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Financial Statements
For the year ended 30 June 2013

Director's Report

For the Year Ended 30 June 2013

Your directors present their report on the company for the financial year ended 30 June 2013.

Directors

The names of the directors in office at any time during, or since the end of the year are:

Names	Appointed/Resigned
Stephen Creese	
Andrew Hills	
Katrina Spies	
John Perry	
Nicole Brouwers	
Michael Wasley	Appointed: 23 November 2012
Julie Graham	Resigned: 23 November 2012
Peter White	Resigned: 23 November 2012
Chris Sheppeard	Appointed: 23 November 2012 Resigned: 21 June 2013

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

The entity's short term objectives are:

- > To enhance the development of the industry's personnel through the establishment of the Employment Services Professional Recognition Framework
- > To influence the development of the Employment Services Industry Standards
- > To improve engagement with members especially in regional and remote areas

The entity's long term objectives are:

- > To influence the shape of the Employment Services industry in Australia post 2015
- > To lead capacity building within the industry at both individual and organisational levels
- > To maximise the global potential of employment and related services for the Industry

To achieve these objectives, the entity has adopted the following strategies:

- > Shape and develop employment and related services policy
- > Develop an accreditation framework which benefits our members
- > Ensure that the organisation has the appropriate resources to achieve the strategic plan
- > Proactively contribute to the development of high level policy of employment and related services through international research partnership

Director's Report

For the Year Ended 30 June 2013

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

	Actual 2013	Benchmark 2013	Actual 2012	Benchmark 2012
Number of new members	16	1	11	5
Number of continuing members	135	146	134	150
Number of individual members participating in Professional Development workshops	1,002	1,600	1,660	1,430
Number of individual members participating in NWDF	548	347	N/a	N/a
Number of individual members participating in NESA conferences	409	475	693	900
Number of government and stakeholder forums at which NESA was represented	240	150	134	100

Staff and volunteers

Proportion of staff with five or more years industry experience	73%	75%	73%	75%
Proportion of staff retained by NESA for five or more years	82%	80%	60%	64%

Operational and financial

Proportion of funding provided by:

	\$	\$	\$	\$
Government grants	272,700	272,700	272,700	272,700
Membership fees	572,500	756,000	635,800	659,200
Member events	1,212,400	1,816,000	1,700,300	2,037,200
Special projects	2,100,800	887,400	262,200	134,700
Investments	38,200	54,400	52,800	41,400

Proportion of funding spent on:

Member events	797,100	1,213,500	966,600	1,334,000
Special projects	1,324,900	708,000	121,000	-
Personnel	1,321,400	1,259,900	1,223,000	1,241,400
Administration	507,400	481,600	486,200	460,800

Director's Report

For the Year Ended 30 June 2013

Information on Directors

Stephen Creese

Qualifications	Bachelor of Law (Hons); Bachelor of Arts - Melbourne
Experience	Functional experience in legal, commercial, finance, project management, company secretarial and public affairs 30 years with the Rio Tinto group in various legal and commercial roles, including that of Managing Director Rio Tinto- Australia from 2008 to 2009 and previously General Counsel Rio Tinto Limited from 1995 With Newcrest Mining Limited from December 2009 and until retirement on 1 July 2013 initially as General Counsel and Company Secretary and then as EGM Corporate Affairs with responsibility for government relations, media and community affairs.
Special Responsibilities	Independent Chair of NESA Convenor/Chair – NESA Nominations and Successions Committee Senior Fellow Melbourne Law School Member Advisory Board to AusAID with respect to the 'Mining for Development' initiative Part-time member of the Australian Takeovers Panel

Andrew Hills

Experience	16 Years industry experience including 5 years as NESA Policy Advisor Managing Director of The P-Formance Group NESA Board 2006 - current
Special Responsibilities	Member of Nominations and Successions Committee

Katrina Spies

Qualifications	Bachelor of Education Bachelor of Psychology
Experience	Commenced on NESA Board mid 2001 until retiring in November 2006. Commenced again in November 2007 Secretary RDA FNQ&TS – current (Reappointed in 23 January 2012 as Committee Member and is effective until 30 October 2014) Diploma of Company Directors (Australian Institute of Company Directors) 2010-Current Winner of the 2012 Westpac Manager in Business Woman of the Year (Cairns Business Women's Club) May 2012 2012 Finalist Rural/Regional Manager of the Year (Australian Institute of Management)
Special Responsibilities	Served as SIG convenor for Rural and Remote SIG for approximately 4 years

John Perry

Qualifications	Member of Australian Institute of Company Directors Member of Metro South Institute of TAFE (Queensland) Advisory Council Chairman of The Australian Training Company
Experience	General Manager of Employment, Education and Training Services for BoysTown Responsibilities include overseeing the youth specialist JSA and Youth Connections contracts and social enterprise businesses Established BoysTown Enterprises Pioneered a "work as therapy" model for welfare delivery to disadvantaged youths 36 Years experience in education, training and employment industry in Government and non-Government sectors
Special Responsibilities	Chair of the Audit and Risk Management Committee

Director's Report

For the Year Ended 30 June 2013

Nicole Brouwers

Qualifications	B.App.Sc. (OT) MBA
Experience	21 years working with people with injury, illness or disability and supporting them to gain employment or remain in work
Special Responsibilities	Member of the Nominations and Successions Committee

Michael Wasley

Appointed: 23 November 2012

Qualifications	Bachelor of Science Post Graduate in Rehabilitation Counselling MBA
Experience	17 years experience in employment and community services industry 13 years management experience President of Carranballac College Council
Special Responsibilities	Member of the Audit and Risk Management Committee

Chris Sheppeard

Appointed: 23 November 2012; Resigned: 21 June 2013

Qualifications	Graduate Certificate in Management
Experience	16 years experience in banking and finance 14 years in senior management roles 9 years experience in the Employment Services and Training Sector as CEO
Special Responsibilities	Former member of the Audit & Risk Management Committee

Julie Graham

Retired: 23 November 2012

Qualifications	Graduate Certificate in Case Management and Client Services Graduate Diploma in Human Resource Management
Experience	21 years senior management positions including 10 in hospitality and 10 in employment services industry Board member – Geelong Region Vocational Education Council - 4 years Committee Member.
Special Responsibilities	Former Chair of the Audit & Risk Management Committee

Peter White

Retired: 23 November 2012

Qualifications	Advanced Diploma of Management Advanced Diploma of Business Vocational Graduate Certificate in Career Development Practice
Experience	Past director of Employment Innovations Victoria Pty Ltd
Special Responsibilities	Former member of the Audit & Risk Management Committee Member of the Australian Institute of Company Directors

Director's Report

For the Year Ended 30 June 2013

Directors meetings

Nine meetings of directors (including director committee meetings) were held during the year. The attendance by each director during the year was as follows:

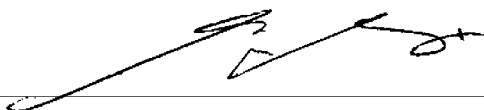
	Number eligible to attend	Number attended
Stephen Creese	9	9
Andrew Hills	9	8
Katrina Spies	9	7
John Perry	9	8
Nicole Brouwers	9	6
Michael Wasley	5	4
Julie Graham	4	4
Peter White	4	4
Chris Sheppeard	4	2

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 7.

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

Director



Dated 03 October 2013

Director



Auditor's Independence Declaration

SAWARD DAWSON

chartered accountants

www.youraccountant.com.au

National Employment Services Association Limited

ABN 69 079 065 428

Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit;
and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Saward Dawson Chartered Accountants



Peter Shields

Blackburn

Date: 3 October 2013

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PRINCIPALS: Bruce Saward FCA Cliff Dawson FCA
Peter Shields CA Tim Flowers CA Joshua Morse CA
ASSOCIATE: Cathy Braun CA
Liability limited by a scheme approved under Professional Standards Legislation



Statement of Profit or Loss & Other Comprehensive Income

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
REVENUE	3	3,760,271	2,948,525
Employee benefits expense		(1,266,030)	(1,147,882)
Depreciation, amortisation and impairments	4	(49,013)	(47,047)
Direct event expense		(868,844)	(1,004,382)
Rental expense		(129,137)	(130,643)
Travel expense		(140,215)	(112,137)
Consultancy expense		(57,491)	(31,206)
IT expense		(53,521)	(48,024)
Project expenses		(933,813)	(113,300)
Other expenses		(211,530)	(220,407)
Surplus before income tax		50,677	93,497
Income tax expense	5	-	-
Surplus for the year		50,677	93,497
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		50,677	93,497

The accompanying notes form part of the financial statements

Statement of Financial Position

For the Year Ended 30 June 2013

Assets	Note	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	8	636,088	144,267
Trade and other receivables	9	944,133	482,042
Financial assets	10	329,817	429,817
Other current assets	11	55,964	208,312
Total current assets		1,966,002	1,264,438
Non-current assets			
Property, plant and equipment	12	5,323	11,015
Intangible assets	13	42,144	81,806
Total non-current assets		47,467	92,821
TOTAL ASSETS		2,013,469	1,357,259
Liabilities	Note	2013 \$	2012 \$
Current liabilities			
Trade and other payables	14	537,206	229,242
Short-term provisions	15	156,481	179,843
Other current liabilities	16	537,192	199,661
Short-term borrowings	17	332	-
Total current liabilities		1,231,211	608,746
Non-current liabilities			
Other long-term provisions	15	28,774	45,706
Total non-current liabilities		28,774	45,706
TOTAL LIABILITIES		1,259,985	654,452
NET ASSETS		753,484	702,807
Equity			
Accumulated surpluses		753,484	702,807
TOTAL EQUITY		753,484	702,807

The accompanying notes form part of the financial statements

Statement of Changes in Equity For the Year Ended 30 June 2013

2013

	Retained Earnings \$	Total \$
Balance at 1 July 2012	702,807	702,807
Surplus for the year	50,677	50,677
Balance at 30 June 2013	753,484	753,484

2012

	Retained Earnings \$	Total \$
Balance at 1 July 2011	609,310	609,310
Surplus for the year	93,497	93,497
Balance at 30 June 2012	702,807	702,807

The accompanying notes form part of the financial statements

Statement of Cash Flows

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Cash from operating activities:			
Receipts from members & government bodies		3,961,116	2,886,763
Payments to suppliers and employees		(3,604,800)	(3,080,112)
Interest received		38,832	48,871
Net cash provided by (used in) operating activities	20	395,148	(144,478)
Cash flows from investing activities:			
Redemption/(Placement) of term deposits		100,000	(50,000)
Acquisition of plant and equipment		(3,659)	(3,788)
Proceeds from disposal of investment		-	53,861
Net cash used by investing activities		96,341	73
Net increase (decrease) in cash and cash equivalents held		491,489	(144,405)
Cash and cash equivalents at beginning of year		144,267	288,672
Cash and cash equivalents at end of financial year	8	635,756	144,267

The accompanying notes form part of the financial statements

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 1

Significant Accounting Policies

1a General information

National Employment Services Association Limited is a Company limited by guarantee incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

1b Basis of preparation

National Employment Services Association Limited has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. Accordingly, the entity has also early adopted AASB 2011–2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements and AASB 2012–7: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements in respect of AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets and AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

1c Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1d Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to impairment note for details).

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

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

Plant and Equipment	25 - 50%
Computer Software	25%
Low asset value pool	33 - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

1e Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Notes to the Financial Statements

For the Year Ended 30 June 2013

1e Financial Instruments continued.

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered. Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1f Intangibles

Software

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

1g Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1h Impairment of assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the Financial Statements

For the Year Ended 30 June 2013

1i 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. Long service leave provision has been provided for employees that have been employed for over 3 years. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

1j Provisions

Provisions are recognised when the Company 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

1k Income taxes

The charge for current income tax expenses is based on the surplus for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the liability method in respect of the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Because of principle of mutuality, only income arising from non-member activities is subject to income tax. The company is able to identify all non-member income.

1l Revenue

Revenue from the rendering of services is recognised upon delivery of the service to customers and members.

Member subscription year is 1 July to 30 June. Subscriptions are payable in advance. Only those subscriptions that are attributable to the current financial year are recognised as revenue. Subscription receipts relating to periods beyond the current financial year are shown in the Statement of Financial Position as Other Liabilities Note 15.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

1m Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

1n Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) that are transferred to NESA are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Notes to the Financial Statements

For the Year Ended 30 June 2013

1n Leases continued.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

1o Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 company.

Key judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments - Company as lessee

The entity has entered into commercial property leases for the use of corporate offices in Australia. The entity has determined the lessor retains all the significant risks and rewards of ownership of these properties and has thus classified these leases as operating leases.

Allocation of expenses for Income Tax calculation based on principle mutuality

The calculation of the income tax expense of the entity for the financial year is performed based on the principle of mutuality. To apply this method of calculation the entity is required to allocate expenses between income received from members, income received from a mixture of members and non-members and interest income. The entity has determined the allocation of expenses which are incurred in producing more than one category of income based on the total interest income received for the year as a percentage of total income. For mixed source income, expenses have been allocated based on the number of non-members the service has been provided to as a percentage of total persons the service has provided to.

Project surpluses

Included in the total surplus for the year ended 30 June 2013 was amounts relating to project surpluses recognised. The directors have judged that this project revenue should be recognised over the life of the project measured using services performed to date as a percentage of total services to be performed. The directors also use estimated costs to complete the project to estimate the surplus or deficit recognised each financial year.

Key estimates

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Income Tax calculation based on principle of mutuality

The entity determines its liability from income tax based on the principle of mutuality. The entity also accounts for income tax using balance sheet method of tax-effect accounting. The principle of mutuality requires that the entity make estimates as to the allocation of expenses among three broad categories of the income generated being, income from members, income from mixed sources and interest income.

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 2 Segment information

The company operates within one business segment being employment services and within one geographical segment, Australia.

Note 3 Revenue

	2013 \$	2012 \$
Interest revenue	38,215	52,836
Project income	1,627,581	260,549
Member subscriptions	572,450	635,791
Conference income	862,388	1,074,140
Government project funding	272,727	272,727
Seminars and services provided	369,679	627,845
Other income	17,231	24,637
	3,760,271	2,948,525

Note 4 Result for the Year

Expenses from Ordinary Activities

Depreciation of property, plant and equipment	49,013	47,047
Rental expense on operating leases		
Rental expense	129,137	130,643
Telephone equipment	-	7,700
Motor vehicle	9,400	30,161
	138,537	168,504

Note 5 Income tax expense

The prima facie tax on result from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable/(benefit) on profit from ordinary activities before income tax at 30% (2012: 30%)	15,203	28,049
Increase/(decrease) in income tax expense due to:		
- Amount excluded under Principle of Mutuality	(14,293)	(53,464)
- Deferred tax assets not brought to account 5(a)	(910)	25,415
Income tax attributable to entity	-	-

5(a) The company has carried forward tax losses that have not been recognised as a deferred tax asset.

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 6 Key Management Personnel Compensation

	2013 \$	2012 \$
--	------------	------------

The totals of remuneration paid to key management personnel (KMP) of National Employment Services Association Limited during the year are as follows:

Key management personnel compensation	682,429	611,608
	682,429	611,608

No directors are paid a salary, bonus or any other form of emolument. All services provided by them are free of charge to the entity.

Note 7 Related Party Transactions

Transactions between related parties (members of the organisation and organisations associated with board members) are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Note 8 Cash and cash equivalents

Cash on hand	300	5,108
Cash at bank	635,788	139,159
	636,088	144,267

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	636,088	144,267
Short-term borrowings	(332)	-
Balance as per statement of cash flows	635,756	144,267

Note 9 Trade and other receivables

CURRENT

Trade receivables	939,736	295,477
Provision for impairment of receivables	-	(6,505)
Other receivables	4,397	193,070
	944,133	482,042

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 10 Financial assets

		2013 \$	2012 \$
CURRENT			
Held-to-maturity financial assets	10a	329,817	429,817
		329,817	429,817

10a Held-to-maturity Financial Assets Comprise:

Term deposit placed with Bendigo Bank with an interest rate of 4.10%.

Note 11 Other Assets

CURRENT			
Prepayments		55,964	208,312
		55,964	208,312

Note 12 Property, plant and equipment

PLANT AND EQUIPMENT

Office equipment

At cost	66,111	64,098
Accumulated depreciation	(60,788)	(53,787)
Total office equipment	5,323	10,311

Low asset value pool

At cost	10,233	10,233
Accumulated depreciation	(10,233)	(9,529)
Total low asset value pool	-	704
Total property, plant and equipment	5,323	11,015

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 12 continued.

Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year,

	Office Equipment \$	Low Value Pool \$	Total \$
Current Year			
Balance at the beginning of year	10,311	704	11,015
Additions	2,013	-	2,013
Depreciation expense	(7,001)	(704)	(7,705)
Carrying amount at the end of year	<u>5,323</u>	<u>-</u>	<u>5,323</u>
Prior Year			
Balance at the beginning of year	15,035	2,016	17,051
Additions	3,788	-	3,788
Depreciation expense	(8,512)	(1,312)	(9,824)
Carrying amount at the end of year	<u>10,311</u>	<u>704</u>	<u>11,015</u>

Note 13 Intangible Assets

	2013 \$	2012 \$
Computer software		
Cost	221,298	219,652
Less accumulated amortisation and impairment	(179,154)	(137,846)
Total intangibles	<u>42,144</u>	<u>81,806</u>

	Computer software \$	Total \$
Year ended 30 June 2013		
Opening balance	81,806	81,806
Additions	1,646	1,646
Disposals	(41,308)	(41,308)
Closing value at 30 June 2013	<u>42,144</u>	<u>42,144</u>

Year ended 30 June 2012		
Opening balance	119,029	119,029
Disposals	(37,223)	(37,223)
Closing value at 30 June 2012	<u>81,806</u>	<u>81,806</u>

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 14 Trade and other payables

	2013 \$	2012 \$
CURRENT		
Unsecured liabilities		
Trade payables	352,792	89,639
Sundry payables and accrued expenses	71,209	102,649
Other payables	113,205	36,954
	537,206	229,242

Note 15 Provisions

	Employee entitlements \$	Total \$
Opening balance at 1 July 2012	225,549	225,549
Additional provisions	79,468	79,468
Amounts used	(119,762)	(119,762)
Balance at 30 June 2013	185,255	185,255

Analysis of Total Provisions

Current	156,481	179,843
Non-current	28,774	45,706
	185,255	225,549

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 16 Other Liabilities

	2013 \$	2012 \$
CURRENT		
Subscriptions / Fees in Advance	537,192	199,661
	537,192	199,661

Note 17 Short-term borrowings

CURRENT		
Bank Overdraft	332	-
	332	-

Note 18 Capital and Leasing Commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments

- not later than 12 months	125,616	37,899
- between 12 months and 5 years	160,352	27,600
- greater than 5 years	-	1,150
	285,968	66,649

Notes to the Financial Statements

For the Year Ended 30 June 2013

The company has operating leases on a photocopier, car spaces for employees and office space. The office space and car park leases expire on 30 September 2016. The photocopier lease has been renewed and expires on 10 August 2017.

2013
\$

2012
\$

Note 19 Contingent Liabilities and Contingent Assets

Contingent Liabilities

Rental Bond

29,817

29,817

The company has provided a guarantee to Bendigo Bank for its rental bond held relating to the company's office lease.

Note 20 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

Net surplus for the year

50,677

93,497

Non-cash flows in surplus/(deficit)

Amortisation

41,308

37,223

Depreciation

7,705

9,824

Net gain on disposal of investments

-

(3,861)

Provision for Doubtful Debts

(6,505)

-

Changes in assets and liabilities

(Increase)/decrease in trade and term receivables

(455,585)

(274,123)

(Increase)/decrease in prepayments

152,348

(57,663)

Increase/(decrease) in trade payables and accruals

307,964

13,332

Increase/(decrease) in other current liabilities

337,530

(18,842)

Notes to the Financial Statements

For the Year Ended 30 June 2013

Increase/(decrease) in provisions

(40,294)

56,135

395,148

(144,478)

Note 21 Events Occurring After the Reporting Date

On 29 July 2013, NESA Solutions Limited was established and National Employment Services Association Limited is the sole member as of that date. The purpose of NESA Solutions Limited is the advancement of education within the Employment and Related Services Industry. In particular, NESA Solutions Limited will develop training resources, learning tools and online communities as well as delivering on the ground training and support, with an intended outcome of strengthening capacity and improving effectiveness of services provided to the unemployed and disadvantaged. NESA Solutions Limited will work collaboratively with Government bodies, community groups and businesses to deliver solution based education which will build a stronger and more sustainable, economic future for people who are unemployed and disadvantaged

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.

Note 22 Financial Risk Management

The company's financial instruments consist mainly of deposits with bank, short term investments and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2013 \$	2012 \$
Financial Assets		
Cash and cash equivalents	636,088	144,267
Trade and other receivables	944,132	482,042
Financial assets	329,817	429,817
	1,910,037	1,056,126
Financial Liabilities		
Trade and other payables	537,206	229,242
Short-term borrowings	332	-
	537,538	229,242

Note 23 Members' Guarantee

Director's Declaration

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$ 50 each towards any outstanding obligations of the Company. At 30 June 2013 the number of members was 131 (2012: 145).

Note 24 Company Details

The registered office of the company is:
National Employment Services Association Limited
Level 8, 20 - 22 Albert Road
SOUTH MELBOURNE VIC 3205

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 23, are in accordance with the Corporations Act 2001 and:
(a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
(b) give a true and fair view of the financial position as at 30 June 2013 and its performance for the year ended on that date of the Company.

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.

Director

Director

Dated 03 October 2013

SAWARD / DAWSON

chartered accountants

www.youraccountant.com.au

National Employment Services Association Limited

ABN 69 079 065 428

Independent Audit Report to the members of National Employment Services Association Limited

Report on the financial report

We have audited the accompanying financial report of National Employment Services Association Limited (the Company), which comprises the statement of financial position as at 30 June 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility 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 in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of National Employment Services Association Limited would be in the same terms if provided to the directors as at the date of this auditor's report.

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PRINCIPALS: Bruce Seward FCA Cliff Dawson FCA
Peter Shields CA Tim Flowers CA Joshua Morse CA
ASSOCIATE: Cathy Braun CA
Liability limited by a scheme approved under Professional Standards Legislation



SAWARD / DAWSON

chartered accountants

www.youraccountant.com.au

National Employment Services Association Limited

ABN 69 079 065 428

Independent Audit Report to the members of National Employment Services Association Limited

Auditor's opinion

In our opinion the financial report of National Employment Services Association Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Saward Dawson Chartered Accountants



Peter Shields

Blackburn

Date: 3 October 2013

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