

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Financial Report

For the Year Ended 30 June 2020

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

For the Year Ended 30 June 2020

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Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Board Report

30 June 2020

Your Board of Directors submit the financial report of the Association for the financial year ended 30 June 2020.

a General information

Board of Directors

The names of the Board of Directors throughout the year and at the date of this report are:

Michael Voumard	Chairperson
Penny Egan	Treasurer
Shirleyann Varney	Director
Penny Chugg	Director
Greg Peterson	Director
Rosie Nash	Director
Raylene Foster	Director - Appointed September 2019

Principal Activities

The principal activities of Association during the financial year were:

- Support workforce planning and development through training, policy and development projects with, and on behalf of, the sector.
- Represent a broad range of service providers and individuals working in prevention, promotion, early intervention, treatment, case management, research and harm reduction related to alcohol, tobacco and other drugs.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Board Report

30 June 2020

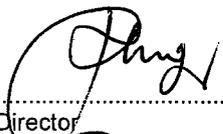
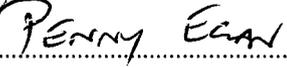
Operating result

The net surplus/(deficit) of the Association for the financial year amounted to \$ 188,004 (2019: \$24,781).

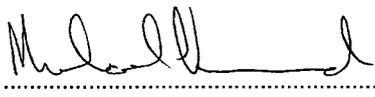
Significant Changes in State of Affairs

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

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


.....
Director

.....
Name

Dated this 23 day of Sept 2020.


.....
Director

.....
Name

Dated this 23 day of Sept 2020.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Directors Declaration - per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

The Directors declare that in the Board of Director's opinion;

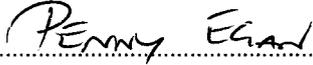
- there are reasonable grounds to believe that the Alcohol, Tobacco and Other Drugs Council Tasmania is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

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

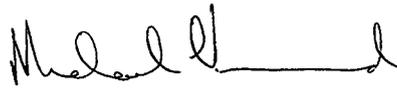


Director

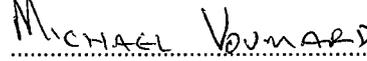


Name

Dated this 23 day of Sept 2020.



Director



Name

Dated this 23 day of Sept 2020.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Statement of Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Grants		1,186,136	877,623
Membership income		8,100	7,300
Event income		9,033	16,035
Sundry income		14,420	13,730
Recoupments		7,899	-
COVID 19 government assistance		50,000	-
Total Income		1,275,588	914,688
Less: Expenses			
Accountancy and audit		4,090	11,398
Advertising and promotion		5,401	11,425
Assets purchased <\$5,000		2,005	1,995
Bad debts		250	1,202
Bank fees and charges		265	434
Board and governance expenses		1,664	1,289
Client support services		23,348	53,762
Computer expenses		19,893	30,195
Conference costs		9,091	16,857
Consultancy		5,365	10,192
Depreciation		54,060	6,356
General insurance		4,711	4,456
Grants		6,448	8,500
Grants COVID		281,161	-
Hire/Rent of plant and equipment	1(f) & 1(k)	-	2,145
Interest - leases	1(f) & 1(k)	4,606	-
Membership and subscription expenses		3,024	2,848
Motor vehicle expenses		4,751	4,403
Planning/Reporting/Evaluation		1,833	-
Printing and stationery		3,122	4,130
Rent and outgoings		5,885	49,530
Repairs and maintenance		4,344	4,636
Employee benefits		623,616	642,967
Sundry expenses		1,833	1,523
Travel accommodation		5,119	9,323
Utilities		11,699	10,341
Total Expenses		1,087,584	889,907
Net surplus/(deficit) for the year		188,004	24,781
Other comprehensive income		-	-
Total Comprehensive Income for the year		188,004	24,781

The accompanying notes form part of these financial statements.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	607,221	463,834
Trade and other receivables		9,023	7,643
Prepayments		8,105	6,433
TOTAL CURRENT ASSETS		624,349	477,910
NON-CURRENT ASSETS			
Property, plant and equipment	3	41,743	19,069
Right of use assets	4, 1(f) & 1(k)	101,952	-
TOTAL NON-CURRENT ASSETS		143,695	19,069
TOTAL ASSETS		768,044	496,979
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		45,087	70,015
Unexpended grant liability	1(k)	-	15,838
Revenue received in advance		7,600	7,710
Employee benefits	5	36,659	36,011
Lease liability	1(f) & 1(k)	46,598	-
TOTAL CURRENT LIABILITIES		135,944	129,574
NON-CURRENT LIABILITIES			
Employee benefits	5	8,636	6,579
Lease liability	1(f) & 1(k)	58,796	-
TOTAL NON-CURRENT LIABILITIES		67,432	6,579
TOTAL LIABILITIES		203,376	136,153
NET ASSETS		564,668	360,826
EQUITY			
Accumulated surpluses		455,751	360,826
Restricted reserves	1(l)	108,917	-
TOTAL EQUITY		564,668	360,826

The accompanying notes form part of these financial statements.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Restricted reserves	Accumulated surpluses	Total
Note	\$	\$	\$
Balance at 1 July 2019	-	360,827	360,827
Net surplus/(deficit) for the year	-	188,004	188,004
Initial adoption of AASB 1058	-	15,837	15,837
Transfer to/(from) reserves	1(l)	(108,917)	-
Balance at 30 June 2020	<u>108,917</u>	<u>455,751</u>	<u>564,668</u>

2019

	Restricted reserves	Accumulated surpluses	Total
Note	\$	\$	\$
Balance at 1 July 2018	-	336,046	336,046
Net surplus/(deficit) for the year	-	24,781	24,781
Balance at 30 June 2019	<u>-</u>	<u>360,827</u>	<u>360,827</u>

The accompanying notes form part of these financial statements.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Statement of Cash Flows

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and government	1,389,293	919,425
Payment to suppliers and employees	<u>(1,177,507)</u>	<u>(898,456)</u>
Net cash provided by/ (used in) operating activities	6(b) <u>211,786</u>	<u>20,969</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of motor vehicle	25,000	-
Purchase of property, plant and equipment	<u>(45,606)</u>	<u>-</u>
Net cash provided by/ (used by) investing activities	<u>(20,606)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of lease liability	<u>(47,793)</u>	<u>-</u>
Net cash used by financing activities	<u>(47,793)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	143,387	20,969
Cash and cash equivalents at beginning of year	<u>463,834</u>	<u>442,865</u>
Cash and cash equivalents at end of financial year	6(a) <u><u>607,221</u></u>	<u><u>463,834</u></u>

The accompanying notes form part of these financial statements.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial statements cover Alcohol, Tobacco and Other Drugs Council Tasmania Inc as an individual entity.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*. The Board of Directors has determined that the Association is not a reporting entity. The Association is a not for profit entity for financial reporting purposes.

The financial statements have been prepared in accordance with the minimum requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and therefore comply with the following Australian Accounting Standards as issued by the Australian Accounting Standards Board:

- AASB 101 Presentation of Financial Statements;
- AASB 107 Statement of Cash Flows;
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors;
- AASB 1048 Interpretation of Standards; and
- AASB 1054 Australian Additional Disclosures.

No other Accounting Standards have been intentionally applied in the compilation of this financial report.

The financial report, except for the cash flow information, have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The amounts presented within the financial statements have been rounded to the nearest dollar.

(b) Comparative Figures

Where appropriate comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

(d) Trade and Other Receivables

The Association considers accounts receivable to be fully collectible, accordingly no allowance for expected credit losses is required.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(e). Plant and Equipment

Plant and equipment are carried at cost less, where applicable, any accumulated depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

Depreciation Rates

The depreciation rates used for each class of depreciable assets are:

Motor Vehicles	Diminishing value	25%
Equipment	Straight line	33%

(f). Leases

Right-of-Use Asset

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

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the Association's impairment of assets accounting policy.

Lease Liabilities

At the commencement date of the lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Association and payments of penalties for terminating the lease, if the lease term reflects the Association exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Association uses the incremental borrowing rate of 3.60% pa. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(g). Trade Payables

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(h). Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Contributions made by the Association to an employee superannuation fund are charged as expenses when incurred.

(i). Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j). Income Tax

No provision for income tax has been raised as the Association is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(k). Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time from 1 July 2019. All required changes in respect of adopting these standards have been made to the reported financial position, performance or cash flow of the Association. The impact was as follows;

Leases

AASB 16 leases standard is applicable to the annual reporting periods beginning on or after 1 January 2019. The Association applied the standard from 1 July 2019.

AASB 16 Leases introduced a single lessee accounting method and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value (lower than the asset capitalisation policy). A lessee to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term and increases in lease payment. A corresponding right of use assets is recognised and amortised over the term of the lease. Rent expense is no longer be shown. The profit and loss impact of the leases is through amortisation and interest charges.

The Association has two leases that must be accounted for these include;

178 Collins Street, Hobart Tas 7000 that from 01 July 2019 to 31 July 2022, the Association pays a total of \$3,800 per month.

Fuji Xerox Photocopier that from the 29 July 2019 to 28 July 2024, the Association pays a total of \$2,340 per month.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

Adoption of new and revised accounting standards

In the case of both leases, in the Statement of Cash Flows, lease payments are shown as cash flows from financing activities instead of operating activities.

The impact in 2020 first time implementation was to recognise a right-of-use asset and corresponding liability on 1 July 2019 totaling \$148,581 the impact on the statement of comprehensive income for 2020 was to reduce rent expense by \$47,793, increase depreciation by \$46,629 and increase interest by \$4,606. Cashflows relating to leases are classified as finance activities.

Revenue

AASB 15 Revenue from contracts with customers and AASB 1058 income for not-for-profit entities became effective from 1 July 2019. These standard changed the timing of income recognition depending on whether transactions give rise to a liability or other performance obligation (a promise to transfer a good or service).

The impact in 2020 first time implementation resulted in State government grant revenue being recognised when received as opposed to the previous deferral. As at 1 July 2019 an amount of \$15,838 state grants received in advance liability was recorded via accumulated surpluses, as if previously recognised when received. During 2020 the amount of revenue recognised in respect of State government grants was the amount received.

(l). Restricted Reserve

Restricted Reserve represents amounts not otherwise recorded in the financial statements for which the Association has set aside accumulated surpluses for specific purposes being either internal or external restrictions. The amount as at 30 June 2020 represents the amount of unspent grant funds for which there is no present obligation or liability.

(m). Critical Accounting Estimates and Judgments

The Associations Board of Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

The entity does not control any other reporting units (subsidiaries). Control is achieved where a reporting unit is exposed or has rights to variable returns from its involvement with an investor and has the ability to affect those returns through its power over the reporting unit.

Key judgments - Revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgment involving discussions, review of the grant documents and consideration of the terms and conditions. Grants received by the Association have been accounted for under AASB 15 and/or AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(n). Revenue and Other Income

Accounting policy prior to 1 July 2019

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

Revenue from the provision of services is recognised when the right to be compensated for the service has been attained.

Rental income is recognised over the the period to which the rent relates.

Revenue received in the form of capital grant funds is recognised as income when received, while the expenditure relating to the capital funds has been capitalised in the Statement of Financial Position for the purpose for which the funds were received.

All revenue is stated net of the amount of goods and services tax (GST).

Accounting policy from 1 July 2019

Operating Grants/Subsidies - Under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally input methods being either costs or time incurred are deemed to be the most appropriate method to reflect the transfer of benefit.

Operating Grants/Subsidies - Under AASB 1058

Assets arising from grants in the scope of AASB 1058 (ie. agreements that are not enforceable or do not have sufficiently specific performance obligations) are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Association significantly below its fair value.

The Association then considered whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised, then income is recognised for any difference between the recorded asset and liability.

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

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Cash and Cash Equivalents

	2020	2019
	\$	\$
Bendigo Cash Management 9683	607,021	463,634
Petty cash	200	200
	<u>607,221</u>	<u>463,834</u>

3 Plant and Equipment

	2020	2019
	\$	\$
Motor Vehicles		
At cost	37,796	34,830
Accumulated depreciation	(2,408)	(15,761)
Total Motor Vehicles	<u>35,388</u>	<u>19,069</u>
Equipment		
At cost	19,294	35,651
Accumulated depreciation	(12,939)	(35,651)
Total Equipment	<u>6,355</u>	<u>-</u>
Total plant and equipment	<u>41,743</u>	<u>19,069</u>

4 Right of Use Assets

At cost	148,581	-
Accumulated depreciation	(46,629)	-
	<u>101,952</u>	<u>-</u>

5 Employee Benefits

	2020	2019
	\$	\$
Current		
Annual leave	36,659	36,011
	<u>36,659</u>	<u>36,011</u>
Non Current		
Long service leave	8,636	6,579
	<u>8,636</u>	<u>6,579</u>

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

6 Cash Flow Information

(a). Reconciliation of cash

		2020	2019
		\$	\$
Cash at the end of the financial year as shown in the statement of financial position is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents	2	<u>607,221</u>	<u>463,834</u>

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

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

		2020	2019
		\$	\$
Net surplus/(deficit) for the year		188,004	360,827
Non-cash flows in surplus/(deficit)			
- interest on lease		4,606	-
- depreciation		54,060	6,356
- net gain on disposal of property, plant and equipment		(9,500)	-
Changes in assets and liabilities			
- (increase)/decrease in trade and other receivables		(1,380)	(4,944)
- (increase)/decrease in prepayments		(1,672)	(3,925)
- (increase)/decrease in restricted funds		15,837	-
- increase/(decrease) in trade and other payables		(24,162)	52,045
- increase/(decrease) in employee benefits		2,474	17,540
- increase/(decrease) in unexpended grant liability		(24,081)	(70,884)
- increase/(decrease) in income in advance		7,600	-
Cashflow from operations		<u>211,786</u>	<u>357,015</u>

7 Auditors' Remuneration

		2020	2019
		\$	\$
Remuneration of the auditor, Crowe Audit Australia			
- auditing and compilation of the financial statements and audit of grant acquittals.		<u>3,850</u>	<u>3,850</u>

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Contingent Liabilities and Contingent Assets

The Association has received grant funds with associated agreements whereby unexpended funds may be repayable to the funding provider in the future in the event of either cessation of the funded services or upon triggering of a repayment clause in a funding agreement. Any unspent grant funds relating to current funding agreements are separately set aside as a Restricted Reserve in equity.

There are no other contingent liabilities or contingent assets as at reporting date to be disclosed.

9 Events After Balance Date

The Coronavirus (COVID-19) pandemic continues to impact both communities and businesses throughout the world, including Australia, and the community where the Association operates. The scale, timing and duration of the potential impacts on the Association is unknown, as are any future mitigating factors. The Board of Directors continues to closely monitor the impacts of COVID-19 and will respond as appropriate.

There are no other subsequent events as at reporting date to be disclosed or adjusted for.

10 Organisation Details

The office of the organisation is located at:

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

175 Collins Street

Hobart TAS 7000

Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Auditors' Independence Declaration under 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (Cth)

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Audit Australia



Alison Flakemore
Senior Partner

Dated this 10th day of September 2020.

Hobart, Tasmania.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd.
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Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Independent Audit Report to the members of Alcohol, Tobacco and Other Drugs Council Tasmania Inc

Opinion

We have audited the financial report of Alcohol, Tobacco and Other Drugs Council Tasmania Inc (the Association), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors declaration.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, including:

- giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Board of Directors are responsible for the other information. The other information comprises the Director's Report the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Independent Audit Report to the members of Alcohol, Tobacco and Other Drugs Council Tasmania Inc

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board or Directors for the Financial Report

The Board of Directors are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the Board of Directors determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

The Board of Directors are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of 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 the audit.



Crowe Audit Australia



Alison Flakemore
Senior Partner

Dated this 23 day of September 2020.

Hobart, Tasmania.

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