

NEITA FOUNDATION

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2018**

NEiTA FOUNDATION

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

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Independent Auditor's Report to the Members of NEiTA Foundation Trust

Opinion

We have audited the financial report, being a special purpose financial report, of NEiTA Foundation Trust, (the "Trust") which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and declaration by the directors as set out on pages 4 to 12.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Trust's financial position as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with the trust deed and accounting policies described in note 1.

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 Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Trust to meet the financial reporting requirements of the trust deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members and should not be distributed or used by parties other than the members. 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 Trust's annual report for the year ended 30 June 2018, 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.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the directors for the Financial Report

Management of the Trust is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation and accounting policies described in Note 1 to the financial report is appropriate to meet the requirements of the trust deed and is appropriate to meet the needs of the members. Management's responsibility also includes such internal control

as management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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 Trust to cease to continue as a going concern; and
- 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 management and 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Max Rt Murray

Max Murray
Partner

Chartered Accountants

Sydney, 26 September 2018

NEiTA FOUNDATION

TRUSTEES' DECLARATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

As detailed in Note 1 to the financial statements, the NEiTA Foundation ("the Foundation") is not a reporting entity because in the opinion of the Trustees there are unlikely to exist users of the financial report who are dependent on the report for information which will be useful to them for making and evaluating decisions about the allocation of scarce resources. Accordingly, this "special purpose financial report" has been prepared to satisfy the Trustees' reporting requirements under the Trust Deed.

In the opinion of the Trustees of the NEiTA Foundation:

- a) the attached financial statements and notes thereto comply with accounting standards;
- b) the attached financial statements and notes thereto give a fair view of the financial position and performance of the NEiTA Foundation, and
- c) there are, when this statement is made out, reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

On behalf of the Trustees



Mr Craig Dunstan
Trustee
Oakleigh, 26 September 2018



Mr Allen Blewitt
Trustee
Oakleigh, 26 September 2018

NEITA FOUNDATION

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	NOTE	2018	2017
Revenue		\$	\$
Sponsorships income		202,165	225,452
Other income		90	2,000
Interest income		402	438
Total Revenue		<u>202,657</u>	<u>227,890</u>
Expenses			
Advertising, promotions & public relations		9,651	480
Award functions		46,527	35,081
Bank charges		-	1
Staff amenities		-	102
Website and internet related expenses		5,930	10,198
Postage and couriers		86	14,056
Printing and stationery		10,945	21,669
Prizes and trophies		100,440	94,624
Travel and accommodation		29,079	51,602
Bad debt written off		-	77
Total Expenses		<u>202,657</u>	<u>227,890</u>
Operating profit before income tax			
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Operating profit after income tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>-</u>	<u>-</u>

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

NEITA FOUNDATION

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	NOTE	2018	2017
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 Operating profit before income tax			
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Operating profit after income tax		<u>-</u>	<u>-</u>
 Total comprehensive income for the year		<u>-</u>	<u>-</u>

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

NEiTA FOUNDATION

**STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2018**

	NOTES	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	3	34,944	26,885
Trade and other receivables	4	<u>5,737</u>	<u>4,844</u>
Total current assets		<u>40,682</u>	<u>31,729</u>
Total assets		<u>40,682</u>	<u>31,729</u>
Current liabilities			
Trade and other payables	5	<u>10,959</u>	<u>2,006</u>
Total current liabilities		<u>10,959</u>	<u>2,006</u>
Total liabilities		<u>10,959</u>	<u>2,006</u>
Net assets		<u>29,723</u>	<u>29,723</u>
Trust funds			
Accumulated income	10	<u>29,723</u>	<u>29,723</u>
Total trust funds		<u>29,723</u>	<u>29,723</u>

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

NEiTA FOUNDATION

STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Equity
Balance at 30 June 2016	\$ 29,723
Profit or loss for the year	-
Other comprehensive income for the year	-
Total comprehensive income for the year	-
Balance at 30 June 2017	<u>29,723</u>
Profit or loss for the year	-
Other comprehensive income for the year	-
Total comprehensive income for the year	-
Balance at 30 June 2018	<u>29,723</u>

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

NEITA FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	NOTES	2018 \$	2017 \$
Cash flows from operating activities			
Sponsorships received		201,271	225,120
Other income		90	2,000
Interest received		402	438
Payments to suppliers		<u>(193,704)</u>	<u>(228,702)</u>
Net cash provided by/(used in) operating activities	8(b)	<u>8,059</u>	<u>(1,144)</u>
Net increase/(decrease) in cash held		8,059	(1,144)
Cash at the beginning of the financial year		<u>26,885</u>	<u>28,029</u>
Cash at the end of the financial year	8(a)	<u>34,944</u>	<u>26,885</u>

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

NEiTA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1. STATEMENT OF ACCOUNTING POLICIES

The NEiTA Foundation ("the Foundation") is not a reporting entity because in the opinion of the Trustees, there are unlikely to exist users of the report who are dependent on the report for information which will be useful to them for making and evaluating decisions about the allocation of scarce resources. Accordingly, this "special purpose financial report" has been prepared to satisfy the Trustees' reporting requirements under the Trust Deed.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report has been prepared in accordance with the provision of the Trust Deed, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', and AASB 1054 'Australian Additional Disclosures'.

In the application of the Australian equivalents to International Financial Reporting Standards ("A-IFRS") management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018 and the comparative information presented in these financial statements for the year ended 30 June 2017.

(a) Income Tax

It is the view of the Trustees that the income of the NEiTA Foundation is exempt from tax under Section 50-5 of the Income Tax Assessment Act 1997 on the basis that the Foundation is a public charitable Trust for the purpose of advancement of education.

NEITA FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(b) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. 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.

(c) Revenue Recognition

Sponsorship income is recognised on an accrual basis.

(d) Trade and Other Receivables

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

(e) Trade and Other Payables

Trade and other payables are recognised when the Foundation becomes obliged to make future payments due to the purchase of goods and services. No interest is charged on the trade payables. The Foundation has financial risk management policies in place to ensure that all payables are paid within the standard terms and conditions of its suppliers.

2. FORMATION OF THE FOUNDATION

The NEiTA Foundation was formed under a Trust Deed which was executed on 26 April, 1995.

	2018	2017
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Cash at Bank	<u>34,944</u>	<u>26,885</u>
4. TRADE AND OTHER RECEIVABLES		
Sponsorship income receivable and other	<u>5,738</u>	<u>4,844</u>
	<u>5,738</u>	<u>4,844</u>
5. TRADE AND OTHER PAYABLES		
Accrued payable to Australian Scholarships Group	5,897	-
GST payable	<u>5,062</u>	<u>2,006</u>
	<u>10,959</u>	<u>2,006</u>

NEITA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

6. RELATED PARTY DISCLOSURES

Transactions with trustee related entities

Sponsorship income was received/receivable from the Australian Scholarships Group Friendly Society Limited ("Australian Scholarships Group") amounted to \$202,165 (2017: \$225,452).

Reimbursement paid/payable to ASG Education Programmes (NZ) Limited amounted to nil (2017: nil).

The following trustees of the Foundation (A Blewitt, T Brain, C Dunstan, T O'Connell (resigned 31 July 2017), J Jennings, M Sasson (resigned 27 July 2018), N Mehta and L Nash) are also directors of the Australian Scholarships Group.

7. ADDITIONAL INFORMATION

The Foundation operates predominantly within Australia.

Registered office

23-35 Hanover Street
OAKLEIGH VIC 3166
Tel: (03) 9276 7777

Principal place of business

23-35 Hanover Street
OAKLEIGH VIC 3166
Tel: (03) 9276 7777

8. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash at bank.

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2018	2017
	\$	\$
Cash at Bank	<u>34,944</u>	<u>26,885</u>

(b) Reconciliation of profit/(loss) from ordinary activities after related income tax to net cash inflows from operating activities

Operating profit / (loss) from ordinary activities after related income tax	-	-
Changes in assets and liabilities:		
Increase in assets		
Current receivables	893	1,344
Increase/(decrease) in liabilities		
Current payables	(8,953)	(2,488)
Net cash /provided by operating activities	<u>(8,059)</u>	<u>(1,144)</u>

NEITA FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

9. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

	2018	2017
	\$	\$
10. ACCUMULATED INCOME		
Accumulated income at the beginning of the financial year	29,723	29,723
Total comprehensive income for the year	-	-
Accumulated income at the end of the financial year	<u>29,723</u>	<u>29,723</u>