

**AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
NORTHERN TERRITORY (AIDN-NT) INCORPORATED**

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
NORTHERN TERRITORY (AIDN-NT) INCORPORATED

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**AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
NORTHERN TERRITORY (AIDN-NT) INCORPORATED**

**STATEMENT BY THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2019**

In the opinion of the Management Committee the financial statements comprising the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in members' funds and notes to the financial statements, being special purpose financial statements:

- (a) are drawn up so as to present fairly the state of affairs of the Association as at 30 June 2019 and the results of the Association for the year ended on that date;
- (b) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- (c) as at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

Committee Members

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

Position

President & Treasurer	Andrew Jones
Vice President	Gary Oorloff
Vice President	John White (term ended 22/11/18)
CEO	Kerryn Smith
Treasurer	Gary Bettcher (term ended 22/11/18)
Secretary	Sally Anne Talbot
Public Officer	Adrian Leach
Public Officer	Charles Wright (term ended 22/11/18)
Executive	Geoff Crowhurst
Executive	Garth Beechey
Executive/Treasurer	Anthony Bellottie (term ended 5/2/19)
Executive	Mark Campbell (term commenced 22/11/18)
Executive	Shar Turner (term commenced 22/11/18)

Principal Activity

The principal activity of the Association during the financial year was to represent the interests of the SME Australian Defence Industry sector by advocacy, representation and member services.

Significant Changes

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

Operating Results

The deficit of the Association for the financial year ended 30 June 2019 amounted to \$24,327 (2018: surplus \$4,351).

AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
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STATEMENT BY THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2019

After Balance Date Events

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

This statement is made in accordance with a resolution of the Management Committee and is signed for and on behalf of the Management Committee by:



President
Andrew Jones

Dated this //day of November 2019.

INDEPENDENT AUDITOR'S REPORT

To the members of the Australian Industry and Defence Network - Northern Territory (AIDN-NT) Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Australian Industry and Defence Network - Northern Territory (AIDN-NT) Incorporated (the "Association"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income and the statement of changes in equity for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Statement by the Management Committee.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting 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 Association in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of *Northern Territory Associations Act*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management Committee for the Financial Report

The Management Committee is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of *Northern Territory Associations Act* and for such internal control as Management Committee determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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



The Management Committee is responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'BDO'.

BDO Audit (NT)

A handwritten signature in black ink, appearing to be 'C Taziwa'.

C Taziwa
Audit Partner

Darwin: 19 November 2019

AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
NORTHERN TERRITORY (AIDN-NT) INCORPORATED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
INCOME		
Northern Territory Government Grant	418,799	170,295
Membership fees	52,261	40,466
Functions	69,177	58,402
Program Fees	9,566	-
Interest received	1,515	803
Sponsorship income	5,100	2,273
Other income	588	23,230
Total Income	557,006	295,469
EXPENDITURE		
Accounting & Bookkeeping	12,060	-
Advertising	1,439	-
Amortisation	4,901	9,802
Audit fees	4,500	8,208
Bank charges	2,669	1,859
Bad debts	-	-
Conferences	-	1,201
Consultancy fees	-	2,500
Contractor Fees	5,993	-
Depreciation	648	336
Education and training	-	7,358
Function expenses	63,060	45,563
Insurance	1,033	748
Interest Paid	262	-
IT Support	11,798	22,893
Loss on disposal of assets	21	422
Membership Expenses	4,863	-
National fees	13,103	9,455
Presentations & Training	163	-
Printing and stationery	563	433
Salaries and wages	148,227	124,467
Subscriptions	-	168
Sundry expenses	5,850	1,546
Superannuation	13,505	10,998
Telephone and communications	900	2,261
Travel and accommodation	19,499	15,605
Program Expense	266,276	25,295
Total Expenditure	581,333	291,118
Surplus For The Year	(24,327)	4,351
Other Comprehensive Income	-	-
Total Comprehensive Income	(24,327)	4,351

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 10 to 15.

AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
NORTHERN TERRITORY (AIDN-NT) INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	2	324,717	680,988
Trade and other receivables	3	5,588	1,254
Total Current Assets		330,305	682,242
Non-Current Assets			
Property, plant and equipment	4	1,442	188
Intangible asset: Website Creation		-	4,901
Total Non-Current Assets		1,442	5,089
Total Assets		331,747	687,331
LIABILITIES			
Current Liabilities			
Trade and other payables	5	307,661	641,748
Provisions	6	11,528	8,698
Total Current Liabilities		319,189	650,446
Total Liabilities		319,189	650,446
Net Assets (Liabilities)		12,558	36,885
MEMBERS' FUNDS			
Accumulated surplus (deficit)		12,558	36,885
Total Members' Funds		12,558	36,885

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 10 to 15.

AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
NORTHERN TERRITORY (AIDN-NT) INCORPORATED

STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Funds \$	Total \$
Balance at 30 June 2017	32,534	32,534
Surplus for the year	4,351	4,351
Other comprehensive income for the year	-	-
Total comprehensive income	4,351	4,351
Balance at 30 June 2018	36,885	36,885
Deficit for the year	(24,327)	(24,327)
Other comprehensive income for the year	-	-
Total comprehensive loss	(24,327)	(24,327)
Balance at 30 June 2019	12,558	12,558

The Statement of Changes in Members' Funds is to be read in conjunction with the notes to the financial statements set out on pages 10 to 15.

AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
NORTHERN TERRITORY (AIDN-NT) INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

In the Management Committee's opinion, the Incorporated Association is not a reporting entity because there are no users dependent on general purpose financial statements.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by AASB and the disclosure requirements of:

AASB 101 Presentation of Financial Statements;

AASB 107 Cash flow Statement;

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors;

AASB 1048 Interpretation of Standards;

AASB 1054 Australian Additional Disclosure, as appropriate for not-for-profit entities.

Historical cost Convention

The financial statements have been prepared on an historical basis and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The concept of accrual accounting has been adopted in the presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Income tax

The Association is considered to be exempt from income tax under section 50-10 of the *Income Tax Assessment Act 1997*.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Significant accounting policies

Revenue recognition

(i) Grants

Grants are recognised at their fair value where there is reasonable assurance the grant will be received and the entity will comply with all the attached conditions. Grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(ii) Membership fees

Membership fees are invoiced to members on an annual basis. The revenue is brought to account in the period to which the membership fees relate, and to the extent that it relates to the subsequent period it is disclosed as a liability.

(iii) Interest income

Interest income is recognised as it accrues using effective interest method.

(iv) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Goods and services tax

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Significant accounting policies

Trade and other receivables

Receivables are stated at their cost less impairment losses.

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the entity will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 90 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

Trade and other payables

Payables are stated at cost. They represent unpaid liabilities for goods received by and services provided to the entity prior to the end of the financial year. The amounts are unsecured and are normally settled within 30 days.

Property, plant and equipment

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the Items of property, plant and equipment are depreciated on a reducing balance basis over The depreciation rates used for each class of depreciable assets are:

Plant and equipment	37.50%
Furniture and fittings	18.75%

Intangible Assets

(i) Website Creation

Website creation is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Website creation has an estimated useful life of between one and three years. It is assessed annually for impairment

Employee benefits

Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and non-monetary benefits that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Association expects to pay as at reporting date, including related on-costs.

AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Significant accounting policies

Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Employee benefits provision

The liability for long service leave is recognised and measured as the amount unpaid at pay rates in respect of employees at the reporting date after they have completed five years of service. In determining the value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Impairment of assets

The Association assesses impairment at each reporting date by evaluating conditions. No impairment has been recognised in respect of property, plant and equipment for the year ended 30 June 2019.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Management Committee for the annual reporting period ended 30 June 2019. The Management Committee has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

AUSTRALIAN INDUSTRY AND DEFENCE NETWORK -
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
2 Cash and cash equivalents		
Cheque Account	202,118	539,556
Debit Card	2,195	-
Online Saver	120,404	141,432
	<u>324,717</u>	<u>680,988</u>
3 Trade and other receivables		
Trade receivables	4,265	-
Other receivables	1,323	1,254
GST receivable	-	-
	<u>5,588</u>	<u>1,254</u>
4 Property, plant and equipment		
Plant and equipment at cost	4,068	14,087
Less: Accumulated depreciation	(2,691)	(13,979)
	<u>1,377</u>	<u>108</u>
Furniture and fittings at cost	850	850
Less: Accumulated depreciation	(785)	(770)
	<u>65</u>	<u>80</u>
Total property, plant and equipment	<u>1,442</u>	<u>188</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
4 Property, plant and equipment (continued)		
Movements in carrying values:		
Movements in carrying values of each class of property, plant and equipment between the beginning and end of the financial year.		
Plant and equipment at cost		
Carrying value at beginning of year	108	847
Additions	1,923	-
Disposals	(21)	(421)
Depreciation	(633)	(318)
Carrying amount at end of year	<u>1,377</u>	<u>108</u>
Furniture and fittings at cost		
Carrying value at beginning of year	80	98
Additions	-	-
Disposals	-	-
Depreciation	(15)	(18)
Carrying amount at end of year	<u>65</u>	<u>80</u>
Total property, plant and equipment	<u>1,442</u>	<u>945</u>
5 Trade and other payables		
Trade payables	27,002	-
Other payables and accruals	11,412	24,833
GST payable	7,658	35,468
Superannuation payable	4,047	13,292
PAYG Withholding payable	3,292	53,323
Deferred revenue	254,250	514,832
	<u>307,661</u>	<u>641,748</u>
6 Provisions		
Provision for annual leave	11,528	8,698
	<u>11,528</u>	<u>8,698</u>