/11/2019	TESOL NET, Brisbane	Ana Bratkovic
13/12/2019	ISANA, Melbourne	Ana Bratkovic
8/02/2020	CamTESOL, Phnom Penh, Cambodia	Patrick Pheasant

PROFESSIONAL DEVELOPMENT FOR THE ELT SECTOR

5/07/2019	Drama in ELT	Adelaide
5/07/2019	Leadership in ELT	Adelaide
13/07/2019	Assessment Symposium	Brisbane
13/09/2019	Drama in ELT	Sydney
13/09/2019	Leadership in ELT	Sydney
4/10/2019	Drama in ELT	Melbourne
4/10/2019	Leadership in ELT	Melbourne
11/10/2019	Drama in ELT	Cairns
11/10/2019	Leadership in ELT	Cairns
11/10/2019	Change Management	Hobart
11/10/2019	Increasing Student Learner Autonomy	Hobart
23/10/2019	Benchmarking Toolbox Webinar	Online
27/11/2019	Staffing Toolbox Webinar	Online
11/02/2020	Leadership in ELT	Bangkok
26/02/2020	PD Webinar	Online
6/03/2020	Quality Assurance 101	Sydney
25/03/2020	COVID-19 Response Webinar	Online
27/03/2020	Quality Assurance 101 Webinar	Online
3/04/2020	Engaging 21st Century Learners Webinar	Online
8/05/2020	Emerging Leadership in ELT Webinar	Online
27/05/2020	Assessment Toolbox Webinar	Online
12/06/2020	High School Preparation Online QLS	Online
24/06/2020	Building a Culture of Quality Webinar	Online

DIRECTORS' REPORT

30 JUNE 2020

The directors present their report on National ELT Accreditation Scheme Limited (NEAS) for the financial year ended 30 June 2020.

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

Ceased to be a Director 20 March 2020

Ms Christine Bundesen AM

Qualifications BA, MA, MACE, MAICD

Experience Principal cmbGlobal Consultancy Services

Ms Heather Thomas

Qualifications BA, DipEd, M App Ling, CELTA, GAICD

Experience UOW College

Ms Katherine Olston

Qualifications MLearnSciTech, IDTLM, MFA

Experience University of Sydney Centre for English Teaching

Mr David Yoo

Qualifications Cert IV Assessment and Training, BAgEc (Hons), GradCert Accounting, MEd, JP

Experience Australian Pacific College

Ms Tanya Buchanan

Qualifications BA Honours, BSc, MBA

Experience Independent Director

Dr James Langridge

Qualifications BBus, GradDipTertEd, MEdAdmin, DBA, FAICD

Experience Independent Director

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.

DIRECTORS' REPORT

30 JUNE 2020

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to \$ (236,177) (2019: \$ (115,350)).

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show that the revenue for the year has reduced which is related to the impact of COVID-19 on the business.

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 other than as already noted.

Matters or circumstances arising after the end of the year

The Australian economy has continued to be severely impacted by the effects of COVID 19 since the year end. The full extent of the impact and recovery from COVID-19 on the business operations continues to evolve as at the date of this report, however the Directors do not anticipate the Company being significantly impacted other than as already reported at this stage.

Except for the above, no other 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

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

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.

Company secretary

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

Dr Patrick Pheasant (PhD, MEd, GradCert Change Management) has been the company secretary since October 2016.

DIRECTORS' REPORT

30 JUNE 2020

Meetings of directors

During the financial year, 10 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	6	2	1	-	-	-	-
Ms Christine Bundesen AM	10	5	-	-	-	-	-	-
Ms Heather Thomas	10	10	-	-	-	-	2	2
Ms Katherine Olston	10	10	-	-	-	-	-	-
Mr David Yoo	10	10	3	3	-	-	-	-
Ms Tanya Buchanan	10	10	3	3	-	-	2	2
Dr James Langridge	10	10	-	-	-	-	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:

Ms Tanya Buchanan

Director:

Mr David Yoo

Dated thisSixteenth..... day ofSeptember..... 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
	Note	\$	\$
Revenue	5	941,140	1,242,448
Audit and accounting		(30,877)	(17,934)
Depreciation, amortisation and impairment expense		(39,339)	(21,268)
Advertising		(11,482)	(23,216)
Board fees		(50,588)	(58,104)
Finance costs		(6,272)	-
Conference expenses		(21,618)	(239,398)
Insurance		(6,198)	(7,185)
Employee benefits expense		(768,951)	(749,171)
Bad debt expense		(45,333)	(4,327)
Rent		(40,209)	(88,212)
Travel & accommodation		(46,541)	(62,086)
Other expenses	6	(109,909)	(86,897)
Loss before income tax		(236,177)	(115,350)
Income tax expense		-	-
Loss for the year		(236,177)	(115,350)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(236,177)	(115,350)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	108,965	179,714
Trade and other receivables	9	121,514	98,091
Other financial assets	10	826,729	966,926
Other assets	13	94,347	31,859
TOTAL CURRENT ASSETS		1,151,555	1,276,590
NON-CURRENT ASSETS			
Property, plant and equipment	11	87,366	17,492
Intangible assets	12	103	3,853
TOTAL NON-CURRENT ASSETS		87,469	21,345
TOTAL ASSETS		1,239,024	1,297,935
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	65,045	82,550
Employee benefits	16	70,753	63,143
Other financial liabilities	15	214,523	111,423
Lease liabilities		32,977	-
TOTAL CURRENT LIABILITIES		383,298	257,116
NON-CURRENT LIABILITIES			
Lease liabilities		51,084	-
TOTAL NON-CURRENT LIABILITIES		51,084	-
TOTAL LIABILITIES		434,382	257,116
NET ASSETS		804,642	1,040,819
EQUITY			
Retained earnings		804,642	1,040,819
TOTAL EQUITY		804,642	1,040,819

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	1,040,819	1,040,819
Loss attributable to members of the parent entity	(236,177)	(236,177)
Balance at 30 June 2020	804,642	804,642

2019

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

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	973,911	1,296,119
Payments to suppliers and employees	(1,230,751)	(1,469,287)
Dividends received	40,111	31,961
Interest received	1,327	3,711
Interest paid	(6,272)	-
Other receipts from Cashflow Boost and Jobkeeper	80,000	-
Net cash provided by/(used in) operating activities	20 (141,674)	(137,496)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment	93,016	100,000
Purchase of property, plant and equipment	(5,804)	(1,607)
Net cash provided by/(used in) investing activities	87,212	98,393
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments for lease liability	(16,287)	-
Net cash provided by/(used in) financing activities	(16,287)	-
Net increase/(decrease) in cash and cash equivalents held	(70,749)	(39,103)
Cash and cash equivalents at beginning of year	179,714	218,817
Cash and cash equivalents at end of financial year	8 108,965	179,714

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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 16 September 2020.

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 Commisisions 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 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations.

The adoption of this standard has not had any impact on the presentation of financial information or the results for the year.

Leases - Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

3 Summary of Significant Accounting Policies

(a) Going concern

The company has incurred a reduction in revenue and ongoing losses for the year to 30 June 2020. This has been impacted by the effects of COVID 19 on the Education Industry. The full impact and recovery from COVID 19 on the business operations continues to evolve as at the date of this report.

The financial report has been prepared on the going concern basis. This basis has been adopted as the Directors of the Company are confident that the future budgets of the business which forecast cashflow positive results are achievable and therefore consider the Company will be able to meet its liabilities as and when they fall due.

(b) Revenue and other income

For the current year

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Application of 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Specific revenue streams

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.

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 month following when they are invoiced on the basis that the performance obligations have all been met at this stage. 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.

For the comparative year

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.

(c) 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.

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Summary of Significant Accounting Policies

(e) 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.

(f) 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.

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.

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

3 Summary of Significant Accounting Policies

(g) Financial instruments

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

3 Summary of Significant Accounting Policies

(g) Financial instruments

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.

(h) 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.

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

(i) Leases

For the current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

3 Summary of Significant Accounting Policies

(i) Leases

Right-of-use asset

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.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

For the comparative year

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.

(j) 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.

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

5 Revenue and Other Income

	2020	2019
	\$	\$
Fees received	847,633	892,716
ELT management conference income	500	280,233
	848,133	1,172,949
Finance income		
- Other interest received	1,327	3,711
- Dividend income	40,111	31,961
- Net gain/(loss) arising on financial assets designated as at FVTPL	(47,181)	33,827
Finance income	(5,743)	69,499
- Other income		
Cashflow Boost and Jobkeeper	98,750	-
Total Revenue	941,140	1,242,448

6 Result for the Year

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

Depreciation and amortisation expense	39,339	12,940
Impairment of receivables:		
- Bad debts	45,333	4,327
Other Expenses		
- Computer and IT Expenses	28,468	19,741
- Printing and Photocopying	33,667	18,848
- Telecommunications	10,501	10,655
- Office and General Expenses	12,638	13,358
- Electricity	2,687	3,834
- Bank Charges	12,445	20,461
- Legal Fees	9,503	-
	109,909	86,897

7 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor of the entity, Bentleys NSW Audit Pty Ltd, for:		
- Auditing or reviewing the financial statements	16,300	16,000
	16,300	16,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

8 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	108,965	179,714
	<u>108,965</u>	<u>179,714</u>

9 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	165,748	95,863
Provision for impairment	(44,234)	-
GST receivable	-	2,228
	<u>121,514</u>	<u>98,091</u>

10 Other Financial Assets**Financial assets at fair value through profit or loss**

	2020	2019
	\$	\$
CURRENT		
Listed shares	698,973	920,553
Other financial assets	127,756	46,373
Total	<u>826,729</u>	<u>966,926</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

11 Property, plant and equipment**PLANT AND EQUIPMENT**

Plant and equipment

At cost

116,330 115,557

Accumulated depreciation

(104,345) (100,179)

Accumulated impairment losses

- (8,328)

Total plant and equipment

11,985 7,050

Leasehold Improvements

At cost

7,361 18,998

Accumulated amortisation

(4,453) (8,556)

Total leasehold improvements

2,908 10,442

Total plant and equipment

14,893 17,492

RIGHT-OF-USE

Right-of-Use - Leasehold property

At cost

100,348 -

Depreciation charge

(27,875) -

Total Right-of-Use - Leasehold property

72,473 -

Total property, plant and equipment

87,366 17,492

(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 \$	Right-of-Use - Buildings \$	Total \$
Year ended 30 June 2020				
Balance at the beginning of year	7,050	10,442	-	17,492
Additions	5,804	-	100,348	106,152
Disposals - written down value	(689)	-	-	(689)
Transfers	6,799	(6,799)	-	-
Depreciation and amortisation expense	(6,979)	(735)	(27,875)	(35,589)
Balance at the end of the year	11,985	2,908	72,473	87,366

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

12 Intangible Assets

	2020	2019
	\$	\$
Computer software		
Cost	44,439	44,439
Accumulated amortisation and impairment	(44,336)	(40,586)
Total Intangibles	103	3,853

13 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	75,597	31,859
Accrued income	18,750	-
	94,347	31,859

14 Trade and Other Payables

	2020	2019
	\$	\$
Current		
Trade payables	8,860	54,410
GST payable	9,112	-
Other payables and accrued expenses	47,073	28,140
	65,045	82,550

15 Other Financial Liabilities

	2020	2019
	\$	\$
CURRENT		
Deferred income	214,523	111,423
Total	214,523	111,423

16 Employee Benefits

	2020	2019
	\$	\$
Current liabilities		
Provision for long service leave	22,019	19,198
Provision for annual leave	48,734	43,945
	70,753	63,143

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

17 Leasing Commitments

Operating leases

	2020 \$	2019 \$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	48,360
- between one year and five years	-	14,105
	-	62,465

18 Related Parties

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 \$46,083 (2019: \$46,668) in the performance of their duties.

19 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 2020 the number of members was 207 (2019: 224).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

20 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

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

	2020	2019
	\$	\$
Loss for the year	(236,177)	(115,350)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	27,875	-
- depreciation	11,464	12,940
- impairment of property, plant and equipment	-	8,328
- net loss on disposal of property, plant and equipment	689	-
- impairment of receivables	44,234	-
- fair value movements on investments	47,181	(33,827)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(69,885)	107,849
- (increase)/decrease in other assets	(41,510)	(50,005)
- (increase)/decrease in accrued Jobkeeper subsidy	(18,750)	-
- increase/(decrease) in income in advance	103,100	(68,093)
- increase/(decrease) in trade and other payables	(17,505)	(7,369)
- increase/(decrease) in employee benefits	7,610	8,031
Cashflows from operations	<u>(141,674)</u>	<u>(137,496)</u>

21 Contingencies

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

22 Events Occurring After the Reporting Date

The Australian economy has continued to be severely impacted by the effects of COVID 19 since the year end. The full extent of the impact and recovery from COVID-19 on the business operations continues to evolve as at the date of this report, however the Directors do not anticipate the Company being significantly impacted at this stage.

Except for the above, no other 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

23 Company details

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

National ELT Accreditation Scheme Limited (NEAS)

Suite 211

25 - 29 Berry Street

NORTH SYDNEY, NSW, 2060

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 3 of the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 22, 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 2020 and of the performance for the year ended on that date and is in accordance with the accounting policy described in Note 3 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
Ms Tanya Buchanan

Director
Mr David Yoo

Dated 16 September 2020

National ELT Accreditation Scheme Limited

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of National ELT Accreditation Scheme Limited (the Company), which comprises the statement of financial position as at 30 June 2020, 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 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 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, 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 Company 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 – COVID 19 and Going Concern

We draw attention to Note 3(a) to the financial report, which describes that the company has suffered a reduction in revenue and has ongoing losses due to the effects of COVID 19. Further the impact of COVID 19 continues to evolve as at the date of this report. As stated in Note 3(a), the Directors of the Company are confident that the future budgets of the business which forecast cashflow positive results are achievable and therefore the Company will be able to meet its liabilities and has the ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Financial Statement Preparation Basis

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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, 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 we do not express any form of assurance conclusion thereon.

National ELT Accreditation Scheme Limited

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

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 statements 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 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 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.

National ELT Accreditation Scheme Limited

**Independent Audit Report to the members of
National ELT Accreditation Scheme Limited**

- 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

Date: 17 September 2020

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